



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5490 (Substitute H-2 as reported without amendment)
Sponsor: Representative Gerald Law
House Committee: Health Policy
Senate Committee: Health Policy and Senior Citizens

CONTENT

The bill would amend Article 17 of the Public Health Code, which governs health facilities and agencies, to exempt from the definition of "nursing home" a hospice residence licensed under Article 17, and a hospice certified under the applicable Federal regulation.

The bill is tie-barred to House Bill 5491, which also would amend Article 17 to exempt a hospice residence from the definition of "health facility or agency"; provide for the licensure of a hospice residence; and establish a fee of \$200 per license survey and \$20 per licensed bed for hospice residences.

MCL 333.20109

Legislative Analyst: G. Towne

FISCAL IMPACT

The bills would have an indeterminate fiscal impact. Hospice services are intended to provide supportive (as opposed to curative) services to the terminally ill. In this State these services are provided in-home; when the individuals can no longer be maintained in their home, they are placed in a hospital or nursing home. These bills would allow the establishment of hospice "residences", which are assumed to be less costly than hospital or nursing home per diems, again because of the supportive nature of hospice care. To the extent that this assumption is true, total health care costs for treating the terminally ill should decrease. It should be noted that any additional cost or savings would 1) be marginal due to the cost/savings being the incremental difference between hospice residence and hospital/nursing home per diems, and 2) be limited due to the fact that hospice services are restricted to the terminally ill with less than six months to live. In other words, these "residences" cannot generate their own demand beyond this restricted clientele group.

Given these limitations on the demand for hospice services, the number of hospice residences that would be established would be small. As a result, the costs associated with licensing the hospice residences also would be small and could be absorbed within existing State health facility licensure program resources.

Date Completed: 5-6-96

Fiscal Analyst: J. Walker
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