

SENATE BILL No. 741

February 3, 2016, Introduced by Senators JONES, COLBECK, NOFS, SCHUITMAKER, STAMAS and SHIRKEY and referred to the Committee on Health Policy.

A bill to amend 1978 PA 368, entitled
"Public health code,"
by amending section 22203 (MCL 333.22203), as amended by 2002 PA
619.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

6 (2) "Capital expenditure" means an expenditure for a single
7 project, including cost of construction, engineering, and equipment
8 that under generally accepted accounting principles is not properly
9 chargeable as an expense of operation. Capital expenditure includes

1 a lease or comparable arrangement by or on behalf of a health
2 facility to obtain a health facility, licensed part of a health
3 facility, or equipment for a health facility, if the actual
4 purchase of a health facility, licensed part of a health facility,
5 or equipment for a health facility would have been considered a
6 capital expenditure under this part. Capital expenditure includes
7 the cost of studies, surveys, designs, plans, working drawings,
8 specifications, and other activities essential to the acquisition,
9 improvement, expansion, addition, conversion, modernization, new
10 construction, or replacement of physical plant and equipment.

11 (3) "Certificate of need" means a certificate issued under
12 this part authorizing a new health facility, a change in bed
13 capacity, the initiation, replacement, or expansion of a covered
14 clinical service, or a covered capital expenditure that is issued
15 in accordance with this part.

16 (4) "Certificate of need review standard" or "review standard"
17 means a standard approved by the commission.

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

19 (a) An increase in licensed hospital beds.

20 (b) An increase in licensed nursing home beds or hospital beds
21 certified for long-term care.

22 (c) An increase in licensed psychiatric beds.

23 (d) A change from 1 licensed use to a different licensed use.

24 (e) The physical relocation of beds from a licensed site to
25 another geographic location.

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

1 (7) "Clinical service area" means an area of a health
2 facility, including related corridors, equipment rooms, ancillary
3 service and support areas that house medical equipment, patient
4 rooms, patient beds, diagnostic, operating, therapy, or treatment
5 rooms or other accommodations related to the diagnosis, treatment,
6 or rehabilitation of individuals receiving services from the health
7 facility.

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

10 (9) "Covered capital expenditure" means a capital expenditure
11 of \$2,500,000.00 or more, as adjusted annually by the department
12 under section 22221(g), by a person for a health facility for a
13 single project, excluding the cost of nonfixed medical equipment,
14 that includes or involves the acquisition, improvement, expansion,
15 addition, conversion, modernization, new construction, or
16 replacement of a clinical service area.

17 (10) "Covered clinical service", except as modified by the
18 commission under section 22215, means 1 or more of the following:

19 (a) Initiation or expansion of 1 or more of the following
20 services:

21 (i) Neonatal intensive care services or special newborn
22 nursing services.

23 (ii) Open heart surgery.

24 (iii) Extrarenal organ transplantation.

25 (b) Initiation, replacement, or expansion of 1 or more of the
26 following services:

27 (i) Extracorporeal shock wave lithotripsy.

(ii) Megavoltage radiation therapy.

(iii) Positron emission tomography.

(iv) Surgical services provided in a freestanding surgical outpatient facility, an ambulatory surgery center certified under title XVIII, or a surgical department of a hospital licensed under part 215 and offering inpatient or outpatient surgical services.

(v) Cardiac catheterization.

(vi) Fixed and mobile magnetic resonance imager services.

(vii) Fixed and mobile computerized tomography scanner services, **EXCEPT CONE-BEAM DENTAL IMAGING EQUIPMENT THAT IS USED BY AN INDIVIDUAL WHO IS LICENSED TO ENGAGE IN THE PRACTICE OF DENTISTRY UNDER PART 166.**

(viii) Air ambulance services.

(c) Initiation or expansion of a specialized psychiatric program for children and adolescent patients utilizing licensed psychiatric beds.

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

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

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.