

Senate Fiscal Agency  
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Senate Bill 444 (as reported without amendment)

Sponsor: Senator Curtis Hertel, Jr.

Committee: Appropriations

**CONTENT**

The bill would amend the Public Health Code to extend the sunsets on fees and other assessments for health facility and agency licenses. These fees are due to sunset on October 1, 2019, after which the fees would be eliminated. The bill would delay this sunset until October 1, 2023.

The bill also would extend the sunset on the quality assurance assessment programs (QAAPs) for nursing homes and hospital long-term care units, hospitals, and ambulance services from October 1, 2019, to October 1, 2023.

MCL 333.20161

**FISCAL IMPACT**

The bill would have a positive fiscal impact on the Department of Licensing and Regulatory Affairs and no fiscal impact on local units of government. The extension of the current fees would preserve about \$875,000 in annual fee revenue. The revenue from these fees is deposited into the Health Systems Fees Fund.

<b>Fee Sunsets and Potential Revenue Losses</b>			
<b>Fee</b>	<b>Current Fee</b>	<b>Fee After Sunset</b>	<b>Revenue Loss from Fee Sunset</b>
Acute Care Hospitals	\$500 per license; \$10 per bed	\$0	\$342,800
Freestanding Surgical Outpatient Facilities	\$500 per license	\$0	\$75,500
Nursing Homes, County Medical Care Facilities, Hospital Long Term Care Units	\$500 per license; \$3 per bed over 100 beds	\$0	\$259,064
Homes for the Aged	\$6.27 per bed	\$0	\$119,387
Hospice Agencies	\$500 per license	\$0	\$68,500
Hospice Residences	\$500 per license; \$5 per bed	\$0	\$9,750
<b>Total</b>			<b>\$875,001</b>

Extension of the QAAP sunset would maintain current policy. The Executive-proposed, Senate-passed, and House-passed versions of the fiscal year 2019-20 Department of Health and Human Services budget all assume extension of the QAAP sunset. If the sunset were not extended, General Fund/General Purpose costs would increase by the estimated revenue collected, about \$1.3 billion.

Date Completed: 8-28-19

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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.