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Senate Bill 446 (as enacted)
Sponsor: Senator Darwin L. Boohar
Senate Committee: Health Policy
House Committee: Health Policy

PUBLIC ACT 165 of 2014

Date Completed: 7-22-14

RATIONALE

In areas where nursing home beds may be scarce, some hospitals provide the type of extended care normally provided in a nursing home through the use of "swing beds" (that is, they use acute-care hospital beds for nonacute patients if no bed is available in a long-term care facility). Previously, State law prohibited a hospital that owned or operated a long-term care unit that had beds available from providing extended care services in a swing bed, meaning that a patient who initially was placed in a swing bed had to be transferred once space became available in the long-term care unit. It was suggested that a patient who is assigned to a swing bed should be allowed to remain there for the duration of his or her care.

CONTENT

The bill amended the Public Health Code to revise a prohibition against a hospital's providing extended care services in a swing bed if the hospital owns or operates a long-term care unit that has beds available.

The bill took effect on June 12, 2014.

Federal law allows rural hospitals meeting prescribed criteria to provide extended care services through the use of "swing beds". Under Michigan's Public Health Code, in order to provide such services, a hospital must apply to the Department of Community Health for a certificate of need (CON), have fewer than 100 licensed beds, and provide evidence that the hospital has had difficulty in placing patients in skilled nursing home beds during the preceding 12 months.

Previously, a hospital that was granted a CON for an extended care services program could not provide the services in a swing bed if the hospital owned or operated a hospital long-term care unit that had beds available. The bill retains this provision but refers to beds available "at the time a patient requires admission for extended care services".

("Hospital long-term care unit" means a nursing care facility, owned and operated by and as part of a hospital, providing organized nursing care and medical treatment to at least seven unrelated individuals suffering or recovering from illness, injury, or infirmity.)

MCL 333.22210

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The statutory language prohibiting a hospital from providing swing bed services if a bed was unoccupied in the hospital's long-term care unit generally was interpreted to require a patient

placed in a swing bed to be transferred if a long-term care bed became available during his or her stay. This was problematic for several reasons. A move could be confusing or undesirable to patients and their families, particularly when there was no medical necessity behind it. Additionally, the disruption required administrative duplication and exposed the patient to unnecessary risks, such as injury during transfer and errors related to testing and medication. Ultimately, the prohibition did not reduce swing bed use significantly, but instead created a "revolving door" situation as patients were transferred when beds opened in long-term care units and new patients were assigned to the swing beds. By applying the prohibition only if a long-term care bed is not available *when the patient is admitted for extended care services*, the bill will enable hospitals, particularly those providing critical rehabilitative services in underserved rural areas, to avoid inconvenient and medically unnecessary transfers. This should lead to lower health care costs, increased consumer satisfaction, and improved patient outcomes.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

While the bill might affect where an extended care patient will be placed, the decision to place is based on the patient's needs rather than the location of available beds. Therefore, the bill should have a minimal fiscal impact.

Fiscal Analyst: Steve Angelotti

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.