

## Memo

To: Members, House Health Policy Committee  
From: Adam Carlson, Senior Vice President, Advocacy  
Date: Jun. 16, 2022  
Re: **Senate Bills 181, 182, 183, and 190**  
Position: Opposed

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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 the necessary healthcare services and facilities are developed in Michigan. The 11-member, governor-appointed state CON Commission meets 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 sign-off 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 Michigan Health & Hospital Association (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. **The MHA is opposed to Senate Bills 181-183 and 190 as the package unnecessarily circumvents the CON process.**

The most significant issue with this tie-barred package is the change that would remove psychiatric beds from the CON review process. CON review standards take into consideration the needs of patients in rural and less populated areas to help ensure necessary services are available. In some instances, this means adjusting volume standards or providing other allowances to providers in these areas. States without CON programs have seen more and more specialty and for-profit services and facilities that are tailored to serving well-insured patients with less complex conditions. Without these protections, many patients could be at risk of losing access to certain treatments due to travel or cost concerns. **The MHA is opposed to this change, which could create duplicative services that do not respond to actual needs and have a detrimental impact on access to behavioral healthcare across the state.**

Hospitals in Michigan are committed to increasing access to behavioral healthcare services but are often unable to find the providers necessary to meet the demand. Currently, every single Health Service Area (HSA) in the state has additional child/adolescent behavioral health beds available for entities wishing to expand or create new facilities. This legislation is an unnecessary circumvention of a CON process that has proven efficient and effective in ensuring access to high quality healthcare services across the state.

**The MHA asks that members vote NO on this tie-barred package of bills.** Any questions can be directed to Adam Carlson at the MHA at [acarlson@mha.org](mailto:acarlson@mha.org).

*Brian Peters, Chief Executive Officer*