

HOUSE BILL No. 5761

February 28, 2002, Introduced by Rep. George and referred to the Committee on Health Policy.

A bill to amend 1978 PA 368, entitled
"Public health code,"
by amending sections 20145 and 21523 (MCL 333.20145 and
333.21523), section 20145 as amended by 1993 PA 88.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20145. (1) Before contracting for and initiating a
2 construction project involving new construction, additions, mod-
3 ernizations, or conversions of a health facility or agency with a
4 capital expenditure of \$1,000,000.00 or more, a person shall
5 obtain a construction permit from the department. The DEPARTMENT
6 SHALL NOT ISSUE THE permit ~~shall not be issued~~ under this sub-
7 section unless the applicant holds a valid certificate of need if
8 a certificate of need is required for the project pursuant to
9 part 222.

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1 (2) To protect the public health, safety, and welfare, the
2 department may promulgate rules to require construction permits
3 for projects other than those described in subsection (1) and the
4 submission of plans for other construction projects to expand or
5 change service areas and services provided.

6 (3) If a construction project requires a construction permit
7 under subsection (1) or (2), but does not require a certificate
8 of need under part 222, the department shall require the appli-
9 cant to submit information considered necessary by the department
10 to assure that the capital expenditure for the project is not a
11 covered capital expenditure as defined in section 22203(9).

12 (4) If a construction project requires a construction permit
13 under subsection (1), but does not require a certificate of need
14 under part 222, the department shall require the applicant to
15 submit information on a 1-page sheet, along with the application
16 for a construction permit, consisting of all of the following:

17 (a) A short description of the reason for the project and
18 the funding source.

19 (b) A contact person for further information, including
20 address and phone number.

21 (c) The estimated resulting increase or decrease in annual
22 operating costs.

23 (d) The current governing board membership of the
24 applicant.

25 (e) The entity, if any, that owns the applicant.

26 (5) The information filed under subsection (4) shall be made
27 publicly available by the department by the same methods used to

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1 make information about certificate of need applications publicly
2 available.

3 (6) The review and approval of architectural plans and nar-
4 rative shall require that the proposed construction project is
5 designed and constructed in accord with applicable statutory and
6 other regulatory requirements. IN PERFORMING A CONSTRUCTION
7 PERMIT REVIEW FOR A HEALTH FACILITY OR AGENCY UNDER THIS SECTION,
8 THE DEPARTMENT SHALL APPLY THE STANDARDS CONTAINED IN THE DOCU-
9 MENT ENTITLED "MINIMUM DESIGN STANDARDS FOR HEALTH CARE
10 FACILITIES IN MICHIGAN" PUBLISHED BY THE DEPARTMENT AND DATED
11 MARCH 1998. THE STANDARDS ARE INCORPORATED BY REFERENCE FOR PUR-
12 POSES OF THIS SUBSECTION. THE DEPARTMENT MAY ISSUE INTERPRETIVE
13 BULLETINS REGARDING THE STANDARDS AND, BY PROMULGATION OF RULES,
14 UPDATE OR SUPPLEMENT THE STANDARDS.

15 (7) The department shall promulgate rules to further pre-
16 scribe the scope of construction projects and other alterations
17 subject to review under this section.

18 (8) The department may waive the applicability of this sec-
19 tion to a construction project or alteration if the waiver will
20 not affect the public health, safety, and welfare.

21 (9) Upon request by the person initiating a construction
22 project, the department may review and issue a construction
23 permit to a construction project that is not subject to
24 subsection (1) or (2) if the department determines that the
25 review will promote the public health, safety, and welfare.

26 (10) The department shall assess a fee for each review
27 conducted under this section. The fee ~~shall be~~ IS .5% of the

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1 first \$1,000,000.00 of capital expenditure and .85% of any amount
2 over \$1,000,000.00 of capital expenditure, up to a maximum of
3 \$30,000.00.

4 (11) As used in this section, "capital expenditure" means
5 that term as defined in section 22203(2), except that it does not
6 include the cost of equipment that is not fixed equipment.

7 Sec. 21523. (1) The rules for operation and maintenance of
8 hospitals shall not be less strict than those required for certi-
9 fication of hospitals under ~~Public Law 89-97, 42 U.S.C. 1395x to~~
10 ~~1395pp~~ PART D OF TITLE XVIII OF THE SOCIAL SECURITY ACT,
11 CHAPTER 531, 79 STAT. 313, 42 U.S.C. 1395x to 1395yy AND 1395bbb
12 TO 1395ggg.

13 (2) The standards ~~and rules~~ relating to construction,
14 additions, modernization, or conversion OF HOSPITALS shall not be
15 less strict than ~~those required for federal assistance under the~~
16 ~~hospital and medical facilities amendments of 1964, 42 U.S.C.~~
17 ~~291 to 291o~~ THE STANDARDS CONTAINED IN THE DOCUMENT ENTITLED
18 "MINIMUM DESIGN STANDARDS FOR HEALTH CARE FACILITIES IN MICHIGAN"
19 PUBLISHED BY THE DEPARTMENT, DATED MARCH 1998, AND ANY UPDATES OR
20 SUPPLEMENTS TO THE STANDARDS BY RULES PROMULGATED BY THE
21 DEPARTMENT. THE STANDARDS CITED IN THIS SUBSECTION ARE INCORPO-
22 RATED BY REFERENCE FOR PURPOSES OF THIS SUBSECTION.