

MACKINAC STRAIGHTS HOSPITAL

Senate Bill 991 as passed by the House

Sponsor: Sen. Jason E. Allen

House Committee: Health Policy

Senate Committee: Health Policy

First Analysis (4-20-04)

BRIEF SUMMARY: The bill would amend Public Act 47 to recognize as a hospital authority an entity that had owned and operated a hospital for at least 40 years and was acting as a hospital authority. (This is understood to apply to the Mackinac Straights Hospital Authority.)

FISCAL IMPACT: The bill would have no fiscal impact on state or local government.

THE APPARENT PROBLEM:

In 1954, three townships and the City of St. Ignace formed a hospital authority to operate Mackinac Straits Hospital. The authority is applying for a grant from the United States Department of Agriculture (USDA) Rural Development Fund to build a new outpatient facility at the hospital; the application is on hold, however, because the authority cannot provide documentation that it was formed under the requirements of Public Act 47 of 1945, the state law that governs hospital authorities.

The same statute was amended in 1978 to recognize a hospital authority in Kalkaska, after its documentation was destroyed by a fire. It has been suggested that similar action should be taken in the case of the Mackinac Straits Hospital.

THE CONTENT OF THE BILL:

The bill would amend Public Act 47 of 1945 to recognize as a hospital authority an entity that had owned and operated a hospital for at least 40 years and was acting as a hospital authority.

Under the act, two or more cities, villages, or townships may join to form a hospital authority and issue bonds for the purpose of planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, maintaining, and operating one or more community hospitals and related buildings or structures and related facilities, subject to the tax limitation provided in the act.

The municipalities may form a hospital authority by resolution of their respective legislative bodies, approved by a majority vote of the qualified electors of each municipality. The resolution must designate the municipalities to be included in the authority and must set forth the fact that a sum of money not to exceed the tax limitation

may be requested and certified by the hospital board annually for the activities listed above, and that the sum or a portion of that sum must first be pledged by the authority's governing body for the payment of bonds issued under the act.

An entity that was unable to document compliance with these provisions and was acting or purporting to act as a hospital authority, and that continuously owned and operated a hospital for at least 15 years before February 6, 1978, is considered a hospital authority duly organized and existing under the act, and is fully empowered to exercise any power granted to a hospital authority. Within 30 days after February 6, 1978, the entity was required to file with the clerk of each municipality included in the authority a written notice stating that the entity, being unable to document compliance with these provisions, was recognized as a hospital authority pursuant to the act.

The bill also would recognize as a hospital authority an entity that continuously owned and operated a hospital for at least 40 years before the bill's effective date, acted or was purporting to act as a hospital authority, and was unable to document compliance with the resolution requirements. Within 30 days after the bill took effect, the entity would have to file a notice with the clerk of each city, village, or township included in the authority.

MCL 331.2

HOUSE COMMITTEE ACTION:

The House Committee on Public Health adopted no amendments but reported the bill in the form it passed the Senate. Information in this analysis is derived from an analysis prepared by the Senate Fiscal Agency dated 3-25-04.

ARGUMENTS:

For:

The Mackinac Straits Hospital is a critical facility serving the St. Ignace area. In recognizing the hospital authority as such in the law, the bill would enable the authority to provide the documentation needed to apply for the Federal grant and proceed with the necessary expansion of the hospital.

POSITIONS:

Representatives of the following indicated their support for the bill to the House Health Policy Committee on 4-20-04: The Michigan Department of Community Health; Mackinac Straits Hospital; and the Michigan Health and Hospital Association

Legislative Analyst: Chris Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.