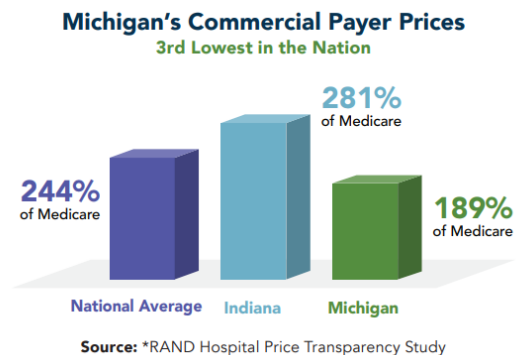


Memo

To: Chair VanderWall, Members of the House Health Policy Committee
From: Michigan Health & Hospital Association
Date: Apr. 29, 2026
Re: House Bill 5709 (Roth)

Michigan ranks third in the country for the lowest hospital prices as a percentage of Medicare. Where our peer states, like Indiana (281%), are consistently well above the national average of 244% of Medicare, Michigan is nearly the lowest priced state in the nation at 189% of Medicare. **One of the reasons Michigan maintains this status is our strong Certificate of Need (CON) program.**



The CON program is a state regulatory program that ensures quality and access to certain covered healthcare services at managed costs. The CON program is overseen by a commission made up of 11 appointed members who represent hospitals, doctors, nurses, insurers, employers, organized labor, medical education and long-term care providers. Covered services, like opening or expanding a hospital, moving licensed hospital beds, acquiring a health facility, or adding or changing services like transplant, surgical or high-cost imaging, are reviewed regularly by the commission. **The CON program protects Michiganders from the proliferation of unnecessary, expensive or low-quality healthcare services. It is a major contributor to our state's ability to remain one of the most affordable in the nation.**

Affordability is more important than ever for hospitals and the communities they serve. The MHA continues to work on legislative solutions that keep high-quality services local and help our state's residents access affordable care. Protecting the CON program is more important than ever when drug costs for hospitals increased 13.6%, hospital supply costs increased 9.9% and investments in the hospital workforce increased 5.6% in 2025.

House Bill 5709 erodes one of the central functions of the CON program - regulation of high-cost imaging services. The CON program regulates PET scan, CT scan and MRI services. All services covered by the CON program are reviewed on a three-year cycle or when individuals request off-cycle review. The commission, because of its wide variety of experts representing both healthcare providers, purchasers and consumers, is well suited to review proposed changes, and address access and need in our state while keeping costs affordable. CT and MRI services, for example, were reviewed last year. The commission determined that cost, quality and access would be best served by the CON program continuing to regulate those services.

Without the CON program, and with what legislation like HB 5709 proposes, high-cost predatory entities could pop up across Michigan. The MHA does not support legislation that carves out high-cost services from CON oversight, eats away at the impact the CON program has on healthcare cost, quality and access in Michigan, and ultimately allows predatory out of state entities to proliferate low-quality services in Michigan communities. **We ask you to oppose House Bill 5709.**

Brian Peters, Chief Executive Officer