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Senate Bill 183 (as enrolled)
Sponsor: Senator Michael D. MacDonald
Senate Committee: Health Policy and Human Services
House Committee: Health Policy (discharged)

Date Completed: 12-15-22

CONTENT

The bill would amend Part 222 (Certificates of Need) of the Public Health Code to do the following:

- **Delete a provision prohibiting a hospital from transferring more than 35% of its licensed beds to another hospital or freestanding surgical outpatient facility more than once if it is located in a city that has a population of 750,000 or more.**
- **Require the owner, operator, and governing body of a licensed hospital to notify the Department of Health and Human Services (DHHS) if the owner, operator, or governing body of the hospital applied for designation as a rural emergency hospital**
- **Allow a licensed hospital located in a nonurbanized area to apply to the DHHS to delicense temporarily 100% of its licensed beds for up to five years if the hospital were a rural emergency hospital.**
- **Delete a provision prohibiting a hospital that has beds that are subject to a hospital bed reduction plan or to a DHHS action to enforce Article 17 (Facilities and Agencies) from using beds temporarily delicensed to comply with the bed reduction plan.**

Bed Transfer

Under the Code, subject to exceptions and if the relocation does not result in an increase of licensed beds within that health service area, a certificate of need is not required for any of the following:

- The physical relocation of licensed beds from a hospital site licensed under Part 215 (Hospitals) to another hospital site licensed under the same license as the hospital seeking to transfer the beds if both hospitals are located within a two-mile radius of each other.
- The physical relocation of licensed beds from a hospital site licensed under Part 215 to a freestanding surgical outpatient facility licensed under Part 215 if that freestanding surgical outpatient facility satisfies certain criteria on December 2, 2002.
- The physical relocation of licensed beds from a hospital licensed under Part 215 to another hospital licensed under Part 215 within the same health services area if the hospital receiving the licensed beds is owned by, is under the control of, or has a common parent the hospital seeking to relocate its licensed beds.

Before relocating beds to a hospital site licensed to a freestanding surgical outpatient facility, the hospital seeking to relocate its beds must provide the information requested by the Department of Licensing and Regulatory Affairs (LARA) to allow LARA 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 may transfer not more than 35% of its licensed beds to another hospital or freestanding surgical outpatient facility not more than one time 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 bill would delete this provision.

Rural Emergency Hospital

The bill would require the owner, operator, and governing body of a licensed hospital to notify the DHHS if the owner, operator, or governing body of the hospital applied for designation as a rural emergency hospital. "Rural emergency hospital" would mean a hospital that is designated by the Centers for Medicare and Medicaid Services to offer rural emergency services. "Rural emergency hospital services" would mean that term as defined in 42 USC 1395x: the following services furnished by a rural emergency hospital that do not exceed an annual per patient average of 24 hours in such rural emergency hospital:

- Emergency department services and observation care.
- At the election of the rural emergency hospital, with respect to services furnished on an outpatient basis, other medical and health services as specified by the Secretary of Health and Human Services through rulemaking.

The bill would allow a licensed hospital located in a nonurbanized area to apply to the DHHS to delicense temporarily 100% of its licensed beds for up to five years if the hospital were a rural emergency hospital.

The Code specifies that a hospital that has beds that are subject to a hospital bed reduction plan or to a DHHS action to enforce Article 17 may not use beds temporarily delicensed to comply with the bed reduction plan. The bill would delete this provision.

MCL 333.20145 et al.

Legislative Analyst: Stephen P. Jackson

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Ellyn Ackerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.