



# SENATE BILL No. 807

January 17, 1996, Introduced by Senators SHUGARS and STEIL and referred to the Committee on Health Policy and Senior Citizens.

A bill to amend sections 2612, 20101, 20145, 20161, 20164, 20165, 20166, 21420, 21551, and 21563 of Act No. 368 of the Public Acts of 1978, entitled as amended "Public health code," section 2612 as added by Act No. 138 of the Public Acts of 1990, sections 20101 and 20166 as amended by Act No. 332 of the Public Acts of 1988, section 20145 as amended by Act No. 88 of the Public Acts of 1993, section 20161 as amended and section 21563 as added by Act No. 252 of the Public Acts of 1990, sections 20164 and 20165 as amended by Act No. 179 of the Public Acts of 1990, section 21420 as amended by Act No. 245 of the Public Acts of 1982, and section 21551 as amended by Act No. 331 of the Public Acts of 1990, being sections 333.2612, 333.20101, 333.20145, 333.20161, 333.20164, 333.20165, 333.20166, 333.21420,

333.21551, and 333.21563 of the Michigan Compiled Laws; and to repeal acts and parts of acts.

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

1 Section 1. Sections 2612, 20101, 20145, 20161, 20164,  
2 20165, 20166, 21420, 21551, and 21563 of Act No. 368 of the  
3 Public Acts of 1978, section 2612 as added by Act No. 138 of the  
4 Public Acts of 1990, sections 20101 and 20166 as amended by Act  
5 No. 332 of the Public Acts of 1988, section 20145 as amended by  
6 Act No. 88 of the Public Acts of 1993, section 20161 as amended  
7 and section 21563 as added by Act No. 252 of the Public Acts of  
8 1990, sections 20164 and 20165 as amended by Act No. 179 of the  
9 Public Acts of 1990, section 21420 as amended by Act No. 245 of  
10 the Public Acts of 1982, and section 21551 as amended by Act  
11 No. 331 of the Public Acts of 1990, being sections 333.2612,  
12 333.20101, 333.20145, 333.20161, 333.20164, 333.20165, 333.20166,  
13 333.21420, 333.21551, and 333.21563 of the Michigan Compiled  
14 Laws, are amended to read as follows:

15 Sec. 2612. (1) The department may establish with Michigan  
16 state university and other parties determined appropriate by the  
17 department a nonprofit corporation pursuant to the nonprofit cor-  
18 poration act, Act No. 162 of the Public Acts of 1982, being  
19 sections 450.2101 to 450.3192 of the Michigan Compiled Laws. The  
20 purpose of the corporation shall be to establish and operate a  
21 center for rural health. In fulfilling its purpose, the corpora-  
22 tion shall do all of the following:

1 (a) Develop a coordinated rural health program that  
2 addresses critical questions and problems related to rural health  
3 and provides mechanisms for influencing health care policy.

4 (b) Perform and coordinate research regarding rural health  
5 issues.

6 (c) Periodically review state and federal laws and judicial  
7 decisions pertaining to health care policy and analyze the impact  
8 on the delivery of rural health care.

9 (d) Provide technical assistance and act as a resource for  
10 the rural health community in this state.

11 (e) Suggest changes in medical education curriculum that  
12 would be beneficial to rural health.

13 (f) Assist rural communities with all of the following:

14 (i) Applications for grants.

15 (ii) The recruitment and retention of health professionals.

16 (iii) Needs assessments and planning activities for rural  
17 health facilities.

18 (g) Serve as an advocate for rural health concerns.

19 (h) Conduct periodic seminars on rural health issues.

20 (i) Establish and implement a visiting professor program.

21 (j) Conduct consumer oriented rural health education  
22 programs.

23 ~~(k) Designate a certificate of need ombudsman to provide~~  
24 ~~technical assistance and consultation to rural health care pro-~~  
25 ~~viders and rural communities regarding certificate of need pro-~~  
26 ~~posals and applications under part 222. The ombudsman shall also~~

~~1 act as an advocate for rural health concerns in the development  
2 of certificate of need review standards under part 222.~~

3 (2) The incorporators of the corporation shall select a  
4 board of directors consisting of a representative from each of  
5 the following organizations:

6 (a) The Michigan state medical society or its successor.  
7 The representative appointed under this subdivision shall be a  
8 physician practicing in a county with a population of not more  
9 than 100,000.

10 (b) The Michigan osteopathic physicians' society or its  
11 successor. The representative appointed under this subdivision  
12 shall be a physician practicing in a county with a population of  
13 not more than 100,000.

14 (c) The Michigan nurses association or its successor. The  
15 representative appointed under this subdivision shall be a nurse  
16 practicing in a county with a population of not more than  
17 100,000.

18 (d) The Michigan hospital association or its successor. The  
19 representative selected under this subdivision shall be from a  
20 hospital in a county with a population of not more than 100,000.

21 (e) The Michigan primary care association or its successor.  
22 The representative appointed under this subdivision shall be a  
23 health professional practicing in a county with a population of  
24 not more than 100,000.

25 (f) The Michigan association for local public health or its  
26 successor. The representative appointed from a county health  
27 department for a county with a population of not more than

1 100,000 or from a district health department with at least 1  
2 member county with a population of not more than 100,000.

3 (g) The office of the governor.

4 (h) The department of public health.

5 (i) The department of commerce.

6 (j) The Michigan senate. The individual selected under this  
7 subdivision shall be from a district located at least in part in  
8 a county with a population of not more than 100,000.

9 (k) The Michigan house of representatives. The individual  
10 selected under this subdivision shall be from a district located  
11 at least in part in a county with a population of not more than  
12 100,000.

13 (3) The board of directors of the corporation shall appoint  
14 an internal management committee for the center for rural  
15 health. The management committee shall consist of representa-  
16 tives from each of the following:

17 (a) The college of human medicine of Michigan state  
18 university.

19 (b) The college of osteopathic medicine of Michigan state  
20 university.

21 (c) The college of nursing of Michigan state university.

22 (d) The college of veterinary medicine of Michigan state  
23 university.

24 (e) The cooperative extension service of Michigan state  
25 university.

26 (f) The department of public health.

1           Sec. 20101. (1) The words and phrases defined in sections  
2 20102 to 20109 apply to all parts in this article ~~except part~~  
3 ~~222~~ and have the meanings ascribed to them in those sections.

4           (2) In addition, article 1 contains general definitions and  
5 principles of construction applicable to all articles in this  
6 code.

7           Sec. 20145. (1) Before contracting for and initiating a  
8 construction project involving new construction, additions, mod-  
9 ernizations, or conversions of a health facility or agency with a  
10 capital expenditure of \$1,000,000.00 or more, a person shall  
11 obtain a construction permit from the department. ~~The permit~~  
12 ~~shall not be issued under this subsection unless the applicant~~  
13 ~~holds a valid certificate of need if a certificate of need is~~  
14 ~~required for the project pursuant to part 222.~~

15           (2) To protect the public health, safety, and welfare, the  
16 department may promulgate rules to require construction permits  
17 for projects other than those described in subsection (1) and the  
18 submission of plans for other construction projects to expand or  
19 change service areas and services provided.

20           ~~(3) If a construction project requires a construction~~  
21 ~~permit under subsection (1) or (2), but does not require a cer-~~  
22 ~~tificate of need under part 222, the department shall require the~~  
23 ~~applicant to submit information considered necessary by the~~  
24 ~~department to assure that the capital expenditure for the project~~  
25 ~~is not a covered capital expenditure as defined in section~~  
26 ~~22203(9).~~

1           (3) ~~(4)~~ If a construction project requires a construction  
2 permit under subsection (1), ~~but does not require a certificate~~  
3 ~~of need under part 222,~~ the department shall require the appli-  
4 cant to submit information on a 1-page sheet, along with the  
5 application for a construction permit, consisting of all of the  
6 following:

7           (a) A short description of the reason for the project and  
8 the funding source.

9           (b) A contact person for further information, including  
10 address and phone number.

11           (c) The estimated resulting increase or decrease in annual  
12 operating costs.

13           (d) The current governing board membership of the  
14 applicant.

15           (e) The entity, if any, that owns the applicant.

16           (4) ~~(5)~~ The information filed under subsection ~~(4)~~ (3)  
17 be made publicly available by the department. ~~by the same~~  
18 ~~methods used to make information about certificate of need appli-~~  
19 ~~cations publicly available.~~

20           (5) ~~(6)~~ The review and approval of architectural plans and  
21 narrative shall require that the proposed construction project is  
22 designed and constructed in accord with applicable statutory and  
23 other regulatory requirements.

24           (6) ~~(7)~~ The department shall promulgate rules to further  
25 prescribe the scope of construction projects and other alter-  
26 ations subject to review under this section.

1 (7) ~~(8)~~ The department may waive the applicability of this  
2 section to a construction project or alteration if the waiver  
3 will not affect the public health, safety, and welfare.

4 (8) ~~(9)~~ Upon request by the person initiating a construc-  
5 tion project, the department may review and issue a construction  
6 permit to a construction project that is not subject to  
7 subsection (1) or (2) if the department determines that the  
8 review will promote the public health, safety, and welfare.

9 (9) ~~(10)~~ The department shall assess a fee for each review  
10 conducted under this section. The fee shall be .5% of the first  
11 \$1,000,000.00 of capital expenditure and .85% of any amount over  
12 \$1,000,000.00 of capital expenditure, up to a maximum of  
13 \$30,000.00.

14 (10) ~~(11)~~ As used in this section, "capital expenditure"  
15 means that term as defined in section 22203(2), except that it  
16 does not include the cost of equipment that is not fixed  
17 equipment.

18 Sec. 20161. (1) Fees for health facility and agency  
19 licenses ~~and certificates of need~~ shall be assessed on an  
20 annual basis by the department as provided in this ~~act~~  
21 ARTICLE. Except as otherwise provided in this article, fees  
22 shall be paid in accordance with the following fee schedule:

- 23
- 24 (a) Freestanding surgical out-
- 25 patient facilities..... \$ 238.00 per facility.
- 26 (b) Hospitals..... \$ 8.28 per licensed bed.



1 (c) Nursing homes, county  
 2 medical care facilities, and  
 3 hospital long-term care units.... \$ 2.20 per licensed bed.  
 4 (d) Homes for the aged..... \$ 6.27 per licensed bed.  
 5 (e) Health maintenance  
 6 organizations..... \$1,000.00 for an initial  
 7 license; 80 cents per sub-  
 8 scriber for a 3-YEAR renewal  
 9 license; ~~(3-year);~~ \$100.00  
 10 for a certificate of authority  
 11 for planning.  
 12 (f) Clinical laboratories..... \$ 475.00 per laboratory.  
 13 (g) Health care delivery and  
 14 financing system under section  
 15 21042..... \$1,000.00 for an initial  
 16 license; effective January 1,  
 17 1987, \$1,000.00 for 3-year  
 18 renewal license for prepaid  
 19 institutional programs,  
 20 \$5,000.00 for 3-year renewal  
 21 license for organizations  
 22 determined by the department to  
 23 offer a single form of health  
 24 care service, and 80 cents per  
 25 subscriber for all other 3-year  
 26 renewal licenses under  
 27 section 21042.

1 (2) If a hospital requests the department to conduct a  
2 certification survey for purposes of title XVIII or title XIX of  
3 the social security act, the hospital shall pay a license fee  
4 surcharge of \$23.00 per bed. AS USED IN THIS SUBSECTION, "TITLE  
5 XVIII" AND "TITLE XIX" MEAN THOSE TERMS AS DEFINED IN SECTION  
6 20155.

7 ~~(3) The base fee for a certificate of need is \$750.00 for~~  
8 ~~each application. For a project requiring a projected capital~~  
9 ~~expenditure of more than \$150,000.00 but less than \$1,500,000.00,~~  
10 ~~an additional fee of \$2,000.00 shall be added to the base fee.~~  
11 ~~For a project requiring a projected capital expenditure of~~  
12 ~~\$1,500,000.00 or more, an additional fee of \$3,500.00 shall be~~  
13 ~~added to the base fee.~~

14 (3) ~~(4)~~ With the exception of health maintenance organiza-  
15 tions, ~~when~~ IF licensure is for more than 1 year, the fees  
16 described in subsection (1) shall be multiplied by the number of  
17 years for which the license is issued, and the total amount of  
18 the fees shall be collected in the year in which the license is  
19 issued.

20 (4) ~~(5)~~ Fees described in this section are payable to the  
21 department at the time an application for a license ~~OR~~ permit  
22 ~~OR~~ ~~or certificate~~ is submitted. If an application for a license  
23 ~~OR~~ permit ~~OR~~ ~~or certificate~~ is denied or if a license ~~OR~~ OR  
24 permit ~~OR~~ ~~or certificate~~ is revoked before its expiration date,  
25 the fees paid to the department shall not be refunded.

26 (5) ~~(6)~~ The fee for a provisional license or temporary  
27 permit shall be the same as for a license. A license may be

1 issued at the expiration date of a temporary permit without an  
2 additional fee for the balance of the period for which the fee  
3 was paid if the requirements for licensure are met.

4 (6) ~~(7)~~ The department may charge a fee to recover the  
5 cost of purchase or production and distribution of proficiency  
6 evaluation samples that are supplied to clinical laboratories  
7 pursuant to section 20521(3).

8 (7) ~~(8)~~ In addition to the fees imposed under subsection  
9 (1), a fee of \$25.00 shall be submitted to the department for  
10 each reissuance during the licensure period of a clinical labora-  
11 tory license.

12 (8) ~~(9)~~ Except for the licensure of clinical laboratories,  
13 not more than half the annual cost of licensure activities as  
14 determined by the department shall be provided by license fees.

15 (9) ~~(10)~~ The application fee for a waiver under  
16 section 21564 ~~shall be~~ IS \$200.00 plus \$40.00 per hour for the  
17 professional services and travel expenses directly related to  
18 processing the application. The travel expenses shall be calcu-  
19 lated in accordance with the ~~state~~ standardized travel regula-  
20 tions of the department of management and budget in effect at the  
21 time of the travel.

22 (10) ~~(11)~~ An applicant for licensure or renewal of licen-  
23 sure under part 209 shall pay the applicable fees set forth in  
24 part 209.

25 (11) ~~(12)~~ The fees collected under this section shall be  
26 deposited in the state treasury, to the credit of the general  
27 fund.

1       Sec. 20164. (1) A license, certification, provisional  
2 license, or limited license is valid for not more than 1 year  
3 after the date of issuance, except as provided in section 20511  
4 or part 209 or PART 210. A license for a facility licensed under  
5 part 215 ~~shall be~~ IS valid for 2 years, except that provisional  
6 and limited licenses may be valid for 1 year.

7       (2) A license ~~or~~ OR certification ~~or certificate of~~  
8 ~~need~~ is not transferable and shall state the persons, buildings,  
9 and properties to which it applies. ~~Applications for licensure~~  
10 ~~or certification because of transfer of ownership or essential~~  
11 ~~ownership interest shall not be acted upon until satisfactory~~  
12 ~~evidence is provided of compliance with part 222.~~

13       (3) If ownership is not voluntarily transferred, the depart-  
14 ment shall be notified immediately and the new owner shall apply  
15 for a license ~~and~~ OR certification, OR BOTH, not later than 30  
16 days after the transfer.

17       Sec. 20165. (1) Except as otherwise provided in this sec-  
18 tion, after notice of intent to an applicant or licensee to deny,  
19 limit, suspend, or revoke a license or certification and an  
20 opportunity for a hearing, the department may deny, limit, sus-  
21 pend, or revoke the license or certification if ~~any~~ 1 OR MORE  
22 of the following exist:

23       (a) Fraud or deceit in obtaining or attempting to obtain a  
24 license or certification or in operation of the licensed health  
25 facility or agency.

26       (b) A violation of this article or the rules promulgated  
27 under this article.

1 (c) False or misleading advertising.

2 (d) Negligence or failure to exercise due care, including  
3 negligent supervision of employees and subordinates.

4 (e) Permitting a license or certificate to be used by an  
5 unauthorized health facility or agency.

6 (f) Evidence of abuse regarding patient health, welfare, or  
7 safety or a denial of rights.

8 (g) Failure to comply with section 10102a(7).

9 ~~(h) Failure to comply with part 222 or a term, condition,~~  
10 ~~or stipulation of a certificate of need issued under part 222, or~~  
11 ~~both.~~

12 (2) An application for a license or certification may be  
13 denied on a finding of ~~any~~ A condition or practice ~~which~~ THAT  
14 would constitute a violation of this article if the applicant  
15 were a licensee.

16 (3) Denial, suspension, or revocation of an individual emer-  
17 gency medical services personnel license under part 209 is gov-  
18 erned by section 20958.

19 Sec. 20166. (1) Notice of intent to deny, limit, suspend,  
20 or revoke a license or certification shall be given by certified  
21 mail or personal service, shall set forth the particular reasons  
22 for the proposed action, and shall fix a date, not less ~~that~~  
23 THAN 30 days after the date of service, on which the applicant or  
24 licensee shall be given the opportunity for a hearing before the  
25 director or the director's authorized representative. The hear-  
26 ing shall be conducted in accordance with the administrative  
27 procedures act of 1969 and rules promulgated by the department.

1 A full and complete record shall be kept of the proceeding and  
2 shall be transcribed when requested by an interested party, who  
3 shall pay the cost of preparing the transcript.

4 (2) On the basis of a hearing or on the default of the  
5 applicant or licensee, the department may issue, deny, limit,  
6 suspend, or revoke a license or certification. A copy of the  
7 determination shall be sent by certified mail or served person-  
8 ally upon the applicant or licensee. The determination becomes  
9 final 30 days after it is mailed or served, unless the applicant  
10 or licensee within the 30 days appeals the decision to the cir-  
11 cuit court in the county of jurisdiction or to the Ingham county  
12 circuit court.

13 (3) The department may establish procedures, hold hearings,  
14 administer oaths, issue subpoenas, or order testimony to be taken  
15 at a hearing or by deposition in a proceeding pending at any  
16 stage of the proceeding. A person may be compelled to appear and  
17 testify and to produce books, papers, or documents in a  
18 proceeding.

19 (4) In case of disobedience of a subpoena, a party to a  
20 hearing may invoke the aid of the circuit court of the jurisdic-  
21 tion in which the hearing is held to require the attendance and  
22 testimony of witnesses. The circuit court may issue an order  
23 requiring an individual to appear and give testimony. Failure to  
24 obey the order of the circuit court may be punished by the court  
25 as a contempt.

26 ~~(5) The department shall not deny, limit, suspend, or~~  
27 ~~revoke a license on the basis of an applicant's or licensee's~~

1 ~~failure to show a need for a health facility or agency unless the~~  
2 ~~health facility or agency has not obtained a certificate of need~~  
3 ~~required by part 222.~~

4       Sec. 21420. Notwithstanding any other provision of this  
5 act, ~~all hospices shall be~~ A HOSPICE IS exempt from license  
6 fees ~~and certificate of need fees~~ for 3 years after the first  
7 hospice is licensed under this article.

8       Sec. 21551. (1) A hospital licensed under this article and  
9 located in a nonurbanized area may apply to the department to  
10 temporarily delicense not more than 50% of its licensed beds for  
11 not more than 5 years.

12       (2) ~~A~~ IF A hospital that is granted a temporary delicen-  
13 sure of beds under subsection (1) ~~may apply~~ APPLIES to the  
14 department for an extension of THE temporary delicensure, ~~for~~  
15 ~~those beds~~ THE DEPARTMENT SHALL GRANT AN EXTENSION for up to an  
16 additional 5 years to the extent that the hospital actually met  
17 the requirements of subsection (6) during the initial period of  
18 delicensure. ~~granted under subsection (1). The department shall~~  
19 ~~grant an extension under this subsection unless the department~~  
20 ~~determines under part 222 that there is a demonstrated need for~~  
21 ~~the delicensed beds in the subarea in which the hospital is~~  
22 ~~located. If the department does not grant an extension under~~  
23 ~~this subsection, the hospital shall request relicensure of the~~  
24 ~~beds pursuant to subsection (7) or allow the beds to become per-~~  
25 ~~manently delicensed pursuant to subsection (8).~~

26       (3) Except as otherwise provided in this section, ~~for a~~  
27 ~~period of 90 days after January 1, 1991~~ UNTIL APRIL 1, 1991, if

1 a hospital is located in a distressed area and has an annual  
2 indigent volume consisting of not less than 25% indigent  
3 patients, the hospital may apply to the department to temporarily  
4 delicense not more than 50% of its licensed beds for a period of  
5 not more than 2 years. Upon receipt of a complete application  
6 under this subsection, the department shall temporarily delicense  
7 the beds indicated in the application. The department shall not  
8 grant an extension of temporary delicensure under this  
9 subsection.

10 (4) An application under subsection (1) or (3) shall be on a  
11 form provided by the department. The form shall contain all of  
12 the following information:

13 (a) The number and location of the specific beds to be  
14 delicensed.

15 (b) The period of time during which the beds will be  
16 delicensed.

17 (c) The alternative use proposed for the space occupied by  
18 the beds to be delicensed.

19 (5) A hospital that files an application under  
20 subsection (1) or (3) may file an amended application with the  
21 department on a form provided by the department. The hospital  
22 shall state on the form the purpose of the amendment. If the  
23 hospital meets the requirements of this section, the department  
24 shall so amend the hospital's original application.

25 (6) An alternative use of space made available by the deli-  
26 censure of beds under this section shall not result in a  
27 violation of this article or the rules promulgated under this



1 article. Along with the application, an applicant for  
2 delicensure under subsection (1) or (3) shall submit to the  
3 department plans that indicate to the satisfaction of the depart-  
4 ment that the space occupied by the beds proposed for temporary  
5 delicensure will be used for 1 or more of the following:

6 (a) An alternative use that over the proposed period of tem-  
7 porary delicensure would defray the depreciation and interest  
8 costs that otherwise would be allocated to the space along with  
9 the operating expenses related to the alternative use.

10 (b) To correct a licensing deficiency previously identified  
11 by the department.

12 (c) Nonhospital purposes including, but not limited to, com-  
13 munity service projects, if the depreciation and interest costs  
14 for all capital expenditures that would otherwise be allocated to  
15 the space, as well as any operating costs related to the proposed  
16 alternative use, would not be considered as hospital costs for  
17 purposes of reimbursement.

18 (7) The department shall relicense beds that are temporarily  
19 delicensed under this section if all of the following require-  
20 ments are met:

21 (a) The hospital files with the department a written request  
22 for relicensure not less than 90 days before the earlier of the  
23 following:

24 (i) The expiration of the period for which delicensure was  
25 granted.

26 (ii) The date upon which the hospital is requesting  
27 relicensure.

1 (iii) The last hospital license renewal date in the  
2 delicensure period.

3 (b) The space to be occupied by the relicensed beds is in  
4 compliance with this article and the rules promulgated under this  
5 article, including all licensure standards in effect at the time  
6 of relicensure, or the hospital has a plan of corrections that  
7 has been approved by the department.

8 (8) If a hospital does not meet all of the requirements of  
9 subsection (7) or if a hospital decides to allow beds to become  
10 permanently delicensed as described in subsection (2), then all  
11 of the temporarily delicensed beds shall be automatically and  
12 permanently delicensed effective on the last day of the period  
13 for which the department granted temporary delicensure.

14 (9) The department shall continue to count beds temporarily  
15 delicensed under this section in the department's bed inventory  
16 for purposes of determining hospital bed need under part 222 in  
17 the subarea in which the beds are located. The department shall  
18 indicate in the bed inventory which beds are licensed and which  
19 beds are temporary delicensed under this section. The department  
20 shall not include a hospital's temporarily delicensed beds in the  
21 hospital's licensed bed count.

22 ~~(10) A hospital that is granted temporary delicensure of~~  
23 ~~beds under this section shall not transfer the beds to another~~  
24 ~~site or hospital without first obtaining a certificate of need.~~

25 (10) ~~(11)~~ A hospital that has beds that are subject to a  
26 hospital bed reduction plan or to a department action to enforce

1 this article shall not use beds temporarily delicensed under this  
2 section to comply with the bed reduction plan.

3 (11) ~~(+2)~~ As used in this section:

4 (a) "Distressed area" means a city that meets all of the  
5 following criteria:

6 (i) Had a negative population change from 1970 to the date  
7 of the 1980 federal decennial census.

8 (ii) From 1972 to 1989, had an increase in its state equal-  
9 ized valuation that is less than the statewide average.

10 (iii) Has a poverty level that is greater than the statewide  
11 average, according to the 1980 federal decennial census.

12 (iv) Was eligible for an urban development action grant from  
13 the United States department of housing and urban development in  
14 1984 and was listed in 49 F.R. No. 28 (February 9, 1984) or  
15 49 F.R. No. 30 (February 13, 1984).

16 (v) Had an unemployment rate that was higher than the state-  
17 wide average for 3 of the 5 years from 1981 to 1985.

18 (b) "Indigent volume" means the ratio of a hospital's indi-  
19 gent charges to its total charges expressed as a percentage as  
20 determined by the department of social services after  
21 November 12, 1990, pursuant to chapter 8 of the department of  
22 social services guidelines entitled "medical assistance program  
23 manual".

24 (c) "Nonurbanized area" means an area that is not an urban-  
25 ized area.

26 (d) "Urbanized area" means that term as defined by the  
27 office of federal statistical policy and standards of the United

1 States department of commerce in the appendix entitled "general  
2 procedures and definitions", 45 F.R. p. 962 (January 3, 1980),  
3 which document is incorporated by reference.

4       Sec. 21563. (1) The department, in consultation with the ad  
5 hoc advisory committee appointed under section 21562, shall  
6 promulgate rules for designation of a rural community hospital,  
7 maximum number of beds, and the services provided by a rural com-  
8 munity hospital. The director shall submit proposed rules, based  
9 on the recommendations of the committee, for public hearing not  
10 later than 6 months after receiving the report under  
11 section 21562(5).

12       (2) The designation as a rural community hospital shall be  
13 shown on a hospital's license and shall be for the same term as  
14 the hospital license. Except as otherwise expressly provided in  
15 this part or in rules promulgated under this section, a rural  
16 community hospital shall be licensed and regulated in the same  
17 manner as a hospital otherwise licensed under this article. ~~The~~  
18 ~~provisions of part 222 applicable to hospitals also apply to a~~  
19 ~~rural community hospital and to a hospital designated by the~~  
20 ~~department under federal law as an essential access community~~  
21 ~~hospital or a rural primary care hospital.~~ This part and the  
22 rules promulgated under this part do not preclude the establish-  
23 ment of differential reimbursement for rural community hospitals,  
24 essential access community hospitals, and rural primary care  
25 hospitals.

1       Section 2. Section 20143 and part 222 of Act No. 368 of the  
2 Public Acts of 1978, being sections 333.20143 and 333.22201 to  
3 333.22260 of the Michigan Compiled Laws, are repealed.