

# Legislative Analysis

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## AIR AMBULANCE SERVICES

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 674 (proposed substitute H-1)**  
**Sponsor: Sen. Michael D. MacDonald**  
**House Committee: Health Policy**  
**Senate Committee: Health Policy and Human Services**  
**Complete to 9-23-20**

Analysis available at  
<http://www.legislature.mi.gov>

## SUMMARY:

Senate Bill 674 would amend Part 222 (Certificate of Need) of the Public Health Code to set a sunset (expiration date) for the inclusion of air ambulance services as a covered clinical service requiring a certificate of need under the code.

Currently, except as modified by the Certificate of Need Commission, a *covered clinical service* under the code includes services such as certain neonatal services, open heart surgery, and certain radiation and surgery services. A person cannot initiate, replace, or expand a covered clinical service without first obtaining a certificate of need.

The bill would remove air ambulance services from the list of covered clinical services beginning June 1, 2021.

MCL 333.22203

## FISCAL IMPACT:

Senate Bill 674 would have fiscal implications for the Department of Health and Human Services (DHHS). The elimination of a requirement for a certificate of need (CON) for an air ambulance service would eliminate the provision of such CON services and the related costs, and eliminate the revenue to the CON program charged for that service, which may be from \$3,000 to \$15,000. A process is underway to fully regulate air ambulances through DHHS Emergency Medical Services Licensing through rule changes. There are about 12 air ambulance services in Michigan. Currently the CON program is funded at \$2.8 million and is solely supported by revenue from CON fees. The bill may also have fiscal implications for health care costs in Michigan, which are indeterminate.

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