



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 820 (as introduced 2-25-14)
Sponsor: Senator Joe Hune
Committee: Insurance

Date Completed: 3-4-14

CONTENT

The bill would amend the Public Health Code to include on the Certificate of Need Commission an individual representing a nonprofit mutual disability insurer into which a nonprofit health care corporation (Blue Cross Blue Shield of Michigan, or BCBSM) has merged, as an alternative to a person representing BCBSM.

The Code states that, unless otherwise provided, a person may not undertake any of the following actions unless the person first obtains a certificate of need:

- Acquire an existing health facility or begin operation of a health facility at a site that is not currently licensed for that type of health facility.
- Make a change in the bed capacity of a health facility.
- Initiate, replace, or expand a covered clinical service.
- Make a covered capital expenditure.

The certificate of need standards are developed, revised, and approved by the Certificate of Need Commission. The Commission consists of 11 members appointed by the Governor with the advice and consent of the Senate. Members serve a three-year term.

The Commission includes a member, or members, representing hospitals, labor unions, physicians licensed to practice medicine, nurses, nursing homes, a school of medicine or osteopathic medicine, companies that are self-insured and not self-insured for health coverage, and a nonprofit health care corporation.

The bill would require one member to represent either BCBSM or a nonprofit mutual disability insurer that BCBSM has merged into as provided in the Insurance Code. (Public Acts 4 and 5 of 2013 amended the Nonprofit Health Care Corporation Reform Act and the Insurance Code, respectively, to allow BSBCM to establish and merge with a nonprofit mutual disability insurer, subject to requirements that it continue to provide coverage to the individual and small group health markets in Michigan.)

MCL 333.22211

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Steve Angelotti

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