

CERTIFICATE OF NEED COMMISSION

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 671 (H-2) as reported from House committee
Sponsor: Sen. Lana Theis
1st House Committee: Health Policy
2nd House Committee: Ways and Means
Senate Committee: Health Policy and Human Services
Complete to 12-16-20

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 671 would amend the Public Health Code to modify the composition of the Certificate of Need (CON) Commission and require a report on access to inpatient psychiatric beds in rural areas. The CON program exists to ensure that only needed, cost-effective, and quality health services and facilities are developed in Michigan. Currently, the commission comprises 11 members, representing entities such as hospitals, physicians, nurses, and companies that are self-insured and not self-insured.

The bill would add two individuals representing the general public, one of whom would have to be from a county with a population of less than 40,000.

The bill would also add a reporting requirement to the current requirement that the commission consider how a restriction would affect the acquisition of or availability of health services. By January 1, 2020, the commission would have to direct the Department of Health and Human Services (DHHS) to prepare and submit a report on access to inpatient psychiatric beds in counties with a population of 40,000 or less based on the most recent federal decennial census. The report would have to identify key factors impacting that access. Within 30 days of receiving the report, the commission would have to provide a copy to the House and Senate Health Policy committees.

Additionally, the bill would remove a requirement that, within six months of the appointment and confirmation of six additional members, the commission develop standards for use of certain hospital beds. Those members were added by 2002 PA 619.¹

The bill is tie-barred to SBs 669 and 672, which means it could not take effect unless the other bills were also enacted.

MCL 333.22211 and 333.22215

¹ House Fiscal Agency analysis of 2002 PA 619 (SB 1436): <http://www.legislature.mi.gov/documents/2001-2002/billanalysis/House/pdf/2002-HFA-1436-x5.pdf>

FISCAL IMPACT:

Senate Bill 671 would have modest fiscal implications for the Department of Health and Human Services to support two additional members of the certificate of need commission, and to report on inpatient psychiatric bed access by 2026. The costs can be fully supported within existing appropriations. Program costs are funded with CON fee revenue.

POSITIONS:

The following organizations indicated support for the bill (12-15-20):

- Michigan Manufacturers Association
- Economic Alliance for Michigan

Legislative Analyst: Jenny McInerney
Fiscal Analyst: Susan Frey

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.