

HOUSE BILL No. 5790

March 12, 2002, Introduced by Reps. Hart, Hummel, Raczkowski, Vander Veen, Mans, Hager, Richner and Cameron Brown and referred to the Committee on Health Policy.

A bill to facilitate the development of a comprehensive state health policy; to coordinate state and area planning for health services, personnel, and facilities; to improve the accessibility, acceptability, continuity, and quality of health services; to restrain increases in the cost of providing health care; to prevent unnecessary duplication of health resources; to provide for the creation of certain state agencies and offices; to prescribe the powers and duties of those agencies and offices; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan health planning and health policy development act".

3 Sec. 2. For purposes of this act, the words and phrases
4 defined in sections 3 to 6 have the meanings ascribed to them in
5 those sections.

1 Sec. 3. (1) "Consumer of health care" means an individual
2 who may or may not represent a labor union, senior citizen organ-
3 ization, or social welfare group and who meets all of the follow-
4 ing requirements:

5 (a) Is not a purchaser or payer of health care.

6 (b) Is not a member of the immediate family of either a
7 licensed health professional or a provider of health care.

8 (c) Does not hold a fiduciary position with, or have a fidu-
9 ciary interest in, a health care facility or organization.

10 (2) "Council" means the state health planning council cre-
11 ated in section 7.

12 (3) "Director" means the director of the office of health
13 and medical affairs.

14 Sec. 4. (1) "Health service area" means an area designated
15 by the council as a health service area.

16 (2) "Health systems agency" means a health systems agency
17 for a health service area within this state that is certified by
18 the office of health and medical affairs under section 17.

19 (3) "Health systems plan" means a plan established by a
20 health systems agency under section 20.

21 Sec. 5. (1) "Office" means the office of health and medical
22 affairs created in section 11.

23 (2) "Provider of health care" means an individual who repre-
24 sents a health care provider organization concerned with health
25 facilities or licensed health professionals.

26 Sec. 6. "Purchaser or payer of health care" means an
27 individual who represents a health care purchaser or payer,

1 including but not limited to, an employer, health and welfare
2 trust fund, government health benefits program, nonprofit health
3 care corporation, or insurer that purchases or pays for group
4 health care benefits or services.

5 Sec. 7. (1) The state health planning council is created in
6 the executive office of the governor. The council consists of 24
7 voting members appointed by the governor with the advice and con-
8 sent of the senate. The governor shall appoint 8 of the members
9 from the categories set forth in subsection (2). In making the
10 appointments, the governor shall, to the extent feasible, assure
11 that the membership of the council is broadly representative of
12 the social, economic, linguistic, and racial populations, and
13 geographic areas of this state.

14 (2) Eight members of the council shall be appointed from
15 each of the following categories:

16 (a) Consumers of health care.

17 (b) Providers of health care.

18 (c) Purchasers or payers of health care.

19 (3) Four representatives of the legislature shall serve as
20 nonvoting representatives to the council. Two shall be selected
21 by the speaker of the house of representatives and 2 shall be
22 selected by the majority leader of the senate.

23 (4) The remainder of the members shall be appointed from the
24 governing bodies of health systems agencies.

25 Sec. 8. (1) A member of the council shall serve a term of 3
26 years, except as provided in subsection (2).

1 (2) Of the original voting members appointed to the council,
2 8 shall serve for a term of 1 year, 8 shall serve for a term of 2
3 years, and 8 shall serve for a term of 3 years.

4 (3) An appointment to the council expires at the end of the
5 term or when a successor is appointed and confirmed, whichever is
6 later.

7 (4) A vacancy on the council shall be filled in the same
8 manner as the original appointment. After serving 2 consecutive
9 terms, an individual shall not be appointed to the council again
10 until the expiration of 3 years after the termination of the
11 individual's second term.

12 (5) The council shall adopt bylaws for its operation. The
13 council shall include in the bylaws procedures for the removal
14 and replacement of members in accordance with section 7, voting
15 procedures that protect against conflict of interest, and minimal
16 requirements for attendance at meetings.

17 (6) The council shall annually elect a chairperson and a
18 vice-chairperson from its voting members. An individual shall
19 not hold the office of chairperson or vice-chairperson for more
20 than 3 consecutive years.

21 (7) The council may establish standing committees from
22 within its membership necessary or appropriate to perform its
23 functions. The council shall not establish a standing committee
24 that has providers of health care as a majority of its members.
25 The council may approve, disapprove, or amend a decision of a
26 standing committee.

1 (8) The council may establish advisory committees under the
2 directorship of the council. The council may include individuals
3 who are not council members on an advisory committee.

4 (9) The council and each of its committees shall conduct all
5 meetings in public in compliance with the open meetings act, 1976
6 PA 267, MCL 15.261 to 15.275. The council shall meet not less
7 than 6 times a year, and at least once in each quarter.

8 (10) Travel or other expenses, or both, incurred by a coun-
9 cil member in the performance of official functions authorized by
10 this act and that are payable out of appropriations shall be paid
11 pursuant to the standardized travel regulations of the department
12 of management and budget.

13 Sec. 9. (1) The council shall carry out the following
14 activities relating to state health planning and health policy
15 development:

16 (a) Subject to subsection (2), prepare and approve the state
17 health plan not less frequently than once every 3 years. The
18 council may revise individual components of the plan as consid-
19 ered necessary by the council.

20 (b) Submit the proposed state health plan to the governor
21 and the standing committee of each house of the legislature
22 having jurisdiction over public health matters. The governor or
23 legislature may disapprove the plan within 60 legislative session
24 days after submission. If the legislature is not in session at
25 the time of submission, the 60 legislative session days commence
26 the first day on which the legislature reconvenes. Legislative
27 disapproval shall be expressed by concurrent resolution which

1 shall be adopted by a record roll call vote of each house of the
2 legislature. The concurrent resolution shall state specific
3 objections to the plan. If the proposed state health plan is
4 disapproved by concurrent resolution, the council shall revise
5 the plan based on the stated objections. If the plan is not dis-
6 approved within the 60 legislative session days, the plan is con-
7 sidered approved. As used in this subdivision, "legislative ses-
8 sion day" means each day in which a quorum of either the senate
9 or the house of representatives, following a call to order, offi-
10 cially convenes in Lansing to conduct legislative business.

11 (c) Annually review program activities and budgets of prin-
12 cipal executive departments that are related to health and medi-
13 cal care to determine the consistency of these activities and
14 budgets with the state health plan. The council shall report its
15 conclusions to appropriate legislative committees, to the gover-
16 nor, and to other affected agencies.

17 (d) Actively pursue implementation of the recommendations
18 contained in the state health plan. An annual implementation
19 plan shall be prepared and submitted to the legislature, the gov-
20 ernor, and other interested parties.

21 (e) Provide a public forum for the discussion and identifi-
22 cation of priority health issues.

23 (f) Make recommendations to the governor, the legislature,
24 and other affected agencies regarding current or proposed changes
25 in federal and state health statutes, policies, and budgets,
26 taking into account the state health plan.

1 (g) Cooperate with legislative committees having
2 jurisdiction over health matters and advise in the development of
3 a consistent and coordinated policy for health affairs in this
4 state.

5 (h) Assess the policies and rules of principal executive
6 departments and state agencies concerning the collection and
7 application of statistics relating to health, health planning,
8 and health policy development, and periodically make recommenda-
9 tions to the governor, the legislature, and other affected agen-
10 cies for improvement and coordination of the statistics. The
11 council shall report its conclusions under this subdivision to
12 appropriate legislative committees, the governor, and other
13 affected agencies. The report shall recommend, at a minimum,
14 policies concerning accessibility of data, uniformity and reli-
15 ability of data, independent and shared use of data, and coordi-
16 nation of health data systems.

17 (i) Perform other duties as specified in part 222 of the
18 public health code, 1978 PA 368, MCL 333.22201 to 333.22260.

19 (2) The council shall assure that the state health plan does
20 all of the following:

21 (a) Address mechanisms to promote adequate access to health
22 care for all segments of the state's population.

23 (b) Outline initiatives designed to contain the costs of
24 health care and improve the efficiency with which services are
25 delivered.

(c) Address the ways in which changes in individual behavior and responsibility can assist in reducing the costs of health care.

(d) Promote innovative and cost effective strategies for projecting and addressing the future health care needs of the population.

(e) Encourage the rational development and distribution of health care services.

(f) Suggest means by which the quality of health care services can be improved through changes in the delivery system.

(g) Promote cooperation between the public and private sectors in achieving subdivisions (a) to (f).

Sec. 10. (1) The council shall provide policy direction and guidance to the office in the performance of activities or functions related to the council's powers, duties, or activities.

(2) The council shall not delegate its responsibility for the final approval of the state health plan.

Sec. 11. The office of health and medical affairs is created in the department of management and budget. The office shall serve as the state health planning and health policy development agency.

Sec. 12. The office shall do all of the following:

(a) Develop the preliminary state health plan after review and consideration of input from other public and private agencies, including, but not limited to, local health related entities. The office shall transmit the preliminary state health

1 plan to the state health planning council for review, revision,
2 and approval.

3 (b) Serve as staff to and provide administrative support for
4 the council through the provision of adequate support and profes-
5 sional personnel, payment of operating expenses, and provision of
6 appropriate training programs.

7 (c) The director of the office shall serve as secretary of
8 the council.

9 Sec. 13. In addition to the duties prescribed under section
10 12, the office shall do all of the following:

11 (a) Collect and publish technical and other information, if
12 the collection and publication of such information is not dupli-
13 cative, that would promote informed decision making by individu-
14 als and groups related to services, financing and delivery sys-
15 tems, and health benefit design.

16 (b) Identify priority health issues and create strategies to
17 address the priority health issues in a coordinated manner. The
18 office may convene appropriate groups and consult with the coun-
19 cil in carrying out the duties of the office under this
20 subdivision.

21 (c) Collect, retrieve, analyze, report, and publish data and
22 information concerning health policy and health planning to the
23 maximum extent possible using existing data and information from
24 extant sources. The office shall utilize the data, statistics,
25 and other information collected or prepared by other state and
26 local agencies concerning the health status and health needs of
27 the people of this state.

1 (d) Perform other duties and responsibilities prescribed by
2 the governor or the legislature.

3 (e) Inform the council of the activities of the office.

4 (f) Recommend to the governor, the legislature, and state
5 agencies and principal executive departments ways to implement
6 the state health plan.

7 (g) Advise the governor and the legislature as to plans and
8 policies of state agencies and principal executive departments
9 and other public and private entities relating to health activi-
10 ties appropriate to assure implementation of the state health
11 plan.

12 (h) Develop recommendations to improve the organization,
13 delivery, and financing of health care.

14 (i) Advise the governor and the legislature on the steps
15 necessary to achieve and facilitate a consistent and coordinated
16 policy for health affairs in this state.

17 (j) Perform other duties as specified in part 222 of the
18 public health code, 1978 PA 368, MCL 333.22201 to 333.22260.

19 Sec. 14. Except as prohibited by law protecting confiden-
20 tial information, the office shall make records and data avail-
21 able upon request to the public and may charge fees for the cost
22 of the records and data.

23 Sec. 15. The office, with the approval of the council, may
24 promulgate rules pursuant to the administrative procedures act of
25 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this act.

26 Sec. 16. An individual who as a member of the council or as
27 an employee of the office, by reason of the performance of a

1 duty, function, or activity required or authorized under this
2 act, shall not be held to have violated a criminal law of this
3 state or to be civilly liable under the law of this state if the
4 individual acted within the scope of the duty, function, or
5 activity, except for wanton and willful misconduct.

6 Sec. 17. (1) The office shall annually certify health sys-
7 tems agencies that meet the following requirements in a manner
8 satisfactory to the office:

9 (a) The health systems agency performs, or provides satis-
10 factory evidence of the capability to perform, functions speci-
11 fied under a designation agreement entered into by the office
12 with the health systems agency pursuant to the rules promulgated
13 under subsection (2).

14 (b) Before the establishment, annual review, and revision of
15 its health systems plan, the health systems agency gives appro-
16 priate consideration to guidelines, standards, and criteria
17 developed by the office or other state agency and approved by the
18 council to achieve appropriate coordination with the health sys-
19 tems plans of other health systems agencies in the state or to
20 deal more effectively with statewide health needs.

21 (c) The health systems agency revises its health systems
22 plan or submits satisfactory assurance that it will revise its
23 health systems plan as required by the council pursuant to sec-
24 tion 9.

25 (d) The health systems agency provides that the membership
26 of its governing body and its executive committee meet the

1 requirements of section 18 and of the rules promulgated under
2 subsection (2).

3 (e) The health systems agency submits evidence satisfactory
4 to the office that the residents of the health service area have
5 been provided a reasonable opportunity for participation in both
6 of the following:

7 (i) The process for selecting members of the health systems
8 agency's governing body.

9 (ii) The process for establishing and selecting members of
10 the governing body's committees and subcommittees, advisory
11 groups, and subarea advisory councils, if any.

12 (f) The health systems agency submits a report that: pro-
13 vides for fiscal control and fund accounting procedures the
14 office requires to assure proper disbursement of, and accounting
15 for, amounts received under this act; permits the director and
16 the auditor general, or their representatives, to have access for
17 the purpose of audit and examination to books, documents, papers,
18 and records pertinent to the disposition of amounts received
19 under this act; and the office may require for the proper per-
20 formance of health planning and resources development functions.

21 (g) The health systems agency complies with other require-
22 ments the office may prescribe by rule promulgated under subsec-
23 tion (2).

24 (2) The office, with the consultation of the council, shall
25 promulgate rules pursuant to the administrative procedures act of
26 1969, 1969 PA 306, MCL 24.201 to 24.328, setting forth the
27 criteria to be used in certifying health systems agencies under

1 subsection (1) and prescribing the powers and duties of health
2 systems agencies.

3 Sec. 18. (1) The membership of the governing body and exec-
4 utive committee of a health systems agency shall meet the
5 requirements of this section and the rules promulgated under sec-
6 tion 17(2).

7 (2) In addition to the requirements of subsection (1), not
8 less that 1/4 of the membership of the governing body and execu-
9 tive committee of a health systems agency, either through con-
10 sumer or provider members, shall be composed of public elected
11 officials or representatives of governmental authorities.

12 (3) Selection of the members described in subsection (2)
13 shall be made in the following manner:

14 (a) Each health systems agency shall request nominations in
15 writing from the county board or boards of commissioners and from
16 city councils in cities having a population of 750,000 or more
17 within the health systems area. The request shall indicate the
18 number of appointments to be made and shall specify the type of
19 appointment that would be necessary to meet the requirements for
20 membership composition.

21 (b) The total number of nominations submitted shall not be
22 less than the number of appointments to be made.

23 (c) Selection to fill these appointments shall be made by
24 the health systems agency from the nominations submitted pursuant
25 to this section. Not less than 3 of the appointments made shall
26 be from the nominations submitted by cities having a population
27 of 750,000 or more, if any.

1 (d) If the health systems agency cannot meet the
2 requirements for membership composition from the original nomina-
3 tions submitted, the health systems agency may request additional
4 nominations.

5 (e) A county board of commissioners or a city council
6 aggrieved by a decision of the health systems agency under this
7 subsection may appeal the decision to the council. If the appeal
8 is upheld, the health systems agency shall make the appointment
9 or appointments in question from additional nominations submitted
10 in accordance with subdivision (d).

11 (4) A health systems agency that does not meet the require-
12 ments of subsection (2), but that provides assurance satisfactory
13 to the office that the requirements will be met within 24 months
14 after the effective date of this act, and that meets all other
15 requirements prescribed in this section, shall be certified as a
16 health systems agency.

17 (5) Except as provided in this subsection, a term of office
18 for a member of a governing body of a health systems agency is 3
19 years. After serving 2 consecutive terms, an individual shall
20 not be appointed to the governing body for a third term until the
21 expiration of 3 years after the termination of the individual's
22 second term. Each certified health systems agency shall stagger
23 membership terms so that not less than 1/3 of the health systems
24 agency governing body membership is reappointed or replaced each
25 year. A health systems agency may adopt procedures for the
26 removal and replacement of members for good cause. The

1 replacement of individuals described in subsection (2) shall be
2 done in accordance with subsection (3).

3 Sec. 19. (1) The office may make a grant and enter into a
4 contract and an agreement with a certified health systems agency
5 for the purpose of assisting the certified health systems agency
6 in the performance of its functions, except as provided in sub-
7 section (2).

8 (2) A grant or contract under this section shall not be used
9 for 1 or more of the following purposes:

10 (a) To pay the costs incurred by an entity or individual in
11 the delivery of health services.

12 (b) For the cost of construction of, modernization of, con-
13 version of, or addition to institutional health services.

14 (c) To match funds made available under any other state
15 program.

16 (d) To replace federal funds or local funds.

17 (3) A grant or contract made or entered into under subsec-
18 tion (1) shall be for a term not to exceed 12 months. The office
19 may renew grants, contracts, and agreements if, upon review of
20 the health systems agency's operation and performance of its
21 functions, the office determines that the health systems agency
22 continues to meet the requirements of sections 17 and 18.

23 (4) The office shall only make a grant under this section to
24 a certified health systems agency.

25 Sec. 20. (1) Before a certified health systems agency
26 establishes or revises a health systems plan or an annual
27 implementation plan, the certified health systems agency shall

1 conduct a public hearing on the plan or revision and shall give
2 local governments and other interested persons within the health
3 service area an opportunity to submit their views on the estab-
4 lishment or revision of the health systems plan or the annual
5 implementation plan both orally and in writing.

6 (2) As used in this section, "local government" means a
7 county board of commissioners or the governing body and the major
8 of a city having a population of more than 100,000.

9 Sec. 21. The guidelines, standards, and criteria estab-
10 lished or utilized by the council, the office, or a certified
11 health systems agency shall, to the extent feasible, be consis-
12 tent with the state health plan.

13 Sec. 22. The office shall conduct all meetings in public in
14 compliance with the open meetings act, 1976 PA 267, MCL 15.261 to
15 15.275.

16 Sec. 23. The council and the office shall make records and
17 data compiled under this act available upon request to the public
18 in compliance with the freedom of information act, 1976 PA 442,
19 MCL 15.231 to 15.246.

20 Sec. 24. Eighteen months after the effective date of this
21 act, and annually after that date, the office shall submit a
22 report to the legislature. The office shall include in the
23 report an evaluation of the costs in relation to the effective-
24 ness of the office, the council, and health systems agencies in
25 carrying out the purposes of this act.

26 Sec. 25. This act and the effects of this act shall be
27 reviewed by the standing committee of each house of the

1 legislature having jurisdiction over public health matters by
2 January 1, 2007.

3 Sec. 26. The Michigan health planning and health policy
4 act, 1978 PA 323, MCL 325.2001 to 325.2031, is repealed.