



MICHIGAN HEALTH & HOSPITAL ASSOCIATION

*Advocating for hospitals and the patients they serve.*

## CERTIFICATE OF NEED

### OVERVIEW OF PROGRAM

Certificate of Need (CON) is a state regulatory program intended to balance cost, quality, and access issues and to ensure that only needed services and facilities are developed in Michigan. An entity (health facility, physician, group practice, etc.) proposing any of the following types of projects must obtain a CON, regardless of the capital expenditure proposed:

- increase in the number of licensed beds or the relocation of licensed beds from one site to another
- acquisition of an existing health facility or operation of a new health facility
- initiation, replacement or expansion of covered clinical services
- short-term nursing care program (swing beds)
- any capital expenditure projects (construction, renovation, etc.) that involves a health facility

The capital expenditure threshold is indexed annually by the Department of Community Health based on the consumer price index. The current threshold, effective Jan. 3, 2007, is \$2,817,500 for clinical service areas.

Determinations of whether a project requires CON approval, whether a project complies with applicable requirements, or whether other requirements apply must be obtained in writing from the Department of Community Health.

### MHA POSITION ON CON

**The Michigan Health & Hospital Association supports the Certificate of Need law as a means of maintaining access and preserving high-quality care in the community hospital setting, while restraining the proliferation of unnecessary facilities and services.**

In furtherance of this position, the MHA Board of Trustees has directed that the association shall:

- support CON policy that recognizes and preserves the community hospital as the cornerstone in a system that strives to provide access to the highest quality health care for everyone;
- pursue more flexibility within the CON standards and seek changes, wherever appropriate, to reflect current standards of care and practice;
- work within the commission's process to amend the CON standards rather than pursuing legislative remedies for individual issues;
- advocate on behalf of members in furtherance of these principles and seek consensus, but not take sides in individual instances where members are divided or in conflict.

SPENCER JOHNSON, PRESIDENT