

# Administrative Rule Analysis



## CERTIFICATE OF NEED

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**Rule Set No.: 2016-005 HS**  
**Submitted to JCAR on: 10/24/2016**

Analysis available at  
<http://www.house.mi.gov/hfa>

**Department: Health and Human Services**  
**Agency: Policy, Planning and Legislative Services**  
**Enabling Statute: Public Health Code 1978 PA 368, MCL 333.22201 – 333.22260**

**Analysis Complete to: 12/08/2016**

## BACKGROUND AND SUMMARY OF PROPOSED RULES

The proposed rules amend 3 existing administrative rules related to the certificate of need regulatory program for health services and facilities administered by the Michigan Department of Health and Human Services under Part 222 of the Public Health Code.

The substantive proposed changes relate to Rule 413 regarding requests to amend a certificate of need that is already approved:

- Allows a change in the site of an approved health facility as an amendment before completion if reasonable evidence is accepted that a recent unforeseen event prevents completion of the project at the approved site, and the proposed new site meets the exact criteria and scoring as the previously approved site. Current rules require a new certificate of need to be sought for a site change. The proposed rules also clarify that the site of an approved covered clinical service for a non-licensed facility shall not be changed.
- Modifies rule which allows for a change in the method and/or terms of financing the project. The proposed rule allows this when it is demonstrated that the change offers a less costly alternative. Current rules allow for a change that offers a better alternative.
- Includes new language clarifying that amendments to a certificate of need are subject to the same conditions and stipulations as the original certificate and any new conditions imposed on the amendment, unless waived by the Department.

## FISCAL IMPACT OF PROPOSED RULES

### State

The proposed rule changes will affect the administration of the certificate of need program by the Department of Health and Human Services, but should not result in costs or savings of significance.

### Local

The proposed rule changes have no direct fiscal impact on local units of government.

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