

# Legislative Analysis



## TRANSFERS BETWEEN FACILITIES

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

**Senate Bill 669 (proposed substitute H-3)**  
**Sponsor: Sen. Curtis S. VanderWall**  
**1st House Committee: Health Policy**  
**2nd House Committee: Ways and Means**  
**Senate Committee: Health Policy and Human Services**  
**Complete to 12-15-20**

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

### SUMMARY:

Senate Bill 669 would amend the Public Health Code to remove a limit on certain types of transfers between hospitals and freestanding surgical outpatient facilities.

Under current law, a hospital does not have to obtain a *certificate of need* (CON), but must provide certain information to the Department of Licensing and Regulatory Affairs (LARA), before relocating beds from a hospital to a freestanding surgical outpatient facility under certain specific conditions. Additionally, such a hospital cannot transfer more than 35% of its licensed beds to another hospital or freestanding surgical outpatient facility more than one time under these provisions if the hospital (or another hospital under common control with the hospital) is located in a city with a population of 750,000 or more.<sup>1</sup>

The bill would remove the provision that now limits those transfers for a hospital located in a city of that size.

*Certificate of need* is defined in the code as a certificate issued under Part 222 (Certificates of Need) authorizing a new health facility, a change in bed capacity, the initiation, replacement, or expansion of a covered clinical service, or a covered capital expenditure that is issued in accordance with Part 222.

MCL 333.20145 et seq.

The bill is tie-barred to Senate Bills 671 and 672, which means it could not take effect unless both of those bills were also enacted.

### FISCAL IMPACT:

Senate Bill 669 would be unlikely to have an appreciable fiscal impact on LARA or DHHS.

Legislative Analyst: Jenny McInerney  
Fiscal Analysts: Susan Frey  
Marcus Coffin

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

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<sup>1</sup> Note: No Michigan city currently has a population of 750,000 or more. This provision presumably applied only to Detroit, which has an estimated population of 670,031. See <https://www.census.gov/quickfacts/fact/table/detroitcitymichigan,MI/PST045219>