



**House  
Legislative  
Analysis  
Section**

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**DPH HEALTH SERVICES RESEARCH CORP.**

House Bill 4841 as introduced  
First Analysis (10-24-89)

Sponsor: Rep. Michael J. Bennane  
Committee: Public Health

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***THE APPARENT PROBLEM:***

A number of states have established nonprofit public health research corporations, including New York, Massachusetts, California, and Texas. As nonprofit corporations, these institutes can apply for and accept money from sources — such as private foundations and the federal government — that traditionally are unavailable to state government agencies. The Michigan Department of Public Health (DPH) wished to set up such a non-profit research institute two years ago, but upon checking with the attorney general's office was told that the department would need legislative authorization before it could do so. At the request of the department, legislation has been introduced which would allow the department to do so.

***THE CONTENT OF THE BILL:***

Presently, the Public Health Code requires the Department of Public Health (DPH) to coordinate, and to establish policy to administer, health services research, evaluation, and demonstration and statistical activities undertaken or supported by the department.

The bill would amend the code to allow the DPH to establish a nonprofit corporation (under the Non-Profit Corporation Act, Public Act 162 of 1982) to plan, promote, and coordinate health services research in Michigan public universities. This corporation would be allowed to research, evaluate, and demonstrate:

- various aspects of illness and disability among people in the state and the impact these illnesses and disabilities have on the state economy and on the well-being of the people in the state;
- environmental, laboratory, social, and other health-related issues;
- the health knowledge and practices of people in the state;
- the quality and availability of health resources (including health care institutions and health professions) in the state;
- factors (including health-related behavior) affecting health and nutritional practices;
- access to and use of health care services (including ambulatory services);
- health care costs and financing (including trends in health care costs, sources of payments and governmental spending for health care services);
- public health policies and programs; and
- any other issues considered appropriate by the corporation board of directors.

MCL 333.2611

***FISCAL IMPLICATIONS:***

According to the Department of Public Health, the bill would have no fiscal implications for the state. (7-25-89)

***ARGUMENTS:***

***For:***

A number of states have established nonprofit public health research institutes, allowing them to take advantage of funds available to nonprofit corporations through private and corporate foundations and through federal government scientific agencies, like the National Institutes of Health. The New York state nonprofit public health institute, for example, reportedly gets over 80 percent of its revenues from these "non-traditional" sources. And reportedly one Michigan foundation would have awarded \$500,000 grant for research into the pressing issue of access to health care, had it been able to do so to a nonprofit public health corporation such as would be allowed under the bill.

In addition to allowing the state to "capture" funds for public health research not normally available to state agencies, the bill also would benefit the research universities in the state and promote joint cooperative research projects involving the state and the universities. Finally, some states have placed selected state-funded activities into their foundations because these foundations improve the states' ability to recruit scientific, professional, and support personnel, as well as allowing for flexibility in managing short, intensive projects and increasing the speed of "technology transfer" to state government operations.

***POSITIONS:***

The Department of Public Health supports the bill. (10-20-89)

Representatives from Michigan State University and the University of Michigan testified in support of the bill before the Public Health Committee. (10-19-89)

H.B. 4841 (10-24-89)