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Senate Bill 671 (Substitute S-1)
Sponsor: Senator Lana Theis
Committee: Health Policy and Human Services

Date Completed: 2-20-20

CONTENT

The bill would amend Part 222 (Certificate of Need) the Public Health Code to do the following:

- Increase the membership to the Certification of Need Commission to 13, and require the Commission to include two individuals representing the general public, one of whom would have to be from a county with a population of less than 40,000.**
- Modify the requirements for members of the standard advisory committee appointed by the Commission.**

The Code creates the Certificate of Need Commission in the Department of Licensing and Regulatory Affairs and requires the Governor to appoint 11 members to the Commission with the advice and consent of the Senate. Under the bill, the Commission would consist of 13 members.

The Commission currently consists of the following members:

- Two individuals representing hospitals.
- One individual representing physicians licensed under Part 170 (Medicine) of the Code.
- One individual representing physicians licensed under Part 175 (Osteopathic Medicine and Surgery) of the Code.
- One individual who is a physician licensed under Part 170 or Part 175 representing a school of medicine or osteopathic medicine.
- One individual representing nursing homes.
- One individual representing nurses.
- One individual representing a company that is self-insured for health coverage.
- One individual representing a company that is not self-insured for health coverage.
- One individual representing a nonprofit healthcare corporation operating under the Nonprofit Health Care Corporation Reform Act or a nonprofit mutual disability insurer into which a nonprofit health care corporation has merged as provided in the Insurance Code.
- One individual representing organized labor unions in the State.

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

Generally, the Commission must develop, approve, disapprove, or revise certificate of need

review standards that establish for purpose of the Code the need for the initiation, replacement, or expansion of covered clinical services, the acquisition or beginning of a health facility, making changes in bed capacity, or making covered capital expenditures, among other things.

Among other things, if the Commission determines it necessary, it may appoint a standard advisory committee to assist in the development of proposed certificate of need review standards. The Code requires the committee to include all of the following:

- Experts with professional competence in the subject matter of the proposed standard, who must constitute a two thirds majority of the committee.
- Representatives of health care provider organizations concerned with licensed health facilities or licensed health professions.
- Representatives of organizations concerned with health care consumers and the purchasers and payers of health care services.

Under the bill, the standard advisory committee would have to include all of the following:

- Experts with professional competence in the subject matter of the proposed standard, who must constitute at least two-thirds majority of the committee.
- At least one representative of health care provider organizations concerned with licensed health facilities or licensed health professions.
- At least one representative of organizations concerned with health care consumers or the purchasers or payers of health care services.

MCL 333.22211 & 333.22215

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

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.