

SENATE BILL No. 1128

October 20, 2016, Introduced by Senators JONES 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.

1 (ii) Megavoltage radiation therapy.

2 (iii) Positron emission tomography.

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

7 (v) Cardiac catheterization.

8 (vi) Fixed and mobile magnetic resonance imager services.

9 (vii) Fixed and mobile computerized tomography scanner
10 services, **EXCEPT CONE-BEAM COMPUTED TOMOGRAPHY EQUIPMENT THAT MEETS**
11 **ALL OF THE FOLLOWING REQUIREMENTS:**

12 (A) **THE EQUIPMENT IS DESIGNED SPECIFICALLY FOR LIMITED-USE**
13 **SPECIALTY IMAGING.**

14 (B) **THE EQUIPMENT IS APPROVED BY THE UNITED STATES FOOD AND**
15 **DRUG ADMINISTRATION AS A MEDICAL DIAGNOSTIC DEVICE.**

16 (C) **THE EQUIPMENT IS USED EXCLUSIVELY BY A PHYSICIAN WHO IS A**
17 **BOARD-CERTIFIED OTOLARYNGOLOGIST AND WHO IS LICENSED UNDER PART 170**
18 **OR PART 175.**

19 (viii) Air ambulance services.

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

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

26 (11) "Fixed equipment" means equipment that is affixed to and
27 constitutes a structural component of a health facility, including,

1 but not limited to, mechanical or electrical systems, elevators,
2 generators, pumps, boilers, and refrigeration equipment.

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