

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 672

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
by amending section 22203 (MCL 333.22203), as amended by 2002 PA  
619.

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

1           Sec. 22203. (1) "Addition" means adding **to a health facility**  
2 patient rooms, beds, and ancillary service areas, including, but  
3 not limited to, procedure rooms or fixed equipment, surgical  
4 operating rooms, therapy rooms or fixed equipment, or other  
5 accommodations. ~~to a health facility.~~

6           (2) "Capital expenditure" means an expenditure for a single  
7 project, including cost of construction, engineering, and equipment  
8 that under generally accepted accounting principles is not properly



1 chargeable as an expense of operation. Capital expenditure includes  
2 a lease or comparable arrangement by or on behalf of a health  
3 facility to obtain a health facility, licensed part of a health  
4 facility, or equipment for a health facility, if the actual  
5 purchase of a health facility, licensed part of a health facility,  
6 or equipment for a health facility would have been considered a  
7 capital expenditure under this part. Capital expenditure includes  
8 the cost of studies, surveys, designs, plans, working drawings,  
9 specifications, and other activities essential to the acquisition,  
10 improvement, expansion, addition, conversion, modernization, new  
11 construction, or replacement of physical plant and equipment.

12 (3) "Certificate of need" means a certificate issued under  
13 this part authorizing a new health facility, a change in bed  
14 capacity, the initiation, replacement, or expansion of a covered  
15 clinical service, or a covered capital expenditure that is issued  
16 in accordance with this part.

17 (4) "Certificate of need review standard" or "review standard"  
18 means a standard approved by the commission.

19 (5) "Change in bed capacity" means 1 or more of the following:

20 (a) An increase in licensed hospital beds.

21 (b) An increase in licensed nursing home beds or hospital beds  
22 certified for long-term care.

23 (c) An increase in licensed psychiatric beds **if the increase**  
24 **is at a location that is within a county with a population of more**  
25 **than 40,000 according to the most recent federal decennial census.**

26 (d) A change from 1 licensed use to a different licensed use.

27 (e) The physical relocation of beds from a licensed site to  
28 another geographic location.

29 (6) "Clinical" means directly pertaining to the diagnosis,



1 treatment, or rehabilitation of an individual.

2 (7) "Clinical service area" means an area of a health  
3 facility, including related corridors, equipment rooms, ancillary  
4 service and support areas that house medical equipment, patient  
5 rooms, patient beds, diagnostic, operating, therapy, or treatment  
6 rooms or other accommodations related to the diagnosis, treatment,  
7 or rehabilitation of individuals receiving services from the health  
8 facility.

9 (8) "Commission" means the certificate of need commission  
10 created under section 22211.

11 (9) "Covered capital expenditure" means a capital expenditure  
12 of ~~\$2,500,000.00~~ **\$10,000,000.00** or more, as adjusted annually by  
13 the department under section 22221(g), by a person for a health  
14 facility for a single project, excluding the cost of nonfixed  
15 medical equipment, that includes or involves the acquisition,  
16 improvement, expansion, addition, conversion, modernization, new  
17 construction, or replacement of a clinical service area.

18 (10) "Covered clinical service", except as modified by the  
19 commission under section 22215, means 1 or more of the following:

20 (a) Initiation or expansion of 1 or more of the following  
21 services:

22 (i) Neonatal intensive care services or special newborn nursing  
23 services.

24 (ii) Open heart surgery.

25 (iii) Extrarenal organ transplantation.

26 (b) Initiation, replacement, or expansion of 1 or more of the  
27 following services:

28 (i) Extracorporeal shock wave lithotripsy.

29 (ii) Megavoltage radiation therapy.



1 (iii) Positron emission tomography.

2 (iv) Surgical services provided in a freestanding surgical  
3 outpatient facility, an ambulatory surgery center certified under  
4 title XVIII, or a surgical department of a hospital licensed under  
5 part 215 and offering inpatient or outpatient surgical services.

6 (v) Cardiac catheterization.

7 (vi) Fixed and mobile magnetic resonance imager services.

8 (vii) Fixed and mobile computerized tomography scanner  
9 services.

10 (viii) ~~Air~~ **Until June 1, 2021, air** ambulance services.

11 (c) Initiation or expansion of a specialized psychiatric  
12 program for children and adolescent patients utilizing licensed  
13 psychiatric beds **if the program is located within a county with a**  
14 **population of more than 40,000 according to the most recent federal**  
15 **decennial census.**

16 (d) Initiation, replacement, or expansion of a service not  
17 listed in this subsection, but designated as a covered clinical  
18 service by the commission under section 22215(1)(a).

19 (11) "Fixed equipment" means equipment that is affixed to and  
20 constitutes a structural component of a health facility, including,  
21 but not limited to, mechanical or electrical systems, elevators,  
22 generators, pumps, boilers, and refrigeration equipment.

23 Enacting section 1. This amendatory act does not take effect  
24 unless all of the following bills of the 100th Legislature are  
25 enacted into law:

26 (a) Senate Bill No. 669.

27 (b) Senate Bill No. 671.

