

HOUSE BILL NO. 5487

February 22, 2024, Introduced by Rep. Schriver and referred to the Committee on Government Operations.

A bill to amend 1978 PA 368, entitled
"Public health code,"
by amending section 22203 (MCL 333.22203), as amended by 2002 PA
619.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 22203. (1) "Addition" means adding **to a health facility**
2 patient rooms, beds, and ancillary service areas, including, but
3 not limited to, procedure rooms or fixed equipment, surgical
4 operating rooms, therapy rooms or fixed equipment, or other

1 accommodations. ~~to a health facility.~~

2 (2) "Capital expenditure" means an expenditure for a single
3 project, including cost of construction, engineering, and equipment
4 that under generally accepted accounting principles is not properly
5 chargeable as an expense of operation. Capital expenditure includes
6 a lease or comparable arrangement by or on behalf of a health
7 facility to obtain a health facility, licensed part of a health
8 facility, or equipment for a health facility, if the actual
9 purchase of a health facility, licensed part of a health facility,
10 or equipment for a health facility would have been considered a
11 capital expenditure under this part. Capital expenditure includes
12 the cost of studies, surveys, designs, plans, working drawings,
13 specifications, and other activities essential to the acquisition,
14 improvement, expansion, addition, conversion, modernization, new
15 construction, or replacement of physical plant and equipment.

16 (3) "Certificate of need" means a certificate issued under
17 this part authorizing a new health facility, a change in bed
18 capacity, the initiation, replacement, or expansion of a covered
19 clinical service, or a covered capital expenditure that is issued
20 in accordance with this part.

21 (4) "Certificate of need review standard" or "review standard"
22 means a standard approved by the commission.

23 (5) "Change in bed capacity" means 1 or more of the following:

24 (a) An increase in licensed hospital beds.

25 (b) An increase in licensed nursing home beds or hospital beds
26 certified for long-term care.

27 (c) An increase in licensed psychiatric beds.

28 (d) A change from 1 licensed use to a different licensed use.

29 (e) The physical relocation of beds from a licensed site to

1 another geographic location.

2 (6) "Clinical" means directly pertaining to the diagnosis,
3 treatment, or rehabilitation of an individual.

4 (7) "Clinical service area" means an area of a health
5 facility, including related corridors, equipment rooms, ancillary
6 service and support areas that house medical equipment, patient
7 rooms, patient beds, diagnostic, operating, therapy, or treatment
8 rooms or other accommodations related to the diagnosis, treatment,
9 or rehabilitation of individuals receiving services from the health
10 facility.

11 (8) "Commission" means the certificate of need commission
12 created under section 22211.

13 (9) "Covered capital expenditure" means a capital expenditure
14 of \$2,500,000.00 or more, as adjusted annually by the department
15 under section 22221(g), by a person for a health facility for a
16 single project, excluding the cost of nonfixed medical equipment,
17 that includes or involves the acquisition, improvement, expansion,
18 addition, conversion, modernization, new construction, or
19 replacement of a clinical service area.

20 (10) "Covered clinical service", except as modified by the
21 commission under section 22215, means 1 or more of the following:

22 (a) Initiation or expansion of 1 or more of the following
23 services:

24 (i) ~~Neonatal~~ **A neonatal** intensive care ~~services~~ **service** or
25 special newborn nursing ~~services~~ **service**.

26 (ii) Open heart surgery.

27 (iii) Extrarenal organ transplantation.

28 (b) Initiation, replacement, or expansion of 1 or more of the
29 following services:

(i) Extracorporeal shock wave lithotripsy.

(ii) Megavoltage radiation therapy.

(iii) Positron emission tomography.

(iv) ~~Surgical services~~ **A surgical service** provided in a freestanding surgical outpatient facility, an ambulatory surgery center certified under title XVIII, or a surgical department of a hospital licensed under part 215 and offering inpatient or outpatient surgical services.

(v) ~~Cardiac~~ **A cardiac catheterization service**.

(vi) ~~Fixed~~ **A fixed** and mobile magnetic resonance imager services.**service**.

(vii) ~~Fixed~~ **A fixed** and mobile computerized tomography scanner services.**service**.

~~(viii) Air ambulance services.~~

(c) Initiation or expansion of a specialized psychiatric program for children and adolescent patients utilizing licensed psychiatric beds.

(d) Initiation, replacement, or expansion of a service not listed in this subsection, but designated as a covered clinical service by the commission under section 22215(1)(a).

(11) "Fixed equipment" means equipment that is affixed to and constitutes a structural component of a health facility, including, but not limited to, mechanical or electrical systems, elevators, generators, pumps, boilers, and refrigeration equipment.