

PUBLIC HEALTH CODE (EXCERPT)
Act 368 of 1978

333.21552 Hospital transition assistance program; purpose; elements; feasibility study; financing; advisory committee; report.

Sec. 21552. (1) The department, in cooperation with the state hospital finance authority, the office of health and medical affairs, and other state agencies considered appropriate by the department, shall develop recommendations regarding the appropriateness and feasibility of a state hospital transition assistance program to provide voluntary assistance to hospitals wanting to close, convert, or consolidate their facilities with another hospital, in order to eliminate excess capacity in a way that would maintain common access to critical health care services and assist displaced employees.

(2) The hospital transition assistance program described in subsection (1) shall include at least the following elements:

(a) Assistance in retiring all or some appropriate portion of the principal and interest applicable to the outstanding debt of a hospital applying to participate in the program.

(b) Assistance, through relocation or retraining, to workers displaced as a result of a hospital closure, conversion, or consolidation under the program.

(c) Maintenance of community access to critical health care services, especially for the uninsured and the underinsured, that might be endangered as a result of assistance provided under this program.

(d) As appropriate to hospitals wanting to close, convert, or consolidate, assistance with license termination, cessation of operations, and disposition of assets to help defray the outstanding indebtedness of a hospital applying to participate in the program.

(3) The state hospital finance authority, after consultation with experts knowledgeable about the approaches listed in this section, shall contract for a study of the feasibility of the hospital transition assistance program elements as described in subsection (2). The feasibility study shall include at least all of the following information:

(a) The outstanding hospital bonded indebtedness and associated interest for all the hospitals in this state and the amounts payable in principal and interest per year until the bonds are retired.

(b) The financial benefits and costs to the state, health care purchasers, and other hospitals of assisting in defraying portions of that indebtedness and interest according to the different possible options.

(c) Criteria for prioritizing assistance to hospitals applying to participate in the program.

(d) Options for, and estimated benefits and costs of, providing relocation and retraining assistance to workers displaced by a hospital closure, conversion, or consolidation assisted by the program.

(e) In cases of proposed conversions or consolidations, the possibility of including a requirement that the assistance will result in a net reduction of beds at least equal to the number licensed to the hospital applying to participate in the program.

(f) Interest among hospitals and purchasers regarding participation in the program.

(4) The state hospital finance authority may expend up to \$250,000.00 from its operating fund to finance the feasibility study described in subsection (3) and to staff the advisory committee created in subsection (5).

(5) An advisory committee appointed by the director shall react to and comment on the feasibility study developed pursuant to subsection (3), and report to the governor and legislature on the appropriateness of pursuing the options described in the feasibility study. The committee shall be composed of 15 members equally divided among representatives of health consumers, health providers, and purchasers of health care.

(6) The feasibility study required under subsection (3) shall be completed within 9 months after the effective date of the contract for the feasibility study. The advisory committee established under subsection (5) shall submit its report to the governor and the legislature not later than 4 months after the advisory committee receives the feasibility study.

History: Add. 1990, Act 259, Imd. Eff. Oct. 15, 1990.

Compiler's note: For transfer of powers and duties of state hospital finance authority to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 12.194.

Popular name: Act 368