



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF COMMUNITY & HEALTH SYSTEMS

SHELLY EDGERTON
DIRECTOR

October 19, 2017

Narconon Freedom Center, SA0130110
Monika Biddle, Program Director
505 Keefer Drive
Albion, MI 49224

SUBJECT: Substance Use Disorder Licensure Survey Inspection Findings for Narconon Freedom Center (Settlement Agreement Follow-Up Survey Inspection)

Dear Ms. Biddle:

A follow-up state licensure survey inspection was conducted on October 16, 2017 at Narconon Freedom Center pursuant to Michigan Public Health Code, Act 368 of 1978, Part 62, Section 333.6238, which obligates the department to make at least one visit to each licensed health facility or agency every three years for survey and evaluation for the purpose of licensure. Additionally, the inspection was conducted per an October 4, 2017, signed stipulated agreement between Narconon and the Bureau of Community and Health Systems (BCHS) that originated out of an informal licensing action hearing held on August 31, 2017 (see attached).

Participants in the October 16, 2017 survey inspection included:

- Monika Biddle, Executive Director
- Gwenda Byrne, ABLE International
- Alan Kellman, Attorney, Jacques Admiralty Law Firm, PC
- Matthew Jordan, Manager, LARA, State Licensing Section
- Kelly Moore, Regulatory Officer, LARA, State Licensing Section
- Jim Hoyt, Regulatory Officer, LARA, State Licensing Section

Per the terms of the stipulated agreement, Narconon Freedom Center contacted the State Licensing Section and stated that Narconon had corrected all the previously identified non-compliance issues and items of concerns and were therefore requesting that a licensure survey inspection be conducted.

As agreed upon in the signed stipulated agreement, Narconon Freedom Center remained open up to and during the licensure survey inspection with an active license but agreed to take certain action to both correct non-compliance issues and to limit the admission of new clients. Before the October 4, 2017 signing of the stipulated agreement there were three (3) active clients in the Narconon Freedom Center program, however all three clients were discharged prior to the state inspection. There were no active clients at the time of the follow-up inspection conducted on October 18, 2017.

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Due to the fact that there were no active clients at the time of the follow-up inspection, the state licensure inspection was limited as to the scope in which administrative rules and compliance could be verified. However, based on the state licensure inspection findings, the Department has determined that Narconon Freedom Center is in compliance with the MCL 333.6201 through MCL 333.6251 and/or the Michigan Administrative Rules R325.14101 through R325.14928 as applicable. Since clients are anticipated to be admitted to Narconon under this license, an unannounced post-licensure survey will be conducted within the next three months to verify compliance with all rules and regulations. As applicable to all licensed facilities, non-compliance during any future survey may result in licensure action under MCL 333.6243, which permits the Bureau (acting as the department) to deny, suspend, revoke, or refuse to renew a license of an applicant or licensee who is in violation of the public act or substance use disorder administrative rules after an opportunity for a hearing.



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Attachment: Stipulation Agreement Narconon – SA0130110 – 10-14-2017

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF COMMUNITY AND HEALTH SYSTEMS
HEALTH FACILITY LICENSING, PERMITS, AND SUPPORT DIVISION

Stipulated Agreement between:

BUREAU OF COMMUNITY
AND HEALTH SYSTEMS,
HEALTH FACILITY LICENSING, PERMITS, AND SUPPORT DIVISION

and

NARCONON FREEDOM CENTER
505 Keefer Drive, Albion, MI 49224
Permanent ID No. SA0130110

BACKGROUND

This matter arises out of an Informal Licensing Action Hearing held on August 31, 2017 against Narconon Freedom Center ("Narconon"), permanent ID no. SA0120110, located at 505 Keefer Drive, Albion, MI 49224, by the Department of Licensing and Regulatory Affairs, Bureau of Community and Health Systems, Health Facility Licensing, Permits, and Support Division, State Licensing Section ("Bureau").

Pursuant to Michigan Public Health Code, Act 368 of 1978, Part 62, Section 333.6238, which obligates the Bureau to make at least one visit to each licensed health facility or agency every three years for survey and evaluation for the purpose of licensure, a state licensure survey inspection was conducted on February 27, 2017 that identified Narconon Freedom Center as not in substantial compliance on multiple items required for state licensure.

A follow-up state licensure survey inspection was conducted on May 2, 2017 at Narconon which identified both unresolved prior compliance issues and new items of non-compliance. Third and fourth follow-up state licensure survey inspections were conducted on June 7, 2017 and July 19, 2017, respectively, and again identified unresolved prior compliance issues and new items of non-compliance.

An informal meeting in Lansing between Narconon and the Bureau on June 14, 2017, as well as four written plans of correction from Narconon failed to produce compliance to the State Licensing Section Substance Use Disorders Service Program Administrative Rules.

On August 31, 2017, the Bureau requested Narconon appear for an Informal Licensing Action Hearing to address all non-compliance issues and offered an opportunity for presentation of a correction plan.

Narconon remains in non-compliance with matters identified in the previous survey inspection letters (see attached letters to above referenced survey inspections), and full compliance can only

be verified by a full survey inspection performed by the State Licensing Section at the facility site. Under MCL 333.6238 and 333.6241, the Bureau can conduct survey inspections at any reasonable time for the purpose of licensure compliance. Additionally under MCL 333.6243, the Bureau (acting as the department) may deny, suspend, revoke, or refuse to renew a license of an applicant or licensee who is in violation of the public act or substance use disorder administrative rules after an opportunity for a hearing.

As a final opportunity to obtain compliance and to avoid an immediate move to deny, suspend, or revocation of the license for Narconon Freedom Center SA0130110, the Bureau and Narconon stipulate to the following in order to resolve this matter:

STIPULATION

1. Narconon desires to resolve and settle all issues related to the non-compliance with the Public Act, Substance Use Disorder Administrative Rules, facility safety/health conditions, and food/service delivery to patients identified in the survey inspections of February 27, May 2, June 7, July 19, 2017 as well as those identified at the June 14 and August 31, 2017 Informal Hearings.

2. Narconon does not dispute the non-compliance issues that remain unresolved up to and coming out of the July 19, 2017 follow-up survey inspection as well as the three previous inspections. Narconon agrees that the Bureau may treat the allegations as true for resolution of the complaint and enter an order treating the allegations as true if necessary.

3. The current license for Narconon SA0130110 shall remain active under the terms as set forth below:

A. Narconon shall remain open and with an active license while the current roster of three (3) clients work through their treatment pathway for 60 days from date of signing to finish treatment or are properly discharged to another appropriate program to complete the remainder of their treatment.

B. Narconon shall cease new admissions of clients immediately and Narconon will not accept new clients during the totality of this stipulated agreement.

C. Narconon will be permitted to take up to 90 days from this signed agreement to review, correct, and update all non-compliance issues and items of concerns, and Narconon shall contact LARA at Narconon's discretion at any time within this 90 days for the State Licensing Section to conduct a licensure survey on all applicable licensure rules.

D. Should Narconon not contact the Bureau during this timeframe or should Narconon decide to not maintain the facility license by notifying as such in writing, the license will be considered voluntarily surrendered under the terms of this agreement and the facility will cease to operate as a licensed facility in Michigan.

E. If a survey is conducted within the 90 day timeframe at Narconon's request and compliance with the administrative rules is not achieved (on any issues that are not immediately correctable on the day of the survey inspection), the Bureau will take action to revoke the license, including but not limited to, an immediate suspension of the license and a filing for a license revocation hearing. The Bureau may at its discretion provide cure opportunities for any violation that cannot be immediately correctable on the day of the survey inspection.

F. Nothing in this proposal shall prevent the State Licensing Section or other LARA regulatory bodies from conducting complaint investigations and other new issues should they arise during the timeframe proposed. Findings by the State Licensing Section or other LARA regulatory bodies may separately rise to the level of license suspension or revocation and related action on the license therein.

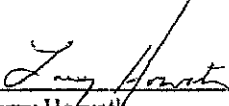
G. The Bureau shall promptly declare achievement of compliance for Narconon's license upon it's issuance of a post-survey inspection written report if it concludes that Narconon has demonstrated compliance with the public code and administrative rules. If compliance is not achieved, the report will specifically identify which public code provisions and administrative rules, if any, were not satisfied and the factual basis for any identified noncompliance.

H. If compliance is achieved under this agreement, the Bureau may conduct additional announced or unannounced inspections as permitted in law and administrative rule to further assess or confirm Narconon's compliance.

I. This agreement shall not be considered final and accepted until the proposal is formalized in writing and signed by the respective leaders of LARA and Narconon.

4. Nothing in this Stipulation shall prevent the Bureau from issuing a summary suspension order under R 325.14207(3) limiting, suspending, or revoking the license of a facility upon a finding that a deficiency or violation of the code or rules seriously affects the health, safety, and welfare of individuals receiving care or services.

AGREED TO BY:




Larry Hofvath

Bureau Director
State of Michigan
Department of Licensing & Regulatory Affairs

Dated: 10/4/2017

AGREED TO BY:



Monika Biddle

Narconon Freedom Center
President

Dated: Sept. 27, 2017