

HOUSE BILL No. 5622

March 5, 1992, Introduced by Rep. Bennane and referred to the Committee on Public Health.

A bill to amend section 21552 of Act No. 368 of the Public Acts of 1978, entitled as amended "Public health code," as added by Act No. 259 of the Public Acts of 1990, being section 333.21552 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 21552 of Act No. 368 of the Public Acts
2 of 1978, as added by Act No. 259 of the Public Acts of 1990,
3 being section 333.21552 of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 21552. (1) The department, in cooperation with the
6 state hospital finance authority, the office of health and medi-
7 cal affairs, and other state agencies considered appropriate by
8 the department, shall develop recommendations regarding the
9 appropriateness and feasibility of a state hospital transition

1 assistance program to provide voluntary assistance to hospitals
2 wanting to close, convert, or consolidate their facilities with
3 another hospital, in order to eliminate excess capacity in a way
4 that would maintain common access to critical health care serv-
5 ices and assist displaced employees.

6 (2) The hospital transition assistance program described in
7 subsection (1) shall include at least ALL OF the following
8 elements:

9 (a) Assistance in retiring all or some appropriate portion
10 of the principal and interest applicable to the outstanding debt
11 of a hospital applying to participate in the program.

12 (b) Assistance, through relocation or retraining, to workers
13 displaced as a result of a hospital closure, conversion, or con-
14 solidation under the program.

15 (c) Maintenance of community access to critical health care
16 services, especially for the uninsured and the underinsured, that
17 might be endangered as a result of assistance provided under this
18 program.

19 (d) As appropriate to hospitals wanting to close, convert,
20 or consolidate, assistance with license termination, cessation of
21 operations, and disposition of assets to help defray the out-
22 standing indebtedness of a hospital applying to participate in
23 the program.

24 (3) The state hospital finance authority, after consultation
25 with experts knowledgeable about the approaches listed in this
26 section, shall contract for a study of the feasibility of the
27 hospital transition assistance program elements as described in

1 subsection (2). The feasibility study shall include at least all
2 of the following information:

3 (a) The outstanding hospital bonded indebtedness and associ-
4 ated interest for all the hospitals in this state and the amounts
5 payable in principal and interest per year until the bonds are
6 retired.

7 (b) The financial benefits and costs to the state, health
8 care purchasers, and other hospitals of assisting in defraying
9 portions of that indebtedness and interest according to the dif-
10 ferent possible options.

11 (c) Criteria for prioritizing assistance to hospitals apply-
12 ing to participate in the program.

13 (d) Options for, and estimated benefits and costs of, pro-
14 viding relocation and retraining assistance to workers displaced
15 by a hospital closure, conversion, or consolidation assisted by
16 the program.

17 (e) In cases of proposed conversions or consolidations, the
18 possibility of including a requirement that the assistance will
19 result in a net reduction of beds at least equal to the number
20 licensed to the hospital applying to participate in the program.

21 (f) Interest among hospitals and purchasers regarding par-
22 ticipation in the program.

23 (4) The state hospital finance authority may expend up to
24 \$250,000.00 from its operating fund to finance the feasibility
25 study described in subsection (3) and to staff the advisory com-
26 mittee created in subsection (5).

1 (5) An advisory committee appointed by the director shall
2 react to and comment on the feasibility study developed pursuant
3 to subsection (3), and report to the governor and legislature on
4 the appropriateness of pursuing the options described in the fea-
5 sibility study. The committee shall be composed of 15 members
6 equally divided among representatives of health consumers, health
7 providers, and purchasers of health care.

8 (6) The STATE HOSPITAL FINANCE AUTHORITY SHALL COMPLETE THE
9 feasibility study required under subsection (3) ~~shall be com-~~
10 ~~pleted within 9 months after the effective date of the contract~~
11 ~~for the feasibility study~~ BY NOVEMBER 1, 1992. The advisory
12 committee established under subsection (5) shall submit its
13 report to the governor and the legislature not later than ~~4~~
14 ~~months after the advisory committee receives the feasibility~~
15 ~~study~~ MARCH 1, 1993.