



Senate Fiscal Agency
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House Bill 6117 (as passed by the House)
Sponsor: Representative Mary Whiteford
House Committee: Appropriations
Senate Committee: Committee of the Whole

Date Completed: 9-14-20

CONTENT

The bill would amend the Public Health Code to require the distribution of \$10.0 million from the Health Professions Regulatory Fund (HPRF) and \$3.0 million from the Certificate of Need (CON) Program for fiscal year (FY) 2019-20 to the State's General Fund. This transfer was agreed to by the Governor and Legislature to address the budget impact of COVID-19 and would apply only during FY 2019-20.

The HPRF must be used to enforce Articles 7, 8, and 15 of the Public Health Code. These articles provide for the regulation of individuals licensed as health professionals by the Department of Licensing and Regulatory Affairs, the enforcement of statute related to pharmaceutical-grade cannabis, and the regulation of certain controlled substances. There is an available Fund balance of approximately \$27.5 million as of August 2020 and a projected year-end balance of approximately \$35.3 million.

Certificate of need fees are used solely to support the CON Program, which issues certificates authorizing new health facilities, changes in bed capacity, initiation, replacement, or expansion of covered clinical services or covered capital expenditures. The year-to-date appropriation in the Department of Health and Human Services (DHHS) budget for the CON Program is \$2.8 million, while the Fund has a projected year-end balance of approximately \$7.5 million.

MCL 333.16315 & 333.20161

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would provide for a \$13.0 million increase in FY 2019-20 General Fund/General Purpose revenue. Under current law, unspent funds remaining at the end of the fiscal year remain in the two funds and do not lapse back to the General Fund. The bill would have no impact on the level of funding to support the other activities supported by the HPRF in the Department of Licensing and Regulatory Affairs or the CON in the DHHS.

Fiscal Analyst: Ellyn Ackerman
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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.