

# HOUSE BILL No. 5897

June 4, 1992, Introduced by Reps. Nye, Bartnik, Dolan and Walberg and referred to the Committee on Public Health.

A bill to amend section 22203 of Act No. 368 of the Public Acts of 1978, entitled as amended  
"Public health code,"  
as added by Act No. 331 of the Public Acts of 1988, being section 333.22203 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 22203 of Act No. 368 of the Public Acts  
2 of 1978, as added by Act No. 331 of the Public Acts of 1988,  
3 being section 333.22203 of the Michigan Compiled Laws, is amended  
4 to read as follows:

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

1       (2) "Capital expenditure" means an expenditure for a single  
2 project, including cost of construction, engineering, and equip-  
3 ment ~~which~~ THAT under generally accepted accounting principles  
4 is not properly chargeable as an expense of operation. Capital  
5 expenditure includes a lease or comparable arrangement by or on  
6 behalf of a HEALTH facility by which a person obtains a health  
7 facility or licensed part of a health facility or equipment for a  
8 HEALTH facility, the expenditure for which would have been con-  
9 sidered a capital expenditure under this part if the person had  
10 acquired it by purchase. Capital expenditure includes cost of  
11 studies, surveys, designs, plans, working drawings, specifica-  
12 tions, and other activities essential to the acquisition,  
13 improvement, expansion, addition, conversion, modernization, new  
14 construction, or replacement of physical plant and equipment.

15       (3) "Certificate of need" means a certificate issued pursu-  
16 ant to this part authorizing a new health facility, a change in  
17 bed capacity, the initiation of a new service, the acquisition of  
18 covered medical equipment, or a covered capital expenditure that  
19 is issued in accordance with this part.

20       (4) "Certificate of need review standard" means a standard  
21 approved by the commission or the statewide health coordinating  
22 council under section 22215 or 22217 or a document, policy, or  
23 guideline listed in section 22217(1).

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

26       (a) An increase in licensed hospital beds.

1 (b) An increase in licensed nursing home beds. ~~or hospital~~  
2 ~~beds certified for long term care.~~

3 (c) An increase in licensed psychiatric beds.

4 ~~(d) A change from licensed use to a different licensed~~  
5 ~~use.~~

6 (D) ~~(e)~~ The physical relocation of beds from a licensed  
7 site to another geographic location.

8 (6) "Clinical" means directly pertaining to the diagnosis,  
9 treatment, or rehabilitation of an individual.

10 (7) "Clinical service area" means an area of a health facil-  
11 ity, including related corridors, equipment rooms, ancillary  
12 service and support areas ~~which~~ THAT house medical equipment,  
13 patient rooms, patient beds, diagnostic, operating, therapy, or  
14 treatment rooms or other accommodations related to the diagnosis,  
15 treatment, or rehabilitation of individuals receiving services  
16 from the health facility.

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

19 (9) "Council" means the state health planning council cre-  
20 ated under the Michigan health planning and health policy devel-  
21 opment act, Act No. 323 of the Public Acts of 1978, being sec-  
22 tions 325.2001 to 325.2031 of the Michigan Compiled Laws.

23 (10) "Covered capital expenditure" means a capital expendi-  
24 ture by a health facility for a single project, excluding the  
25 cost of nonfixed medical equipment, that is equal to ~~—~~ or  
26 greater than ~~—~~ 1 of the following amounts:

1 (a) For a single project that includes or involves the  
2 acquisition, improvement, expansion, addition, conversion,  
3 modernization, new construction, or replacement of a clinical  
4 service area:

5 (i) For certificate of need applications submitted on or  
6 after October 1, 1988, but before October 1, 1991, \$750,000.00.

7 (ii) For certificate of need applications submitted on or  
8 after October 1, 1991, \$850,000.00.

9 (b) For a single project that involves the acquisition,  
10 improvement, expansion, addition, conversion, modernization, new  
11 construction, or replacement of nonclinical service areas only:

12 (i) For certificate of need applications submitted on or  
13 after October 1, 1988, but before October 1, 1991,  
14 \$1,500,000.00.

15 (ii) For certificate of need applications submitted on or  
16 after October 1, 1991, \$1,700,000.00.

17 (c) For a single project that is limited solely to the  
18 acquisition of nonfixed, nonmedical equipment and that does not  
19 involve acquisition, improvement, expansion, addition, conver-  
20 sion, modernization, new construction, or replacement of physical  
21 plant:

22 (i) For certificate of need applications submitted on or  
23 after October 1, 1988, but before October 1, 1991,  
24 \$1,500,000.00.

25 (ii) For certificate of need applications submitted on or  
26 after October 1, 1991, \$1,700,000.00.

1 (11) "Covered clinical service", except as otherwise  
2 modified by the commission pursuant to section 22215, means 1 or  
3 more of the following:

4 (a) Initiation or replacement of either of the following  
5 services:

6 (i) Cardiac services.

7 (ii) Extrarenal organ transplantation.

8 (b) Initiation of a specialized psychiatric program utiliz-  
9 ing existing licensed psychiatric beds. Specialized psychiatric  
10 programs may include services for geriatric, pediatric, adoles-  
11 cent, or substance abuse patients.

12 (c) Initiation, replacement, or expansion of 1 or more of  
13 the following:

14 (i) Special radiological procedure rooms used for invasive  
15 procedures such as angiography, arteriography, venography, cathe-  
16 terizations, and electro-physiology, but excluding procedure  
17 rooms used only for general radiology and fluoroscopy  
18 procedures.

19 (ii) Specialized radiation therapy services.

20 (iii) A partial day hospitalization psychiatric program.

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

24 (e) Initiation or increase in the number of licensed hospi-  
25 tal beds dedicated to neonatal intensive care services or special  
26 newborn nursing services.

1       (12) "Covered medical equipment", except as otherwise  
2 modified by the commission pursuant to section 22215, means 1 or  
3 more of the following:

4       (a) An extracorporeal shock wave lithotripter.

5       (b) A magnetic resonance unit.

6       (c) A mobile computerized tomography scanner.

7       (d) A fixed computerized tomography scanner.

8       (e) Surgical facilities.

9       (f) An air ambulance.

10      (g) A positron emission tomography scanner.

11      (h) Other equipment not listed in this subsection, but des-  
12 ignated by the commission as covered medical equipment under  
13 section 22215(1)(a).

14      (13) "Fixed equipment" means equipment that is affixed to  
15 and constitutes a structural component of a health facility,  
16 including, but not limited to, mechanical or electrical systems,  
17 elevators, generators, pumps, boilers, and refrigeration  
18 equipment.