

Legislative Analysis



EXTENDED CARE SERVICES PROGRAM

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Senate Bill 1160 (S-1) as reported from House committee

Sponsor: Sen. Rick Outman

House Committee: Government Operations

Senate Committee: Health Policy and Human Services

Complete to 12-15-20

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

(Enacted as Public Act 333 of 2020)

SUMMARY:

Senate Bill 1160 would amend the Public Health Code to change certificate of need requirements for an extended care services program (a program by a hospital to provide extended care services to a patient through the use of swing beds under 42 USC 1395tt¹).

Section 22210 currently provides that a hospital that applies to the Department of Health and Human Services (DHHS) for a certificate of need and meets specified criteria must be granted a certificate of need for an extended care services program with up to 10 licensed beds. Among the criteria, which include a bed count and safety standards, is a requirement that the hospital provide DHHS with satisfactory evidence that the hospital has had difficulty placing patients in skilled nursing home beds in the 12 months before applying.

The bill would remove this requirement.

The section also contains requirements for a hospital that is granted a certificate of need for an extended care services program, including that the hospital provide data to DHHS considered necessary by DHHS to evaluate the program. This information must include the total number of patients admitted to the program during the period specified by DHHS, the total number of extended care services patient days for the specified period, and the type of care to which patients in the program are released.

The bill would remove this requirement. Instead of providing data to DHHS, under the bill, beginning January 1, 2021, a hospital granted a certificate of need for an extended care services program would have to submit a report to DHHS that includes at least the total number of patients admitted to the program during the period specified by DHHS, the total number of extended care services patient days for the specified period, the type of care to which patients in the program are released, and any other information considered necessary to DHHS to evaluate the extended care services program.

MCL 333.22210

¹ <https://www.govinfo.gov/content/pkg/USCODE-2009-title42/pdf/USCODE-2009-title42-chap7-subchapXVIII-partE-sec1395tt.pdf>

FISCAL IMPACT:

Senate Bill 1160 would have minor fiscal implications for the DHHS health facility regulatory Certificate of Need (CON) program. Under the bill, DHHS costs would be modestly reduced, as certificate of need applications for extended care services programs would no longer be reviewed concerning a recent difficulty of placing patients in skilled nursing care. Current year funding for the CON program is \$2.8 million. At the time of publication of the Fiscal Year 2019 CON Annual Report, there were 32 existing covered extended care services programs and 297 beds regulated under the CON program.

POSITIONS:

A representative of McLaren Health Care testified in support of the bill. (12-15-20)

The following entities indicated support for the bill (12-15-20):

- Mackinac Center for Public Policy
- Sparrow Health Services

Legislative Analyst: Rick Yuille
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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.