

## Memo

To: Members, House Health Policy Committee  
From: Adam Carlson, Vice President, Advocacy  
Date: May. 27, 2021  
Re: **Senate Bill 440**

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Certificate of Need (CON) is a state regulatory program intended to balance cost, quality and access issues to ensure that only needed healthcare services and facilities are developed in Michigan. The 11-member, governor-appointed state CON Commission meets at least five times per year to review standards that regulate covered healthcare services, beds, new construction and renovation. Proposed changes to the standards receive a public hearing, and, if approved by the CON Commission, are forwarded to the legislature and executive branch for final approval before taking effect. The CON Commission utilizes advisory committees, public work groups, and expert testimony to obtain recommendations on the merits of proposed changes to regulated services and facilities. The MHA has long supported Michigan's CON program as an effective means to advance competing goals of cost containment, patient access and quality of care. Numerous studies have associated Michigan's comparatively low costs of healthcare with its strong Certificate of Need program.

In an evolving health care environment, new technologies and treatments arise for consideration before the CON Commission, which is designed to assess and approve them quickly. Our state has a transparent and efficient process to review new technology and new iterations of existing regulated technology. The use of a bi-partisan and diverse statewide CON Commission was specifically designed to help the legislature assess these claims objectively by utilizing qualified health care experts, reviewing their recommendations and findings in an open forum, and providing for public input and comment within a statutorily mandated timeline. This apolitical process is currently underway for the specific technology this bill seeks to address and with the Commission expected to review at its June meeting, this represents a minimal difference in timing for this project to be approved from what may be possible in this legislation. **Therefore, the MHA is opposed to Senate Bill 440 as it unnecessarily circumvents the CON process.**

*Brian Peters, Chief Executive Officer*