

**PUBLIC HEALTH CODE (EXCERPT)**  
**Act 368 of 1978**

**333.22249 Agreement authorizing hospital to lease space and operate beds in another hospital; conditions.**

Sec. 22249. (1) Subject to subsection (2), if a hospital has a high occupancy rate, as determined by the department, and if the hospital applies for and is issued a certificate of need for an increase in licensed bed capacity, the department may enter into an agreement with the hospital that would authorize the hospital to lease space and operate beds in another hospital in the same planning area, if the other hospital has a low occupancy rate, as determined by the department.

(2) The department may enter into an agreement authorized under subsection (1) only if all of the following apply:

- (a) The hospital issued a certificate of need has a documented history of high occupancy.
- (b) The alternative of redistributing the beds within the hospital's licensed bed capacity does not exist.
- (c) The agreement will not change the overall supply of beds within the planning area.
- (d) New construction is not required.
- (e) The department determines that the agreement is necessary to protect the public health, safety, and welfare.

**History:** Add. 1988, Act 332, Eff. Oct. 1, 1988.

**Popular name:** Act 368