

**SUBSTITUTE FOR
SENATE BILL NO. 671**

A bill to amend 1978 PA 368, entitled
"Public health code,"
by amending sections 22211 and 22215 (MCL 333.22211 and 333.22215),
section 22211 as amended by 2014 PA 107 and section 22215 as
amended by 2002 PA 619.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 22211. (1) The certificate of need commission is created
2 in the department. The ~~commission consists of 11 members appointed~~
3 ~~by the governor~~ **shall appoint members to the commission** with the
4 advice and consent of the senate. The governor shall not appoint
5 more than 6 members from the same major political party and shall
6 appoint 5 members from another major political party. The
7 commission consists of the following ~~11~~**13** members:



1 (a) Two individuals representing hospitals.

2 (b) One individual representing physicians licensed under part
3 170 to engage in the practice of medicine.

4 (c) One individual representing physicians licensed under part
5 175 to engage in the practice of osteopathic medicine and surgery.

6 (d) One individual who is a physician licensed under part 170
7 or 175 representing a school of medicine or osteopathic medicine.

8 (e) One individual representing nursing homes.

9 (f) One individual representing nurses.

10 (g) One individual representing a company that is self-insured
11 for health coverage.

12 (h) One individual representing a company that is not self-
13 insured for health coverage.

14 (i) One individual representing a nonprofit health care
15 corporation operating pursuant to the nonprofit health care
16 corporation reform act, 1980 PA 350, MCL 550.1101 to 550.1704, or a
17 nonprofit mutual disability insurer into which a nonprofit health
18 care corporation has merged as provided in section 5805(1) of the
19 insurance code of 1956, 1956 PA 218, MCL 500.5805.

20 (j) One individual representing organized labor unions in this
21 state.

22 **(k) Two individuals representing the general public, 1 of whom**
23 **is from a county with a population of less than 40,000.**

24 (2) In making appointments, the governor shall, to the extent
25 feasible, ~~assure~~**ensure** that the membership of the commission is
26 broadly representative of the interests of all of the people of
27 this state and of the various geographic regions.

28 (3) A member of the commission shall serve for a term of 3
29 years or until a successor is appointed. A vacancy on the



1 commission ~~shall~~**must** be filled for the remainder of the unexpired
2 term in the same manner as the original appointment.

3 (4) Commission members are subject to the following:

4 (a) 1968 PA 317, MCL 15.321 to 15.330.

5 (b) 1973 PA 196, MCL 15.341 to 15.348.

6 (c) 1978 PA 472, MCL 4.411 to 4.431.

7 Sec. 22215. (1) The commission shall do all of the following:

8 (a) If determined necessary by the commission, revise, add to,
9 or delete 1 or more of the covered clinical services listed in
10 section 22203. If the commission proposes to add to the covered
11 clinical services listed in section 22203, the commission shall
12 develop proposed review standards and make the review standards
13 available to the public not less than 30 days before conducting a
14 hearing under subsection (3).

15 (b) Develop, approve, disapprove, or revise certificate of
16 need review standards that establish for purposes of section 22225
17 the need, if any, for the initiation, replacement, or expansion of
18 covered clinical services, the acquisition or beginning the
19 operation of a health facility, making changes in bed capacity, or
20 making covered capital expenditures, including conditions,
21 standards, assurances, or information that must be met,
22 demonstrated, or provided by a person who applies for a certificate
23 of need. A certificate of need review standard may also establish
24 ongoing quality assurance requirements including any or all of the
25 requirements specified in section 22225(2)(c). Except for nursing
26 home and hospital long-term care unit bed review standards, ~~by~~
27 ~~January 1, 2004, the commission shall revise all certificate of~~
28 ~~need review standards to~~**must** include a requirement that each
29 applicant participate in title XIX of the social security act,



1 ~~chapter 531, 49 Stat. 620, 1396r-6 and 1396r-8 to 1396v.~~ **42 USC 1396**
 2 **to 1396w-5.**

3 (c) Direct the department to prepare and submit
 4 recommendations regarding commission duties and functions that are
 5 of interest to the commission including, but not limited to,
 6 specific modifications of proposed actions considered under this
 7 section.

8 (d) Approve, disapprove, or revise proposed criteria for
 9 determining health facility viability under section 22225.

10 (e) Annually assess the operations and effectiveness of the
 11 certificate of need program based on periodic reports from the
 12 department and other information available to the commission.

13 (f) By January 1 ~~, 2005, and of~~ every ~~2 years thereafter, odd~~
 14 **year**, make recommendations to the joint committee regarding
 15 statutory changes to improve or eliminate the certificate of need
 16 program.

17 (g) ~~Upon~~ **On** submission by the department, approve, disapprove,
 18 or revise standards to be used by the department in designating a
 19 regional certificate of need review agency ~~, pursuant to~~ **under**
 20 section 22226.

21 (h) Develop, approve, disapprove, or revise certificate of
 22 need review standards governing the acquisition of new technology.

23 (i) In accordance with section 22255, approve, disapprove, or
 24 revise proposed procedural rules for the certificate of need
 25 program.

26 (j) Consider the recommendations of the department and the
 27 department of attorney general as to the administrative feasibility
 28 and legality of proposed actions under subdivisions (a), (b), and
 29 (c).



1 (k) Consider the impact of a proposed restriction on the
 2 acquisition of or availability of covered clinical services on the
 3 quality, availability, and cost of health services in this state.

4 (l) If the commission determines it necessary, appoint standard
 5 advisory committees to assist in the development of proposed
 6 certificate of need review standards. A standard advisory committee
 7 shall complete its duties under this subdivision and submit its
 8 recommendations to the commission within 6 months unless a shorter
 9 period of time is specified by the commission when the standard
 10 advisory committee is appointed. An individual shall serve on no
 11 more than 2 standard advisory committees in any 2-year period. The
 12 composition of a standard advisory committee ~~shall~~**must** not include
 13 a lobbyist registered under 1978 PA 472, MCL 4.411 to 4.431, but
 14 ~~shall~~**must** include ~~all of the~~ following:

15 (i) Experts with professional competence in the subject matter
 16 of the proposed standard, who shall constitute ~~a~~**at least** 2/3
 17 majority of the standard advisory committee.

18 (ii) ~~Representatives~~**At least 1 representative** of health care
 19 provider organizations concerned with licensed health facilities or
 20 licensed health professions.

21 (iii) ~~Representatives~~**At least 1 representative** of organizations
 22 concerned with health care consumers, ~~and~~**or** the purchasers ~~and~~**or**
 23 payers of health care services.

24 (m) In addition to subdivision (b), review and, if necessary,
 25 revise each set of certificate of need review standards at least
 26 every 3 years.

27 (n) If a standard advisory committee is not appointed by the
 28 commission and the commission determines it necessary, submit a
 29 request to the department to engage the services of private



1 consultants or request the department to contract with any private
 2 organization for professional and technical assistance and advice
 3 or other services to assist the commission in carrying out its
 4 duties and functions under this part.

5 ~~(e) Within 6 months after the appointment and confirmation of~~
 6 ~~the 6 additional commission members under section 22211, develop,~~
 7 ~~approve, or revise certificate of need review standards governing~~
 8 ~~the increase of licensed beds in a hospital licensed under part~~
 9 ~~215, the physical relocation of hospital beds from 1 licensed site~~
 10 ~~to another geographic location, and the replacement of beds in a~~
 11 ~~hospital licensed under part 215.~~

12 (2) The commission shall exercise its duties under this part
 13 to promote and ~~assure~~ **ensure** all of the following:

14 (a) The availability and accessibility of quality health
 15 services at a reasonable cost and within a reasonable geographic
 16 proximity for all people in this state.

17 (b) Appropriate differential consideration of the health care
 18 needs of residents in rural counties in ways that do not compromise
 19 the quality and affordability of health care services for those
 20 residents.

21 (3) Not less than 30 days before final action is taken by the
 22 commission under subsection (1) (a), (b), (d), **or** (h), ~~or (e)~~, the
 23 commission shall conduct a public hearing on its proposed action.
 24 In addition, not less than 30 days before final action is taken by
 25 the commission under subsection (1) (a), (b), (d), **or** (h), ~~or (e)~~,
 26 the commission chairperson shall submit the proposed action and a
 27 concise summary of the expected impact of the proposed action for
 28 comment to each member of the joint committee. The commission shall
 29 inform the joint committee of the date, time, and location of the



1 next meeting regarding the proposed action. The joint committee
2 shall promptly review the proposed action and submit its
3 recommendations and concerns to the commission.

4 (4) The commission chairperson shall submit the proposed final
5 action including a concise summary of the expected impact of the
6 proposed final action to the governor and each member of the joint
7 committee. The governor or the legislature may disapprove the
8 proposed final action within 45 days after the date of submission.
9 If the proposed final action is not submitted on a legislative
10 session day, the 45 days commence on the first legislative session
11 day after the proposed final action is submitted. The 45 days ~~shall~~
12 **must** include not less than 9 legislative session days. Legislative
13 disapproval ~~shall~~**must** be expressed by concurrent resolution which
14 ~~shall~~**must** be adopted by each house of the legislature. The
15 concurrent resolution ~~shall~~**must** state specific objections to the
16 proposed final action. A proposed final action by the commission
17 under subsection (1)(a), (b), (d), **or** (h) ~~, or (e)~~ is not effective
18 if it has been disapproved under this subsection. If the proposed
19 final action is not disapproved under this subsection, it is
20 effective and binding on all persons affected by this part upon the
21 expiration of the 45-day period or on a later date specified in the
22 proposed final action. As used in this subsection, "legislative
23 session day" means each day in which a quorum of either the house
24 of representatives or the senate, following a call to order,
25 officially convenes in Lansing to conduct legislative business.

26 (5) The commission shall not develop, approve, or revise a
27 certificate of need review standard that requires the payment of
28 money or goods or the provision of services unrelated to the
29 proposed project as a condition that must be satisfied by a person



1 seeking a certificate of need for the initiation, replacement, or
2 expansion of covered clinical services, the acquisition or
3 beginning the operation of a health facility, making changes in bed
4 capacity, or making covered capital expenditures. This subsection
5 does not preclude a requirement that each applicant participate in
6 title XIX of the social security act, ~~chapter 531, 49 Stat. 620,~~
7 ~~1396r-6 and 1396r-8 to 1396v,~~ **42 USC 1396 to 1396w-5**, or a
8 requirement that each applicant provide covered clinical services
9 to all patients regardless of his or her ability to pay.

10 (6) If the reports received under section 22221(f) indicate
11 that the certificate of need application fees collected under
12 section 20161 have not been within 10% of 3/4 the cost to the
13 department of implementing this part, the commission shall make
14 recommendations regarding the revision of those fees so that the
15 certificate of need application fees collected equal approximately
16 3/4 of the cost to the department of implementing this part.

17 (7) As used in this section, "joint committee" means the joint
18 committee created under section 22219.

