

Legislative Analysis



CERTAIN CITY HOSPITALS CONSIDERED INCORPORATED

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House Bill 5722 (proposed substitute H-1)
Sponsor: Rep. Sheldon Neeley
Committee: Health Policy
Complete to 4-10-18

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5722 would provide that an unincorporated city hospital established under the Home Rule Cities Act where its city has a population of less than 103,000¹ would be considered a corporation incorporated under the Municipal Health Facilities Corporations Act without independent actions. The city would not be required to adopt or file articles of incorporation or submit the question to a vote of its electors, and the terms of board members would not be diminished.

At any time after the bill took effect, the hospital's city council could adopt articles of corporation for the hospital, and the provisions of the Municipal Health Facilities Corporations Act would serve as articles of incorporation until that time.

Largely, the bill would extend the provisions that apply to corporations incorporated by a city or village to hospitals incorporated by operation of the bill.

However, provisions pertaining to the number, term of office, appointment, qualification, and removal of trustees would not apply to a hospital incorporated under the bill until the hospital adopts articles of incorporation. Instead, the city charter that established the hospital would govern those topics until the city hospital adopts articles of incorporation.

The bill would take effect 90 days after enactment.

MCL 331.1251 et al. and proposed 331.1252a

BACKGROUND:

The bill is understood to address Hurley Medical Center in Flint, Michigan. Hurley is a public teaching hospital, and reportedly receives no tax revenues from the city or county.² It provides the region's only Level 1 Trauma Center, Burn Unit, Neonatal Intensive Care Unit, Pediatric Intensive Care Unit, and Pediatric Emergency Department. Hurley has 2,780 employees and is the fourth largest employer in Flint and Genesee County.³

¹ The city of Flint had a population of 102,434 as of the most recent decennial census in 2010.

<https://www.census.gov/prod/cen2010/cph-2-24.pdf>

² <http://www.hurleymc.com/about-us/mission-and-history/>

³ <https://www.flintandgenesee.org/economic-development/flint-genesee-major-employers/>

FISCAL IMPACT:

This bill should not have a fiscal impact on the state Medicaid program. It would have no fiscal impact on the Department of Licensing and Regulatory Affairs.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.