

**SUBSTITUTE FOR  
HOUSE BILL NO. 4205**

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
by amending the heading of part 58 and sections 5801, 5805, 5815,  
5817, 5821, 5823, 5825, 5828, 5831, 5835, 5841, 5843, 5847, 5863,  
5871, 5874, and 5879 (MCL 333.5801, 333.5805, 333.5815, 333.5817,  
333.5821, 333.5823, 333.5825, 333.5828, 333.5831, 333.5835,  
333.5841, 333.5843, 333.5847, 333.5863, 333.5871, 333.5874, and  
333.5879), section 5805 as amended by 1988 PA 236 and section 5817  
as amended by 1998 PA 88; and to repeal acts and parts of acts.

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

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PART 58

~~CRIPPLED~~-CHILDREN AND YOUTH WITH SPECIAL HEALTH CARE NEEDS

Sec. 5801. (1) As used in this part, ~~"crippled"~~child OR YOUTH  
WITH SPECIAL HEALTH CARE NEEDS" or "child" means a single or

1 married individual under 21 years of age whose activity is or may  
 2 become so restricted by disease or ~~deformity~~ **SPECIFIED MEDICAL**  
 3 **CONDITION** as to reduce the individual's normal capacity for  
 4 education and self-support.

5 (2) In addition, article 1 contains general definitions and  
 6 principles of construction applicable to all articles in this code  
 7 and part 51 contains definitions applicable to this part.

8 Sec. 5805. (1) The department shall develop, extend, and  
 9 improve services **FOR THE FOLLOWING PURPOSES:**

10 (a) ~~For locating crippled children and children suffering from~~  
 11 ~~conditions which lead to crippling and, effective April 1, 1989,~~  
 12 ~~for locating children~~ **TO LOCATE A CHILD OR YOUTH WITH SPECIAL**  
 13 **HEALTH CARE NEEDS** reported to the department pursuant to section  
 14 5721.

15 (b) ~~For providing~~ **TO PROVIDE** medical, surgical, corrective,  
 16 nutritional, and other services and care, including aftercare ~~when~~  
 17 **IF** necessary, and **TO PROVIDE** facilities for ~~diagnosis~~ **DIAGNOSING**  
 18 and hospitalization of ~~crippled children~~. **HOSPITALIZING A CHILD OR**  
 19 **YOUTH WITH SPECIAL HEALTH CARE NEEDS.**

20 (c) ~~For preventing, insofar as~~ **TO THE EXTENT** possible,  
 21 ~~crippling conditions~~. **TO PREVENT DISEASES AND SPECIFIED MEDICAL**  
 22 **CONDITIONS THAT REDUCE AN INDIVIDUAL'S NORMAL CAPACITY FOR**  
 23 **EDUCATION AND SELF-SUPPORT.**

24 (2) The department shall refer ~~children~~ **A CHILD** reported to  
 25 the department ~~pursuant to~~ **UNDER** section 5721 who ~~are~~ **IS** in need of  
 26 services to the appropriate services inside or outside of the  
 27 department.

1           (3) The **DEPARTMENT SHALL CARRY OUT THE** program shall be  
 2 ~~carried out~~ **ESTABLISHED UNDER SECTION 5815** for the purposes of  
 3 providing medical and physical care for ~~crippled children and for~~  
 4 ~~making them self sustaining in whole or in part rather than~~  
 5 ~~dependent on the public for support.~~ **CARE AND TREATMENT TO IMPROVE**  
 6 **OR MAINTAIN HEALTH AND ENHANCE THE QUALITY OF LIFE FOR CHILDREN AND**  
 7 **YOUTH WITH SPECIAL HEALTH CARE NEEDS.**

8           Sec. 5815. The department shall establish and administer a  
 9 program of services for ~~crippled children~~ **AND YOUTH WITH SPECIAL**  
 10 **HEALTH CARE NEEDS** and children who are suffering from conditions  
 11 which lead to ~~crippling.~~ **SPECIAL HEALTH CARE NEEDS BECAUSE OF**  
 12 **DISEASE OR SPECIFIED MEDICAL CONDITION.** In implementing this part,  
 13 the department shall promulgate rules **THAT DO ALL OF THE FOLLOWING:**  
 14 ~~—— (a) To prescribe requirements for the approval of facilities~~  
 15 ~~and treatment centers, medical and surgical specialists, and other~~  
 16 ~~providers.~~  
 17 ~~—— (b) To regulate the conduct of clinics; handling of cases;~~  
 18 ~~fixing of treatment fees, charges for correctional equipment, and~~  
 19 ~~institutional rates; and prescribing procedures for audit and~~  
 20 ~~payment of bills.~~

21           **(A) PROVIDE FOR THE MONITORING OF THE AVAILABILITY AND QUALITY**  
 22 **OF FACILITIES, TREATMENT CENTERS, MEDICAL AND SURGICAL SPECIALISTS,**  
 23 **AND OTHER PROVIDERS FOR CHILDREN OR YOUTH WITH SPECIAL HEALTH CARE**  
 24 **NEEDS.**

25           **(B) ~~(c) To implement~~ IMPLEMENT** section 5841.

26           Sec. 5817. The department shall **DO ALL OF THE FOLLOWING:**

27           (a) Formulate and administer detailed ~~plans~~ **POLICIES** to

1 implement the ~~policy~~ **PROGRAM SERVICES** stated in section 5805. The  
2 ~~plans~~ **DEPARTMENT** shall include ~~provisions for~~ **ALL OF THE FOLLOWING**  
3 **IN THE POLICIES UNDER THIS SUBDIVISION:**

4 (i) Financial participation by this state.

5 (ii) Administration ~~of the plans including methods of~~  
6 ~~administration~~ necessary for efficient operation of the  
7 ~~plans~~ **POLICIES.**

8 (iii) Maintenance of records and preparation of reports of  
9 services rendered.

10 (iv) Cooperation with ~~medical, health, nursing, and welfare~~  
11 ~~groups and organizations,~~ **HEALTH AND HUMAN SERVICES ORGANIZATIONS**  
12 and with any agency of this state charged with the administration  
13 of laws providing for vocational rehabilitation and special  
14 education of children **AND YOUTH** with ~~physical disabilities~~ **SPECIAL**  
15 **HEALTH CARE NEEDS.**

16 (b) Expend in accordance with the ~~plans funds~~ **POLICIES AND**  
17 **MONEY** made available to this state by the federal government for  
18 those purposes.

19 (C) **DEVELOP SYSTEMS OF CARE THAT ARE COMMUNITY BASED,**  
20 **COMPREHENSIVE, CULTURALLY COMPETENT, COORDINATED, AND FAMILY**  
21 **CENTERED.**

22 (D) ~~(e)~~ Cooperate with the federal government, under title V  
23 of the social security act, ~~chapter 531, 49 Stat. 620, 42 U.S.C.~~  
24 **USC 701 to 716, 713,** through its appropriate agency or  
25 instrumentality, in developing, extending, and improving services,  
26 provided by this part and in the administration of the  
27 ~~plans~~ **POLICIES.**

1           Sec. 5821. (1) The department shall provide for diagnostic  
2 clinics for ~~crippled~~-children **AND YOUTH WITH SPECIAL HEALTH CARE**  
3 **NEEDS** in places, at times, and under circumstances it determines.  
4 The department may purchase diagnostic services from outpatient  
5 departments of approved hospitals and other facilities.

6           (2) ~~Results~~**THE DEPARTMENT SHALL MAKE RESULTS** of examinations  
7 at clinics ~~shall be~~ available to parents and individuals and  
8 agencies providing ~~social and remedial~~ services to ~~crippled~~  
9 children ~~where they are residents,~~**AND YOUTH WITH SPECIAL HEALTH**  
10 **CARE NEEDS**, unless otherwise prohibited by law.

11           Sec. 5823. ~~When~~**IF** a ~~crippled~~-child **OR YOUTH WITH SPECIAL**  
12 **HEALTH CARE NEEDS** is found ~~whose condition can be treated and whose~~  
13 ~~parent or spouse is unable to provide proper care and treatment,~~  
14 **IDENTIFIED**, a person authorized by rule ~~shall~~**MAY** apply to a  
15 ~~designated representative of the~~ department for eligibility for  
16 services under this part. The ~~representative~~**DEPARTMENT** shall make  
17 ~~a financial investigation~~**INVESTIGATE** and secure medical evidence  
18 as to the condition of the child. ~~A copy of the report of the~~  
19 ~~financial investigation and the report of a physician or dentist,~~  
20 ~~if any, shall be sent to the department.~~

21           Sec. 5825. Upon receipt~~COMPLETION~~ of the financial and  
22 medical ~~reports,~~**INVESTIGATION UNDER SECTION 5823**, the department  
23 shall promptly ~~consider the matter and~~ make a determination of  
24 **MEDICAL** eligibility. **IF THE DEPARTMENT DETERMINES THAT THE CHILD OR**  
25 **YOUTH WITH SPECIAL HEALTH CARE NEEDS IS MEDICALLY ELIGIBLE FOR**  
26 **SERVICES UNDER THIS PART, THE DEPARTMENT SHALL PERFORM A FINANCIAL**  
27 **ASSESSMENT TO DETERMINE COST SHARING RESPONSIBILITIES.** The

1 department shall authorize the transportation of an eligible  
 2 ~~crippled~~ child **OR YOUTH WITH SPECIAL HEALTH CARE NEEDS** to a  
 3 provider of services approved and designated by the department. The  
 4 ~~department shall monitor the proper handling of the case and may~~  
 5 ~~transfer the crippled~~ **IN CONSULTATION WITH THE FAMILY, THE**  
 6 **DEPARTMENT MAY FACILITATE TRANSFER OF A** child **OR YOUTH WITH SPECIAL**  
 7 **HEALTH CARE NEEDS** to ~~some other~~ **A** provider for treatment better  
 8 adapted to the child's needs. In making referrals under this part  
 9 the department shall not discriminate against health professionals  
 10 qualified to render care.

11       Sec. 5828. The administrator of a hospital shall provide a bed  
 12 in the hospital to which a ~~crippled~~ child shall be **OR YOUTH WITH**  
 13 **SPECIAL HEALTH CARE NEEDS IS** assigned for operation or treatment,  
 14 or both, of the child's disease or ~~deformity~~. **SPECIFIED MEDICAL**  
 15 **CONDITION**. The physician or surgeon approved by the department  
 16 shall proceed as promptly as necessary to perform or give a  
 17 necessary operation or treatment.

18       Sec. 5831. (1) An approved hospital receiving ~~crippled~~  
 19 ~~children~~ **A CHILD OR YOUTH WITH SPECIAL HEALTH CARE NEEDS** shall send  
 20 to the department **A** written ~~reports~~ **REPORT** on ~~forms~~ **A FORM**  
 21 furnished by the department ~~which shall contain dates~~ **THAT CONTAINS**  
 22 **THE DATE** of admission and discharge, **THE** names of approved  
 23 physicians and surgeons, and other information the department  
 24 requires.

25       (2) The ~~times~~ **TIME** for making the ~~reports~~ shall **REPORT UNDER**  
 26 **SUBSECTION (1) MUST** conform to applicable state and federal  
 27 requirements.

1           Sec. 5835. (1) ~~An approved hospital shall arrange with the~~  
2 ~~local school district in which a child resides to provide or~~  
3 ~~contract for educational services for a convalescent crippled~~  
4 ~~child.~~ **UPON RECEIVING THE PARENT'S CONSENT, AN APPROVED HOSPITAL**  
5 **SHALL ARRANGE WITH THE LOCAL SCHOOL DISTRICT IN WHICH A CHILD**  
6 **RESIDES TO PROVIDE OR CONTRACT FOR EDUCATIONAL SERVICES FOR THE**  
7 **HOSPITALIZED CHILD.**

8           (2) Courses of study, attendance record systems, adequacy of  
9 methods of instruction, qualifications of teachers and conditions  
10 under which they are employed, and purchases of necessary equipment  
11 for the instruction of ~~crippled children in the hospital shall~~ **A**  
12 **HOSPITALIZED CHILD OR YOUTH WITH SPECIAL HEALTH CARE NEEDS MUST**  
13 comply with requirements prescribed by the department of education.

14           (3) A hospital shall keep daily records on the regular child  
15 accounting forms used in the public schools, listing all children  
16 actually receiving instruction.

17           Sec. 5841. (1) All or part of the charges for the **MEDICAL** care  
18 and treatment of a ~~crippled child where~~ **OR YOUTH WITH SPECIAL**  
19 **HEALTH CARE NEEDS MUST BE PAID TO THE DEPARTMENT OF TREASURY BY** the  
20 child, parent, or spouse, ~~is of sufficient~~ **IF THAT INDIVIDUAL HAS**  
21 **THE** ability to pay. ~~shall be paid to the department of treasury by~~  
22 ~~those persons~~ **THE PAYMENT MUST BE** in the amount and at a rate  
23 determined by agreement ~~with~~ **BETWEEN THE INDIVIDUAL AND** the  
24 department. Upon ~~admission to service~~ **TREATMENT** of the crippled  
25 child **OR YOUTH WITH SPECIAL HEALTH CARE NEEDS**, the department of  
26 ~~public health~~ shall furnish the department of treasury information  
27 required to keep a correct account of the money due ~~the~~ **THIS** state

1 from the child, parent, or spouse. ~~Payment of the costs by the~~  
2 ~~child, parent, or spouse shall be made to the department of~~  
3 ~~treasury in accordance with the agreement.~~ The department of  
4 treasury shall credit the **PARENT PARTICIPATION** payments to the  
5 ~~crippled children's~~ **PARENT PARTICIPATION** fund.

6 (2) The department may modify or cancel an agreement made  
7 under this section based on economic or other factors and shall  
8 report that action to the department of treasury.

9 (3) The department of treasury may accept and issue a receipt  
10 for an amount due under an agreement or modification **TO AN**  
11 **AGREEMENT** under this section.

12 Sec. 5843. This state ~~shall be~~ **IS** subrogated to the rights of  
13 recovery ~~which~~ **THAT** a child, parent, spouse, or guardian may have  
14 against a liable third party for the cost of care and surgical and  
15 medical treatment provided ~~for~~ **TO** a ~~crippled~~ child **OR YOUTH WITH**  
16 **SPECIAL HEALTH CARE NEEDS** under this part to the extent that the  
17 state has spent ~~moneys~~ **MONEY** for that care and treatment.

18 Sec. 5847. Payments made by the ~~THIS~~ state ~~pursuant to~~ **UNDER**  
19 this part are not considered social services aid, and an individual  
20 is not considered an indigent because of **HIS OR HER** inability to  
21 pay for the care and treatment of a ~~crippled~~ child **OR YOUTH WITH**  
22 **SPECIAL HEALTH CARE NEEDS**.

23 Sec. 5863. The department of treasury shall **DO ALL OF THE**  
24 **FOLLOWING**:

25 (a) Receive money granted to this state by the federal  
26 government under this part.

27 (b) Keep the money in a special fund to be known as the



1 ~~"crippled children's"~~ **"CHILDREN WITH SPECIAL NEEDS fund"**.

2 (C) **RECEIVE PAYMENTS AS PROVIDED IN SECTION 5841 AND KEEP THAT**  
 3 **MONEY IN THE PARENT PARTICIPATION FUND.**

4 (D) ~~(e)~~ Disburse **MONEY FROM** the ~~fund~~ **FUNDS** on certification by  
 5 the department. ~~of public health.~~

6 Sec. 5871. (1) A department official, agent, or representative  
 7 shall not enter a home or take charge of a ~~crippled~~ **child OR YOUTH**  
 8 **WITH SPECIAL HEALTH CARE NEEDS** over the objection of a parent, ~~the~~  
 9 **A GUARDIAN, A** person ~~standing~~ in loco parentis, or the person  
 10 ~~having~~ **THAT HAS** custody of the child.

11 (2) This part does not limit the power of a parent, guardian,  
 12 or person ~~standing~~ in loco parentis **OF THE CHILD** to accept or  
 13 refuse the ~~treatment~~ **SERVICES** offered under this part for a  
 14 ~~crippled~~ **child OR YOUTH WITH SPECIAL HEALTH CARE NEEDS** or by an  
 15 agency employed for that purpose.

16 Sec. 5874. Records ~~as to crippled children~~ **REGARDING A CHILD**  
 17 **OR YOUTH WITH SPECIAL HEALTH CARE NEEDS** are confidential to the  
 18 extent required by state and federal statutes and rules. ~~Disclosure~~  
 19 **PART 26 APPLIES TO THE DISCLOSURE** of information ~~shall be~~  
 20 ~~consistent with part 26.~~ **REGARDING A CHILD OR YOUTH WITH SPECIAL**  
 21 **HEALTH CARE NEEDS UNDER THIS PART.**

22 Sec. 5879. (1) A person who wilfully makes a false statement  
 23 or wilfully gives false information for the purpose of securing aid  
 24 under this part is guilty of a misdemeanor.

25 (2) An official of a hospital or a physician or dentist who  
 26 bills ~~the~~ **THIS** state for the care of a ~~crippled~~ **child OR YOUTH WITH**  
 27 **SPECIAL HEALTH CARE NEEDS** in accordance with the fee schedules

1 established under this part and **WHO** also attempts to force a  
2 parent, relative, or guardian of the child to pay an additional sum  
3 for the care is guilty of a misdemeanor.

4 Enacting section 1. Section 5811 of the public health code,  
5 1978 PA 368, MCL 333.5811, is repealed.