

SENATE BILL No. 1073

September 16, 2014, Introduced by Senators RICHARDVILLE, KOWALL, BRANDENBURG, GREEN and MARLEAU and referred to the Committee on Government Operations.

A bill to amend 1978 PA 368, entitled
"Public health code,"
by amending sections 22201, 22207, 22209, 22211, 22213, 22215, and
22219 (MCL 333.22201, 333.22207, 333.22209, 333.22211, 333.22213,
333.22215, and 333.22219), section 22201 as added by 1988 PA 332,
sections 22207, 22209, 22213, and 22215 as amended and section
22219 as added by 2002 PA 619, and section 22211 as amended by 2014
PA 107.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 22201. (1) For purposes of this part, the words and
2 phrases defined in sections 22203 to ~~22207~~-22208 have the meanings
3 ascribed to them in those sections.

4 (2) In addition, article 1 contains general definitions and

1 principles of construction applicable to all articles in this code.

2 (3) The definitions in part 201 do not apply to this part.

3 Sec. 22207. (1) "Medicaid" means the program for medical
4 assistance administered by the department ~~of community health~~ under
5 the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

6 (2) "Modernization" means an upgrading, alteration, or change
7 in function of a part or all of the physical plant of a health
8 facility. Modernization includes, but is not limited to, the
9 alteration, repair, remodeling, and renovation of an existing
10 building and initial fixed equipment and the replacement of
11 obsolete fixed equipment in an existing building. Modernization of
12 the physical plant does not include normal maintenance and
13 operational expenses.

14 (3) "New construction" means construction of a health facility
15 where a health facility does not exist or construction replacing or
16 expanding an existing health facility or a part of an existing
17 health facility.

18 (4) "Person" means ~~a person~~ **THAT TERM** as defined in section
19 1106 ~~or~~ **AND INCLUDES** a governmental entity.

20 (5) "Planning area" means the area defined in a certificate of
21 need review standard for determining the need for, and the resource
22 allocation of, a specific health facility, service, or equipment.
23 Planning area includes, but is not limited to, ~~the~~ **THIS** state, a
24 health facility service area, or a health service area or subarea
25 within ~~the~~ **THIS** state.

26 (6) "Proposed project" means a proposal to acquire an existing
27 health facility or begin operation of a new health facility, make a

1 change in bed capacity, initiate, replace, or expand a covered
2 clinical service, or make a covered capital expenditure.

3 (7) "PUBLIC MEMBER" MEANS A MEMBER OF THE GENERAL PUBLIC WHO
4 IS NOT A LICENSEE OR REGISTRANT UNDER THIS ARTICLE OR ARTICLE 15,
5 IS A RESIDENT OF THIS STATE, IS NOT LESS THAN 18 YEARS OF AGE, DOES
6 NOT HAVE AN OWNERSHIP INTEREST IN OR A CONTRACTUAL RELATIONSHIP
7 WITH A HEALTH FACILITY, DOES NOT HAVE A MATERIAL FINANCIAL INTEREST
8 IN THE PROVISION OF HEALTH SERVICES, AND HAS NOT HAD A MATERIAL
9 FINANCIAL INTEREST IN THE PROVISION OF HEALTH SERVICES WITHIN THE
10 12 MONTHS IMMEDIATELY PRECEDING HIS OR HER APPOINTMENT TO THE
11 COMMISSION.

12 (8) ~~(7)~~—"Rural county" means a county not located in a
13 metropolitan statistical area or micropolitan statistical areas as
14 those terms ~~AREAS~~ are defined ~~DELINEATED~~ under the "2010 standards
15 for defining ~~DELINEATING~~ metropolitan and micropolitan statistical
16 areas" **AS ADOPTED** by the ~~statistical policy office of the~~ office of
17 information and regulatory affairs of the United States office of
18 management and budget, ~~65 F.R. p. 82238 (December 27, 2000).~~ **75 FR**
19 **123, P. 37246 (JUNE 28, 2010).**

20 (9) ~~(8)~~—"Stipulation" means a requirement that is germane to
21 the proposed project and has been agreed to by an applicant as a
22 condition of certificate of need approval.

23 Sec. 22209. (1) Except as otherwise provided in this part, a
24 person shall not do any of the following without first obtaining a
25 certificate of need:

26 (a) Acquire an existing health facility or begin operation of
27 a health facility at a site that is not currently licensed for that

1 type of health facility.

2 (b) Make a change in the bed capacity of a health facility.

3 (c) Initiate, replace, or expand a covered clinical service.

4 (d) Make a covered capital expenditure.

5 (2) A certificate of need is not required for a reduction in
6 licensed bed capacity or services at a licensed site.

7 (3) ~~Subject to subsection (9) and if the~~ **IF A HOSPITAL BED**
8 relocation does not result in an increase of licensed beds within
9 that health service area, a certificate of need is not required for
10 any of the following:

11 (a) The physical relocation of licensed beds from a hospital
12 site licensed under part 215 to another hospital site licensed
13 under the same license as the hospital seeking to transfer the beds
14 if both hospitals are located within a 2-mile radius of each other.

15 (b) Subject to subsections (7) and (8) **AND PROVIDED THAT**
16 **CONSTRUCTION OF A NEW FACILITY SITE, IF APPLICABLE, COMMENCES NOT**
17 **LATER THAN 12 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT**
18 **THAT ADDED SUBPARAGRAPHS (v) AND (vi),** the physical relocation of
19 licensed beds from a hospital licensed under part 215 to a
20 freestanding surgical outpatient facility **SITE** licensed under part
21 208 if that freestanding surgical outpatient facility **SITE**
22 satisfies each of the following criteria: ~~on December 2, 2002;~~

23 (i) Is owned by, is under common control of, or has ~~as a common~~
24 ~~parent~~ **OWNERSHIP IN COMMON WITH** the hospital seeking to relocate
25 its licensed beds.

26 (ii) Was licensed ~~prior to~~ **BEFORE** January 1, ~~2002-2010~~.

27 (iii) Provides 24-hour **URGENT OR** emergency care services at that

1 site.

2 (iv) Provides at least 4 different covered clinical services at
3 that site.

4 (v) IS LOCATED WITHIN AN 8-MILE RADIUS OF THE HOSPITAL SEEKING
5 TO RELOCATE ITS LICENSED BEDS.

6 (vi) IS LOCATED IN A COUNTY WITH A POPULATION BETWEEN 1,200,000
7 AND 1,500,000.

8 (c) Subject to subsections (7) and (8), the physical
9 relocation of licensed beds from a hospital licensed under part 215
10 to another hospital licensed under part 215 within the same health
11 service area if the hospital receiving the licensed beds is owned
12 by, is under common control of, or has as a common parent the
13 hospital seeking to relocate its licensed beds.

14 (4) Subject to subsection (5), a hospital licensed under part
15 215 is not required to obtain a certificate of need to provide 1 or
16 more ~~of the covered clinical services listed in section 22203(10)~~
17 in a federal veterans health care facility or to use long-term care
18 unit beds or acute care beds that are owned and located in a
19 federal veterans health care facility if the hospital satisfies
20 each of the following criteria:

21 (a) The hospital has an active affiliation or sharing
22 agreement with the federal veterans health care facility.

23 (b) The hospital has physicians who have faculty appointments
24 at the federal veterans health care facility or has an affiliation
25 with a medical school that is affiliated with a federal veterans
26 health care facility and has physicians who have faculty
27 appointments at the federal veterans health care facility.

1 (c) The hospital has an active grant or agreement with the
2 state or federal government to provide 1 or more of the following
3 functions relating to bioterrorism:

4 (i) Education.

5 (ii) Patient care.

6 (iii) Research.

7 (iv) Training.

8 (5) A hospital that provides 1 or more covered clinical
9 services in a federal veterans health care facility or uses long-
10 term care unit beds or acute care beds located in a federal
11 veterans health care facility under subsection (4) ~~may~~**SHALL** not
12 utilize procedures performed at the federal veterans health care
13 facility to demonstrate need or to satisfy a certificate of need
14 review standard unless the covered clinical service provided at the
15 federal veterans health care facility was provided under a
16 certificate of need.

17 (6) If a hospital licensed under part 215 ~~had~~**HAS** fewer than
18 70 licensed beds, ~~on December 1, 2002,~~ that hospital is not
19 required to satisfy the minimum volume requirements under the
20 certificate of need review standards for its existing operating
21 rooms as long as those operating rooms continue to exist at that
22 licensed hospital site.

23 (7) Before relocating beds under subsection (3)(b), the
24 hospital seeking to relocate its beds shall provide the information
25 requested by the department of ~~consumer and industry services~~
26 **LICENSING AND REGULATORY AFFAIRS** that will allow the department of
27 ~~consumer and industry services~~**LICENSING AND REGULATORY AFFAIRS** to

~~verify the number of licensed beds that were staffed and available
for patient care at that hospital. as of December 2, 2002. A
hospital shall transfer no more than 35% of its licensed beds to
another hospital or freestanding surgical outpatient facility under
subsection (3) (b) or (c) not more than 1 time after the effective
date of the amendatory act that added this subsection if the
hospital seeking to relocate its licensed beds or another hospital
owned by, under common control of, or having as a common parent the
hospital seeking to relocate its licensed beds is located in a city
that has a population of 750,000 or more.~~THE HOSPITAL SEEKING TO

RELOCATE LICENSED BEDS SHALL PROVIDE WRITTEN VERIFICATION TO THE
DEPARTMENT THAT IT SHALL CONTINUE TO DO ALL OF THE FOLLOWING AT ITS
CURRENT SITE:

(A) PROVIDE AT LEAST \$10,000,000.00 IN UNCOMPENSATED CARE
ANNUALLY.

(B) DEVELOP A MEDICAL EDUCATION AND JOB TRAINING PROGRAM IN
COOPERATION WITH A LOCAL PUBLIC SCHOOL DISTRICT, A LOCAL
INTERMEDIATE SCHOOL DISTRICT, A LOCAL COMMUNITY COLLEGE, OR A
PUBLIC HIGHER EDUCATION INSTITUTION.

(C) PROVIDE ACCESS TO HEALTH CARE SERVICES, INCLUDING, BUT NOT
LIMITED TO, PRIMARY CARE SERVICES, PEDIATRIC SERVICES, PRENATAL
SERVICES, INPATIENT AND OUTPATIENT SURGICAL SERVICES, ONCOLOGY
SERVICES, CARDIAC SERVICES, EMERGENCY MEDICAL SERVICES, CHRONIC
DISEASE PREVENTION AND TREATMENT SERVICES FOCUSED ON OBESITY,
INFANT MORTALITY, AND SMOKING CESSATION, MENTAL HEALTH SERVICES,
SUBSTANCE ABUSE SERVICES, DIAGNOSTIC SERVICES, REHABILITATION
SERVICES, PHYSICAL THERAPY SERVICES, OCCUPATIONAL THERAPY SERVICES,

1 **GERIATRIC HEALTH CARE SERVICES, AND DIALYSIS SERVICES.**

2 **(D) MAINTAIN AT LEAST 70 LICENSED BEDS.**

3 (8) The licensed beds relocated under subsection (3)(b) or (c)
4 shall not be included as new beds in a hospital or as a new
5 hospital under the certificate of need review standards for
6 hospital beds. ~~One of every 2 beds transferred under subsection~~
7 ~~(3)(b) up to a maximum of 100 shall be beds that were staffed and~~
8 ~~available for patient care as of December 2, 2002. A hospital~~
9 ~~relocating beds under subsection (3)(b) shall not reactivate~~
10 ~~licensed beds within that hospital that were unstaffed or~~
11 ~~unavailable for patient care on December 2, 2002 for a period of 5~~
12 ~~years after the date of the relocation of the licensed beds under~~
13 ~~subsection (3)(b).~~ **SERVICES AT THE NEW SITE SHALL NOT BE CONSIDERED**
14 **AN INITIATION, REPLACEMENT, OR EXPANSION OF COVERED CLINICAL**
15 **SERVICES FOR THE PURPOSES OF SUBSECTION (1)(C) IF THOSE SAME**
16 **SERVICES ARE PROVIDED AT THE EXISTING HOSPITAL SITE AT THE TIME THE**
17 **LICENSED BEDS ARE RELOCATED TO THE NEW SITE.**

18 ~~— (9) No licensed beds shall be physically relocated under~~
19 ~~subsection (3) if 7 or more members of the commission, after the~~
20 ~~appointment and confirmation of the 6 additional commission members~~
21 ~~under section 22211 but before June 15, 2003, determine that~~
22 ~~relocation of licensed beds under subsection (3) may cause great~~
23 ~~harm and detriment to the access and delivery of health care to the~~
24 ~~public and the relocation of beds should not occur without a~~
25 ~~certificate of need.~~

26 **(9) ~~(10)~~ An applicant seeking a certificate of need for the**
27 **acquisition of an existing health facility may file a single,**

1 consolidated application for the certificate of need if the project
2 results in the acquisition of an existing health facility but does
3 not result in an increase or relocation of licensed beds or the
4 initiation, expansion, or replacement of a covered clinical
5 service. Except as otherwise provided in this subsection, a person
6 acquiring an existing health facility is subject to the applicable
7 certificate of need review standards in effect on the date of the
8 transfer for the covered clinical services provided by the acquired
9 health facility. The department may except 1 or more of the covered
10 clinical services listed in section 22203(10)(b), except the
11 covered clinical service listed in section 22203(10)(b)(iv), from
12 the minimum volume requirements in the applicable certificate of
13 need review standards in effect on the date of the transfer, if the
14 equipment used in the covered clinical service is unable to meet
15 the minimum volume requirements due to the technological incapacity
16 of the equipment. A covered clinical service excepted by the
17 department under this subsection is subject to all the other
18 provisions in the applicable certificate of need review standards
19 in effect on the date of the transfer, except minimum volume
20 requirements.

21 (10) ~~(11)~~—An applicant seeking a certificate of need for the
22 relocation or replacement of an existing health facility may file a
23 single, consolidated application for the certificate of need if the
24 project does not result in an increase of licensed beds or the
25 initiation, expansion, or replacement of a covered clinical
26 service. A person relocating or replacing an existing health
27 facility is subject to the applicable certificate of need review

standards in effect on the date of the relocation or replacement of the health facility.

(11) ~~(12)~~ As used in this section, "sharing agreement" means a written agreement between a federal veterans health care facility and a hospital licensed under part 215 for the use of the federal veterans health care facility's beds or equipment, or both, to provide covered clinical services.

Sec. 22211. (1) The certificate of need commission is created in the department. ~~The BEGINNING 60 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBDIVISION (K), THE~~ commission consists of ~~11~~ 13 members appointed by the governor with the advice and consent of the senate. The governor shall not appoint more than ~~6~~ 7 members from the same major political party and shall appoint ~~5~~ 6 members from another major political party. ~~WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBDIVISION (K), THE GOVERNOR SHALL APPOINT THE 2 GENERAL PUBLIC MEMBERS TO THE COMMISSION AS REQUIRED UNDER SUBDIVISION (K).~~ The commission consists of the following ~~11~~ members:

(a) Two individuals ~~representing~~ WHO REPRESENT hospitals.

(b) One individual ~~representing~~ WHO REPRESENTS physicians licensed under part 170 to engage in the practice of medicine.

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

(d) One individual who is a physician licensed under part 170 or 175 ~~representing~~ AND WHO REPRESENTS a school of medicine or osteopathic medicine.

1 (e) One individual ~~representing~~ **WHO REPRESENTS** nursing homes.

2 (f) One individual ~~representing~~ **WHO REPRESENTS** nurses.

3 (g) One individual ~~representing~~ **WHO REPRESENTS** a company that
4 is self-insured for health coverage.

5 (h) One individual ~~representing~~ **WHO REPRESENTS** a company that
6 is not self-insured for health coverage.

7 (i) One individual ~~representing a nonprofit health care~~
8 ~~corporation operating pursuant to the nonprofit health care~~
9 ~~corporation reform act, 1980 PA 350, MCL 550.1101 to 550.1704, or~~
10 **WHO REPRESENTS** a nonprofit mutual disability insurer into which a
11 nonprofit health care corporation has merged as provided in section
12 5805(1) of the insurance code of 1956, 1956 PA 218, MCL 500.5805.

13 (j) One individual ~~representing~~ **WHO REPRESENTS** organized labor
14 unions in this state.

15 **(K) TWO INDIVIDUALS WHO REPRESENT THE GENERAL PUBLIC, 1 OF**
16 **WHOM IS DESIGNATED BY THE GOVERNOR AS THE CHAIRPERSON.**

17 (2) In making appointments, the governor shall, to the extent
18 feasible, assure that the membership of the commission is broadly
19 representative of the interests of all of the people of this state
20 and of the various geographic regions.

21 (3) A member of the commission shall serve for a term of 3
22 years or until a successor is appointed. A vacancy on the
23 commission shall be filled for the remainder of the unexpired term
24 in the same manner as the original appointment.

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

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

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

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

2 Sec. 22213. (1) The commission shall, within 2 months after
3 appointment and confirmation of all members, adopt bylaws for the
4 operation of the commission. The bylaws shall include, at a
5 minimum, voting procedures that protect against conflict of
6 interest and minimum requirements for attendance at meetings.

7 (2) The governor may remove a commission member from office
8 for failure to attend 3 consecutive meetings in a 1-year period.

9 (3) The commission annually shall elect a ~~chairperson and~~
10 vice-chairperson.

11 (4) IF AN ITEM ON THE COMMISSION'S AGENDA PRESENTS A CONFLICT
12 OF INTEREST FOR THE CHAIRPERSON, THE VICE-CHAIRPERSON SHALL LEAD
13 THE DISCUSSION FOR THAT ITEM.

14 (5) ~~(4)~~—The commission shall hold regular quarterly meetings
15 at places and on dates fixed by the commission. Special meetings
16 may be called by the chairperson, by not less than 3 commission
17 members, or by the department.

18 (6) ~~(5)~~—A majority of the commission members appointed and
19 serving constitutes a quorum. Final action by the commission shall
20 be only by affirmative vote of a majority of the commission members
21 appointed and serving. A commission member shall not vote by proxy.

22 (7) ~~(6)~~—The legislature annually shall fix the per diem
23 compensation of members of the commission. Expenses of members
24 incurred in the performance of official duties shall be reimbursed
25 as provided in section 1216.

26 (8) ~~(7)~~—The department shall furnish administrative services
27 to the commission, shall have charge of the commission's offices,

1 records, and accounts, and shall provide ~~at least 2 full-time~~
2 ~~administrative employees, secretarial staff, and other staff~~
3 ~~necessary to allow the proper exercise of the powers and duties of~~
4 ~~the commission.~~ **SUFFICIENT STAFF TO SUPPORT THE WORK OF THE**
5 **COMMISSION.** The department shall make available the times and
6 places of commission meetings and keep minutes of the meetings and
7 a record of the actions of the commission. The department shall
8 make available a brief summary of the actions taken by the
9 commission.

10 (9) ~~(8)~~ The department shall assign at least 2 full-time
11 professional employees to staff the commission to assist the
12 commission in the performance of its substantive responsibilities
13 under this part.

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

15 (a) If determined necessary by the commission, revise, add to,
16 or delete 1 or more of the covered clinical services listed in
17 section 22203. If the commission proposes to add to the covered
18 clinical services listed in section 22203, the commission shall
19 develop proposed review standards and make the review standards
20 available to the public not less than 30 days before conducting a
21 hearing under subsection (3).

22 (b) Develop, approve, disapprove, or revise certificate of
23 need review standards that establish for purposes of section 22225
24 the need, if any, for the initiation, replacement, or expansion of
25 covered clinical services, the acquisition or beginning the
26 operation of a health facility, making changes in bed capacity, or
27 making covered capital expenditures, including conditions,

1 standards, assurances, or information that must be met,
2 demonstrated, or provided by a person who applies for a certificate
3 of need. A certificate of need review standard may also establish
4 ongoing quality assurance requirements including any or all of the
5 requirements specified in section 22225(2)(c). Except for nursing
6 home and hospital long-term care unit bed review standards, by
7 January 1, 2004, the commission shall revise all certificate of
8 need review standards to include a requirement that each applicant
9 participate in title XIX. ~~of the social security act, chapter 531,~~
10 ~~49 Stat. 620, 1396r-6 and 1396r-8 to 1396v.~~

11 (c) Direct the department to prepare and submit
12 recommendations regarding commission duties and functions that are
13 of interest to the commission including, but not limited to,
14 specific modifications of proposed actions considered under this
15 section.

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

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

21 (f) By January 1 ~~, 2005, and OF every 2 years thereafter, ODD~~
22 **YEAR,** make recommendations to the joint committee regarding
23 statutory changes to improve or eliminate the certificate of need
24 program.

25 (g) Upon submission by the department approve, disapprove, or
26 revise standards to be used by the department in designating a
27 regional certificate of need review agency, pursuant to section

1 22226.

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

4 (i) In accordance with section 22255, approve, disapprove, or
5 revise proposed procedural rules for the certificate of need
6 program.

7 (j) Consider the recommendations of the department and the
8 department of attorney general as to the administrative feasibility
9 and legality of proposed actions under subdivisions (a), (b), and
10 (c).

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

14 **THE COMMISSION SHALL ALSO EVALUATE ALL CERTIFICATE OF NEED REVIEW**
15 **STANDARDS TO DETERMINE IF THE LANGUAGE ALLOWS FOR ACTUAL APPROVAL**
16 **OF AN APPLICATION. IF THE COMMISSION DETERMINES THAT A SERVICE WILL**
17 **BE CAPPED AT A SPECIFIC NUMBER OF PROVIDERS, THE COMMISSION SHALL**
18 **EXPRESS THAT DETERMINATION PLAINLY IN THE REVIEW STANDARDS.**

19 (l) If the commission determines it necessary, appoint standard
20 advisory committees to assist in the development of proposed
21 certificate of need review standards. A standard advisory committee
22 shall complete its duties under this subdivision and submit its
23 recommendations to the commission within 6 months unless a shorter
24 period of time is specified by the commission when the standard
25 advisory committee is appointed. **VOTING ON ALL MOTIONS BEFORE THE**
26 **COMMITTEES SHALL BE DOCUMENTED BY A ROLL CALL VOTE AND SHALL BE**
27 **RECORDED IN THE MINUTES.** An individual shall serve on no more than

1 2 standard advisory committees in any 2-year period. The
2 composition of a standard advisory committee shall not include a
3 lobbyist registered under 1978 PA 472, MCL 4.411 to 4.431, but
4 shall include all of the following:

5 (i) Experts with professional competence in the subject matter
6 of the proposed standard, who shall constitute a 2/3 majority of
7 the standard advisory committee.

8 (ii) Representatives of health care provider organizations
9 concerned with licensed health facilities or licensed health
10 professions.

11 (iii) Representatives of organizations concerned with health
12 care consumers and the purchasers and payers of health care
13 services.

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

17 (n) If a standard advisory committee is not appointed by the
18 commission and the commission determines it necessary, submit a
19 request to the department to engage the services of private
20 consultants or request the department to contract with any private
21 organization for professional and technical assistance and advice
22 or other services to assist the commission in carrying out its
23 duties and functions under this part.

24 ~~—— (o) Within 6 months after the appointment and confirmation of~~
25 ~~the 6 additional commission members under section 22211, develop,~~
26 ~~approve, or revise certificate of need review standards governing~~
27 ~~the increase of licensed beds in a hospital licensed under part~~

1 ~~215, the physical relocation of hospital beds from 1 licensed site~~
2 ~~to another geographic location, and the replacement of beds in a~~
3 ~~hospital licensed under part 215.~~

4 (2) The commission shall exercise its duties under this part
5 to promote and assure all of the following:

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

9 (b) Appropriate differential consideration of the health care
10 needs of residents in rural counties in ways that do not compromise
11 the quality and affordability of health care services for those
12 residents.

13 (3) Not less than 30 days before final action is taken by the
14 commission under subsection (1)(a), (b), (d), **OR** (h), ~~or (e)~~, the
15 commission shall conduct a public hearing on its proposed action.
16 In addition, not less than 30 days before final action is taken by
17 the commission under subsection (1)(a), (b), (d), **OR** (h), ~~or (e)~~,
18 the commission chairperson shall submit the proposed action and a
19 concise summary of the expected impact of the proposed action for
20 comment to each member of the joint committee. The commission shall
21 inform the joint committee of the date, time, and location of the
22 next meeting regarding the proposed action. The joint committee
23 shall promptly review the proposed action and submit its
24 recommendations and concerns to the commission.

25 (4) The commission chairperson shall submit the proposed final
26 action including a concise summary of the expected impact of the
27 proposed final action to the governor and each member of the joint

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

20 (5) The commission shall not develop, approve, or revise a
21 certificate of need review standard that requires the payment of
22 money or goods or the provision of services unrelated to the
23 proposed project as a condition that must be satisfied by a person
24 seeking a certificate of need for the initiation, replacement, or
25 expansion of covered clinical services, the acquisition or
26 beginning the operation of a health facility, making changes in bed
27 capacity, or making covered capital expenditures. This subsection

1 does not preclude a requirement that each applicant participate in
 2 title XIX ~~of the social security act, chapter 531, 49 Stat. 620,~~
 3 ~~1396r-6 and 1396r-8 to 1396v,~~ or a requirement that each applicant
 4 provide covered clinical services to all patients regardless of his
 5 or her ability to pay.

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

13 (6) ~~(7)~~ As used in this section, "joint committee" means the
 14 joint committee created under section 22219.

15 Sec. 22219. (1) A joint legislative committee to focus on
 16 proposed actions of the commission regarding the certificate of
 17 need program and certificate of need standards and to review other
 18 certificate of need issues is created. The joint committee shall
 19 consist of 6 members as follows:

20 (a) The chairperson of the senate committee on health policy.

21 (b) The vice-chairperson of the senate committee on health
 22 policy.

23 (c) The minority vice-chairperson of the senate committee on
 24 health policy.

25 (d) The chairperson of the house of representatives committee
 26 on health policy.

27 (e) The vice-chairperson of the house of representatives

1 committee on health policy.

2 (f) The minority vice-chairperson of the house of
3 representatives committee on health policy.

4 (2) The joint committee shall be co-chaired by the chairperson
5 of the senate committee on health policy and the chairperson of the
6 house committee on health policy.

7 (3) The joint committee may administer oaths, subpoena
8 witnesses, and examine the application, documentation, or other
9 reports and papers of an applicant or any other person involved in
10 a matter properly before the committee.

11 (4) The joint committee shall review the recommendations made
12 by the commission ~~under section 22215(6)~~ regarding the revision of
13 the certificate of need application fees and submit a written
14 report to the legislature outlining the costs to the department to
15 implement the program, the amount of fees collected, and its
16 recommendation regarding the revision of those fees.

17 (5) The joint committee may develop a plan for the revision of
18 the certificate of need program. If a plan is developed by the
19 joint committee, the joint committee shall recommend to the
20 legislature the appropriate statutory changes to implement the
21 plan.