AN ACT to provide for an inventory of existing hospitals, for a survey of the need for additional hospital facilities, and for the development and administration of a hospital construction program which will, in conjunction with existing facilities, afford hospitals adequate to serve all the people of the state; to provide for compliance with the requirements of the federal hospital survey and construction act and regulations thereunder; to create an office of hospital survey and construction, and to prescribe its powers and duties; to create the Michigan advisory hospital council, and to prescribe its powers and duties; to prescribe penalties; and to make appropriations to carry out the provisions of this act.


The People of the State of Michigan enact:

PART A

GENERAL

Sec. 1. This act may be cited as the "Michigan hospital survey and construction act."

331.502 Michigan hospital survey and construction act; definitions.
Sec. 2. As used in this act:
(a) "The federal act" means Public Law 725 of the 79th Congress, approved August 13, 1946, known as the hospital survey and construction act.
(b) "The surgeon general" means the surgeon general of the public health service of the United States.
(c) "Hospital" includes public health centers and general, tuberculosis, mental, chronic disease, and other types of hospitals, and related facilities, such as laboratories, out-patient departments, nurses' home and training facilities, and central service facilities operated in connection with hospitals, but does not include any hospital furnishing primarily domiciliary care.
(d) "Public health center" means a publicly owned facility for the provision of public health services, including related facilities such as laboratories, clinics, and administrative offices operated in connection with public health centers.
(e) "Non-profit hospital" means any hospital owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

331.503 Office of hospital survey and construction; establishment; director, appointment, salary; purposes.
Sec. 3. There is hereby established in the executive branch of the state government an office of hospital survey and construction, which shall be administered by a full-time salaried director appointed by the governor, to serve at the pleasure of the governor. This office shall constitute the sole agency of the state for the purpose of (1) making an inventory of existing hospitals, surveying the need for construction of hospitals, and developing a program of hospital construction as provided in Part B of this act, and (2) developing and administering a state plan for the construction of public and other non-profit hospitals as provided in Part C of this act.

331.504 Office of hospital survey and construction; authority of director.
Sec. 4. In carrying out the purposes of this act, the director is authorized and directed:
(a) To require such reports, make such inspections and investigations and prescribe such regulations as he deems necessary;
(b) To provide such methods of administration and personnel, and take such other action as may be necessary to comply with the requirements of the federal act and the regulations thereunder;
(c) To procure in his discretion the temporary or intermittent services of experts or consultants or organizations thereof, by contract, when such services are to be performed on a part-time or fee-for-service basis and do not involve the performance of administrative duties;
(d) To the extent that he considers desirable to effectuate the purposes of this act, to enter into agreements for the utilization of the facilities and services of other departments, agencies, and institutions, public or private. Insofar as is practical, the services of the buildings and construction division of the state administrative board shall be used in the performance of the duties as set forth by this act.

(e) To make an annual report to the governor and to the legislature on activities and expenditures pursuant to this act, including recommendations for such additional legislation as the director considers appropriate to furnish adequate hospital, clinic, and similar facilities to the people of this state.


331.505 Office of hospital survey and construction; application for federal funds, deposit, expenditure, repayment of unexpended funds; gifts, grants.

Sec. 5. The state budget director is authorized to make application to the surgeon general for federal funds to assist in carrying out the survey and planning activities herein provided. Such funds shall be deposited in the state treasury and shall be available to the office of hospital survey and construction for expenditure in carrying out the purposes of this act in such manner as is or may be provided by law. Any such funds received and not expended for such purposes shall be repaid to the treasury of the United States. The state budget director is further authorized to accept on behalf of the state and to deposit with the state treasurer, to be credited to the hospital construction and planning fund, any grant, gift or contribution made to assist in meeting the cost of carrying out the purposes of this act.


Compiler's note: The repealed sections pertained to Michigan advisory hospital council and appropriation of state and federal funds.

PART B
SURVEY AND PLANNING

331.508 Inventory and survey of hospitals; construction program.

Sec. 8. The director is authorized and directed to make an inventory of existing hospitals, including public, non-profit and proprietary hospitals, to survey the need for construction of hospitals, and, on the basis of such inventory and survey, to develop a program for the construction of such public and other non-profit hospitals as will, in conjunction with existing facilities, afford the necessary physical facilities for furnishing adequate hospital, clinic and similar services to all the people of the state.


331.509 Hospital construction program; adequate facilities.

Sec. 9. The construction program shall provide, in accordance with regulations prescribed under the federal act, for adequate hospital facilities for the people residing in this state and insofar as possible shall provide for their distribution throughout the state in such manner as to make all types of hospital service reasonably accessible to all persons in the state.


PART C
HOSPITAL CONSTRUCTION PROGRAM

331.510 Hospital construction program; state plan, contents, submission to surgeon general, hearing, approval, publication, review, modification.

Sec. 10. The director shall prepare and submit to the surgeon general a state plan which shall include the hospital construction program developed under Part B of this act, and which shall provide for the establishment, administration, and operation of hospital construction activities in accordance with the requirements of the federal act and regulations thereunder. The director shall, prior to the submission of such plan to the surgeon general, give adequate publicity to a general description of all the provisions proposed to be included therein, and hold a public hearing at which all persons or organizations with a legitimate interest in such plan may be given an opportunity to express their views. After approval of the plan by the surgeon general, the director shall publish a general description of the provisions thereof in at least 1 newspaper having general circulation in each county in the state, and shall make the plan, or a copy thereof, available upon request to all interested persons or organizations. The director shall from time to time review the hospital construction program and submit to the surgeon general any modifications thereof which he may find
necessary and may submit to the surgeon general such modifications of the state plan, not inconsistent with the requirements of the federal act, as he may deem advisable.


### 331.511 Hospital construction program; minimum standards for maintenance and operation of hospitals receiving federal aid; medical personnel.

Sec. 11. Any hospital which shall hereafter receive federal aid under the provisions of Public Law 725, known as the "hospital survey and construction act," enacted by the 79th Congress, shall hereafter comply with the minimum standards of maintenance and operation which the state department of health with the advice of the advisory hospital council, shall promulgate and administer. This section shall not be construed so as to authorize any regulation of medical personnel.


### 331.511a Minimum standards violation; penalty.

Sec. 11a. Any such hospital or person acting in behalf of such hospital violating these minimum standards of maintenance and operation shall be guilty of a misdemeanor, and upon conviction shall be fined not more than $100.00 for the first offense and not more than $200.00 for each subsequent offense, and each day of a continuing violation after conviction shall be considered a separate offense.


### 331.512 Construction projects; relative needs, federal regulations, priority.

Sec. 12. The state plan shall set forth the relative need for the several projects included in the construction program determined in accordance with regulations prescribed pursuant to the federal act, and provide for the construction, insofar as financial resources available therefor are certified by the state budget director, and for maintenance and operations and make possible in the order of such relative need.


### 331.513 Construction projects; application, submittance to director, conformity with federal or state requirements.

Sec. 13. Applications for hospital construction projects for which federal funds are requested shall be submitted to the director and may be submitted by the state or any political subdivision thereof or by any public or non-profit agency authorized to construct and operate a hospital. Each application for a construction project shall conform to federal and state requirements.


### 331.514 Construction projects; hearing on application, approval, recommending and forwarding to surgeon general.

Sec. 14. The director shall afford to every applicant for a construction project an opportunity for a fair hearing. If the director, after affording reasonable opportunity for development and presentation of applications in the order of relative need, finds that a project application complies with the requirements of section 13 of this act and is otherwise in conformity with the state plan, he shall approve such application and shall recommend and forward it to the surgeon general.


### 331.515 Construction projects; inspection, certification, federal installment payments.

Sec. 15. From time to time the director shall inspect each construction project approved by the surgeon general, and, if the inspection so warrants, the director shall certify to the surgeon general that work has been performed upon the project, or purchases have been made, in accordance with the approved plans and specifications, and that payment of an installment of federal funds is due to the applicant.


### 331.516 State budget director; authorization to receive federal funds; hospital construction planning fund, deposit, disbursement.

Sec. 16. The state budget director is hereby authorized to receive federal funds in behalf of applicants and to authorize the director of the division of hospital survey and construction to transmit them to such applicants. There is hereby established, separate and apart from all public moneys and funds of this state, a hospital construction and planning fund. Money received from the federal government for a construction project approved by the surgeon general shall be deposited to the credit of this fund and shall be used solely...
for payments due applicants for work performed, or purchases made, in carrying out approved projects.