

# HOUSE BILL No. 5903

May 12, 2004, Introduced by Reps. Hoogendyk, Richardville, Shackleton, Stahl, Voorhees, Amos, Palsrok, Taub, Meyer, LaJoy, Garfield, Nitz, DeRoche, Milosch, Pumford, Hummel, Steil, Koetje, Bisbee, Hune, Tabor, Shaffer, DeRossett, Ehardt, Gaffney, Newell, Caswell, Walker, Moolenaar, Acciavatti, Huizenga, Caul, Kooiman, Nofs and Sheen and referred to the Committee on Government Operations.

A bill to amend 1974 PA 258, entitled  
"Mental health code,"  
by amending section 137 (MCL 330.1137), as amended by 1995 PA  
290.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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1       Sec. 137. (1) A person shall not construct, establish, or  
2 maintain a psychiatric hospital, psychiatric unit, or psychiatric  
3 partial hospitalization program or use the terms psychiatric  
4 hospital, psychiatric unit, or psychiatric partial  
5 hospitalization program, without first obtaining a license. The  
6 director shall require an applicant or a licensee to disclose the  
7 names, addresses, and official positions of all persons who have  
8 an ownership interest in a psychiatric hospital, psychiatric  
9 unit, or psychiatric partial hospitalization program. If the  
10 psychiatric hospital, psychiatric unit, or psychiatric partial

1 hospitalization program is located on or in real estate ~~which~~  
2 **that** is leased, the applicant or licensee shall disclose the name  
3 of the lessor and any direct or indirect interest that the  
4 applicant or licensee has in the lease other than as lessee. A  
5 nontransferable license shall be granted for 2 years after the  
6 date of issuance, unless otherwise provided in sections 134 to  
7 150. The director may issue a provisional license for 1 year to  
8 provide a licensee or applicant time to undertake remedial action  
9 to correct programmatic or physical plant deficiencies. A  
10 provisional license may be renewed for ~~no~~ **not** longer than 1  
11 additional year. A violation of this section is a misdemeanor  
12 and ~~shall be~~ **is** punishable by a fine of not more than \$1,000.00  
13 for each violation.

14 (2) Biennial licensure of psychiatric hospitals, psychiatric  
15 units, and psychiatric partial hospitalization programs shall be  
16 implemented ~~within 1 year after the effective date of the~~  
17 ~~amendatory act that added sections 100a to 100d~~ **by March 28,**  
18 **1997.** License fees shall be prorated according to the period of  
19 time that the license will be in force.

20 (3) **Beginning the effective date of the amendatory act that**  
21 **added this subsection, the department shall issue an initial or**  
22 **renewal license or registration not later than 180 days after the**  
23 **applicant files a completed application. If the application is**  
24 **considered incomplete by the department, the department shall**  
25 **notify the applicant in writing within 10 days after receipt of**  
26 **the incomplete application, describing the deficiency and**  
27 **requesting additional information. The 180-day period is tolled**

1 upon notification by the department of a deficiency until the  
2 date the requested information is received by the department.

3 (4) If the department fails to issue or deny a license or  
4 registration within the time required by this section, the  
5 department shall return the license or registration fee and shall  
6 reduce the license or registration fee for the applicant's next  
7 renewal application, if any, by 15%. The department shall not  
8 discriminate against an applicant in the processing of the  
9 application based on the fact that the application fee was  
10 refunded or discounted under this subsection.

11 (5) Beginning January 31, 2005, the director of the  
12 department shall submit a report by January 31 of each year to  
13 the standing committees and appropriations subcommittees of the  
14 senate and house of representatives concerned with issues  
15 relating to mental health. The director shall include all of the  
16 following information in the report concerning the calendar year  
17 that ended the preceding December 31:

18 (a) The number of initial and renewal applications the  
19 department received and completed within the 180-day time period  
20 described in subsection (3).

21 (b) The number of applications requiring a request for  
22 additional information.

23 (c) The average time for an applicant to respond to a request  
24 for additional information.

25 (d) The number of applications rejected, categorized by  
26 reason for rejection.

27 (e) The amount of money returned to licensees and registrants

1 under subsection (4).

2 (f) The number of licenses not issued within the 180-day  
3 period.

4 (g) The average processing time for initial and renewal  
5 licenses granted after the 180-day period.