

**MUNICIPAL HEALTH FACILITIES CORPORATIONS ACT (EXCERPT)**  
**Act 230 of 1987**

**331.1303 Board of trustees and subsidiary board; powers generally.**

Sec. 303. Without limiting the powers described in section 301 and elsewhere in this act, each board of trustees and subsidiary board, in furtherance of its purposes and consistent with the provisions of its articles of incorporation, but subject to applicable licensing and other regulatory requirements, may do any or all of the following:

(a) Establish, modify, discontinue, operate, and manage health services, either alone or in conjunction with other entities.

(b) Select physicians and such other direct providers of health care as it may determine for membership on its medical staff, delineate the clinical privileges of direct providers of health care within its health care facilities, and provide for the termination, suspension, or restriction of medical staff membership and clinical privileges. In making appointments and reappointments to the medical staff and in granting or withdrawing clinical privileges, the board of trustees or subsidiary board shall consider training, experience, and other professional qualifications, and may also consider health status, professional liability coverage, the character and capacity of the health care facilities, the needs of the community served by the health care facility, and such other factors as such board of trustees or subsidiary board reasonably considers to be appropriate.

(c) Provide for the organization of physicians and such other direct providers of health care as it may determine into a medical staff and establish additional procedures for review of the professional practices in its health care facilities pursuant to the public health code, Act No. 368 of the Public Acts of 1978, being sections 333.1101 to 333.25211 of the Michigan Compiled Laws, and other applicable law.

(d) Establish reasonable rules and regulations for the provision of health services in its health care facilities, for the use of its health care facilities by patients, visitors, and others, and for management of its business and affairs.

(e) Employ a chief executive officer and such other employees as may be required to carry out its purposes; establish policies with respect to the duties, qualifications, compensation, benefits, and other terms of employment of its employees; provide for participation by its employees in retirement or pension plans of the local governmental unit, establish its own retirement or pension plans, or participate in other public programs for the provision of retirement or pension benefits; establish rules for a system of civil service; and enter into collective bargaining and other agreements with respect to these matters. Each corporation and subsidiary corporation shall be considered to be a public employer separate from the local governmental unit.

(f) Establish reasonable fees and charges for the use of its health care facilities and for the health services it provides, and provide policies for the care of those unable to pay fully for their care at reduced rates or without charge.

(g) Enter into contracts and participate in programs with federal and state government, insurers, health care corporations, health maintenance organizations, prudent purchaser arrangements, alternative health care delivery and financing systems, employers, individuals, and other public and private entities, for the provision of health services and for the payment for health services furnished on any basis considered appropriate by the board of trustees and subsidiary board, including, but not limited to, payment prospectively or retrospectively determined based upon its full or discounted rates and charges or costs, or based upon fixed rates per individual, group, visit, procedure, or other unit of service. As used in this subdivision, "health care corporation" means a health care corporation incorporated under the nonprofit health care corporation reform act, Act No. 350 of the Public Acts of 1980, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws.

(h) Make and execute contracts, leases, and all other agreements or instruments necessary or convenient to fulfill its purposes, including but not limited to, exclusive and nonexclusive contracts or leases with direct providers of health care for the provision of health services to patients or the operation of health care facilities or departments of health care facilities on its behalf and contracts, leases, agreements, and other instruments relating to the joint conduct of health services and the operation of programs for sharing of goods, services, or facilities with other direct providers of health care.

(i) Appoint 1 or more attorneys to serve as legal advisors and representatives.

**History:** 1987, Act 230, Eff. Feb. 27, 1988;—Am. 1988, Act 502, Eff. Jan. 1, 1989.