



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1357 (as passed by the Senate)
Sponsor: Senator Michelle A. McManus
Committee: Health Policy

(as enrolled)

Date Completed: 9-20-06

RATIONALE

Under Public Act 47 of 1945, two or more cities, villages, or townships, or a combination of those local units, with voter approval, may join to form a hospital authority and issue bonds for the purpose of planning, promoting, acquiring, constructing, improving, owning, maintaining, and operating one or more community hospitals and related facilities. The Act specifies the types of facilities that are considered "hospitals" or "community hospitals and related facilities". Since the scope of services offered by hospitals has grown considerably over the years, some people believe that the Act's definition of those terms should be expanded to include facilities that provide the additional types of services.

CONTENT

The bill would amend Public Act 47 of 1945 to include in the definition of "hospital" and "community hospitals and related facilities" a long-term care facility, an assisted living facility, a home for the aged, a senior citizen housing facility, and a health and wellness facility.

Currently, the definition includes, among other things, buildings or structures and related facilities suitable for, incidental, or ancillary to the care of the sick or wounded, or for the care of people requiring medical treatment. The bill also would include care of the elderly in the definition.

MCL 331.1

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

When Public Act (PA) 47 of 1945 was enacted, local hospitals did not offer the broad array of services that they do today. The health care needs of communities have changed over the years, and it is critical that all hospitals have the ability to address them. The bill would give hospitals organized under PA 47, which are located primarily in rural areas with medically underserved populations, the same statutory authority granted hospitals organized under other statutes to provide appropriate services. In addition to improving public health, the bill could provide an economic boost in the areas where these hospitals are located. A hospital might be one of the largest employers in a community. Enabling the facilities organized under PA 47 to offer the services specified in the bill could create more job opportunities and help improve the regional economic climate.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would potentially increase both local unit revenue and expenditures by an unknown amount. The bill would expand the types of facilities a hospital authority may operate. Hospital authorities are able to issue bonds and authorized to levy approved taxes. To the extent that a new authority under the bill represented a combination of two existing community hospitals, the bill would have an

indeterminate fiscal impact on local government. For existing authorities, the bill would expand the types of facilities that may be included under the authorities, although it would not provide any additional taxing authority.

The bill likely would have a negligible fiscal impact on State government. Any additional property taxes levied as a result of the bill would potentially increase property tax refunds offered by the State and thus reduce General Fund revenue.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.