

**SUBSTITUTE FOR
SENATE BILL NO. 190**

A bill to amend 1974 PA 258, entitled
"Mental health code,"
by amending section 137 (MCL 330.1137), as amended by 2015 PA 59,
and by adding section 137b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 137. (1) A person ~~shall~~**must** not construct, establish, or
2 maintain a psychiatric hospital or psychiatric unit or use the
3 terms psychiatric hospital or psychiatric unit without first
4 obtaining a license. The director shall require an applicant or a
5 licensee to disclose the names, addresses, and official positions
6 of all persons who have an ownership interest in a psychiatric
7 hospital or psychiatric unit. If the psychiatric hospital or
8 psychiatric unit is located on or in real estate that is leased,

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

12 (2) ~~Annual licensure~~ **Renewal** of ~~a psychiatric hospitals~~
13 **hospital's** and ~~a psychiatric units shall be implemented by March~~
14 ~~28, 1997.~~ **unit's license is required annually. Licensure is subject**
15 **to section 137b.** License fees shall be prorated according to the
16 period of time that the license will be in force.

17 (3) The department shall issue an initial license under this
18 section not later than 6 months after the applicant files a
19 completed application. Receipt of the application is considered the
20 date the application is received by any agency or department of
21 this state. If the application is considered incomplete by the
22 department, the department shall notify the applicant in writing or
23 make notice electronically available within 30 days after receipt
24 of the incomplete application, describing the deficiency and
25 requesting additional information. The 6-month period is tolled
26 upon notification by the department of a deficiency until the date
27 the requested information is received by the department. The
28 determination of the completeness of an application is not an
29 approval of the application for the license and does not confer

1 eligibility on an applicant determined otherwise ineligible for
2 issuance of a license.

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 fee and shall reduce the
6 license fee for the applicant's next renewal application, if any,
7 by 15%. Failure to issue or deny a license within the time period
8 required under this section does not allow the department to
9 otherwise delay ~~the processing of~~ the application. A completed
10 application ~~shall~~**must** be placed in sequence with other completed
11 applications received at that same time. The department ~~shall~~**must**
12 not discriminate against an applicant in ~~the processing of~~ the
13 application based on the fact that the application fee was refunded
14 or discounted under this subsection.

15 (5) The director of the department shall submit a report by
16 December 1 of each year to the standing committees and
17 appropriations subcommittees of the senate and house of
18 representatives concerned with issues relating to mental health.
19 The director shall include all of the following information in the
20 report concerning the preceding fiscal year:

21 (a) The number of initial applications the department received
22 and completed within the 6-month time period described in
23 subsection (3).

24 (b) The number of applications rejected.

25 (c) The number of applicants not issued a license within the
26 6-month time period and the amount of money returned to licensees
27 under subsection (4).

28 (6) As used in this section, "completed application" means an
29 application complete on its face and submitted with any applicable

1 licensing fees as well as any other information, records, approval,
2 security, or similar item required by law or rule from a local unit
3 of government, a federal agency, or a private entity but not from
4 another department or agency of this state.

5 **Sec. 137b. (1) As a condition of licensing, a psychiatric**
6 **hospital or psychiatric unit must accept public patients and**
7 **maintain 50% of beds available to public patients.**

8 **(2) Beginning June 1, 2021, a psychiatric hospital and**
9 **psychiatric unit must submit an annual report to the department as**
10 **a part of the application for license renewal. The department may**
11 **develop the annual report format. The annual report must include**
12 **data on all of the following:**

13 **(a) Total patient days of care provided to public patients**
14 **during the previous calendar year.**

15 **(b) Total beds available during the previous calendar year.**

16 **(c) Total patient days of care during the previous calendar**
17 **year.**

18 **(3) The department may use the annual report data from**
19 **subsection (2) or a department investigation to determine if a**
20 **psychiatric hospital or psychiatric unit maintains 50% of beds**
21 **available to public patients.**

22 **Enacting section 1. This amendatory act does not take effect**
23 **unless Senate Bill No. 181 of the 101st Legislature is enacted into**
24 **law.**