

**SENATE BILL NO. 537**

April 22, 1999, Introduced by Senators SCHWARZ, ROGERS, HART, DINGELL, GOUGEON, MC MANUS, STILLE, A. SMITH, VAUGHN, HAMMERSTROM, EMERSON, SHUGARS, GOSCHKA, EMMONS and JOHNSON and referred to the Committee on Health Policy.

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
by amending section 22229 (MCL 333.22229), as amended by 1993 PA  
88.

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

1       Sec. 22229. (1) The following proposed projects are subject  
2 to comparative review:

3       (a) Proposed projects specified as subject to comparative  
4 review in a certificate of need review standard.

5       (b) New beds in a health facility that is a hospital, hospi-  
6 tal long-term care unit, or nursing home if there are multiple  
7 applications to meet the same need for projects that, when com-  
8 bined, exceed the need of the planning area as determined by the  
9 applicable certificate of need review standards.

1 (2) Replacement beds in a hospital that are proposed for  
2 construction on the original site, on a contiguous site, within a  
3 5-mile radius of the original site if the hospital is located in  
4 a county with a population of less than 200,000, or within a  
5 2-mile radius of the original site if the hospital is located in  
6 a county with a population of 200,000 or more, are not subject to  
7 comparative review.

8 (3) Replacement beds in a nursing home that is located in a  
9 nonrural county that are proposed for construction on the origi-  
10 nal site, on a contiguous site, or within a 2-mile radius of the  
11 original site are not subject to comparative review. THE DIREC-  
12 TOR OF THE DEPARTMENT OF COMMUNITY HEALTH MAY WAIVE THE 2-MILE  
13 RADIUS LIMITATION CONTAINED IN THIS SUBSECTION IF HE OR SHE  
14 DETERMINES THAT THE WAIVER WOULD SERVE A GOOD PUBLIC HEALTH  
15 PURPOSE. Replacement beds in a nursing home that is located in a  
16 rural county that are proposed for construction on the original  
17 site, on a contiguous site, or within the same planning area are  
18 not subject to comparative review.

19 (4) The commission may approve certificate of need review  
20 standards that establish comparative review or an alternative  
21 procedure for determining whether 1 or more of several qualified  
22 applicants may be approved if the level of need is not sufficient  
23 to justify approval of all qualified applicants. If an applicant  
24 involves more than 1 health facility, the applicant shall indi-  
25 cate on the application the proposed site or sites for the  
26 project and arrangements for the utilization and financing of the  
27 covered clinical services.