

**MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES (MDHHS)
HOSPITAL BEDS
STANDARD ADVISORY COMMITTEE (HBSAC) MEETING**

Thursday, August 24, 2017

South Grand Building
333 S. Grand Ave,
1st Floor, Grand Conference Room
Lansing, MI 48933

APPROVED MINUTES

I. Call to Order

Chairperson Turner-Bailey called the meeting to order at 9:37 A.M.

A. Members Present:

Renee Turner-Bailey, Chairperson
Robert R. Camp, M.D.
Joel S. Clark
Jeffrey Garber
Jennifer Groseclose
Margaret Klobucar
Richard C. Lindsey, Jr.
Thomas Mee
Patrick O'Donovan
Jane Schelberg
Shannon D. Striebich (participated via phone)

B. Members Absent:

Stephen L. Anderson
T. Anthony Denton

C. Michigan Department of Health and Human Services Staff present:

Tulika Bhattacharya
Joette Laseur
Beth Nagel
Tania Rodriguez
Brenda Rogers

II. Review of Agenda

Motion by Mr. Garber and seconded by Mr. Mee to accept the agenda as presented. Motion carried.

III. Declaration of Conflicts of Interests

No conflicts were declared.

IV. Review and Approval of July 20, 2017 Minutes

Motion by Mr. Lindsey and seconded by Mr. O'Donovan to accept the minutes as presented. Motion carried.

V. Charge #1 "Review and update or eliminate, if necessary, the language in Section 6(4)(f)"

Chairperson Turner-Bailey provided an overview of the charge.

Discussion followed.

Motion by Ms. Schelberg and seconded by Mr. Clark to eliminate the language in Section 6(4)(f). Motion carried.

VI. Charge #3 "Review and update, if necessary, the space lease and lease renewal at hospitals"

Ms. Rogers provided an overview of the charge. (See Attachment A)

Discussion followed.

The SAC asked the Department draft language for the September meeting.

VII. Next Steps

The SAC discussed next steps as follows:

- Charge #2: Ms. Striebich provided an update. Patrick O'Donovan volunteered to participate in this subcommittee. A report will be provided at the September meeting.
- Charge #3: The Department will draft language for the September meeting.
- Charge #4: The subcommittee will provide information and an overview at the September meeting.

VIII. Future Meeting Dates – September 28, 2017; October 26, 2017; November 30, 2017; December 14, 2017; & January 11, 2018

Chairperson Turner-Bailey reviewed the meeting schedule.

IX. Public Comment

None.

X. Adjournment

Motion by Mr. Garber and seconded by Mr. Clark to adjourn at 10:19 A.M.
Motion Carried.

LEASE EXCERPTS FROM NURSING HOME & HOSPITAL LONG-TERM CARE UNIT (HLTCU) BEDS CERTIFICATE OF NEED (CON) REVIEW STANDARDS

Section 2. Definitions

(a) "Acquisition of an existing nursing home/HLTCU" means the issuance of a new nursing home/HLTCU license as the result of the acquisition (including purchase, lease, donation, or other comparable arrangement) of an existing licensed and operating nursing home/HLTCU and which does not involve a change in bed capacity of that health facility. *(Hospital Beds has similar language.)*

(z) "Renewal of lease" means execution of a lease between the licensee and a real property owner in which the total lease costs exceed the capital expenditure threshold.

(aa) "Replacement bed" means a change in the location of the licensed nursing home/HLTCU, the replacement of a portion of the licensed beds at the same licensed site, or the replacement of a portion of the licensed beds pursuant to the new model design. The nursing home/HLTCU beds will be in new physical plant space being developed in new construction or in newly acquired space (purchase, lease, donation, etc.) within the replacement zone. *(Hospital Beds has similar language.)*

Section 9. Requirements for approval to acquire an existing nursing home/HLTCU or renew the lease of an existing nursing home/HLTCU

Sec. 9. An applicant proposing to acquire an existing nursing home/HLTCU or renew the lease of an existing nursing home/HLTCU must meet the following as applicable:

(3) An applicant proposing to renew the lease for an existing nursing home/HLTCU shall not be required to be in compliance with the needed nursing home bed supply for the planning area in which the nursing home/HLTCU is located, if all of the following requirements are met:

(a) The lease renewal will not result in a change in bed capacity.

(b) The licensed site does not change as a result of the lease renewal.

(c) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has been submitted and approved by the Bureau of Health Care Services within LARA. Code deficiencies include any unresolved deficiencies still outstanding with LARA.

Section 14. Effect on prior CON review standards, comparative reviews

(3) Projects reviewed under these standards that relate solely to the acquisition of an existing nursing home/HLTCU or the renewal of a lease shall not be subject to comparative review.

LEASE EXCERPTS FROM HOSPITAL BEDS CON REVIEW STANDARDS

Section 2. Definitions

(a) "Acquiring a hospital" means the issuance of a new hospital license as the result of the acquisition (including purchase, lease, donation, or other comparable arrangements) of a licensed and operating hospital and which does not involve a change in bed capacity. *(Similar language to NH-HLTCU already.)*

(II) "Replace beds" means a change in the location of the licensed hospital, the replacement of a portion of the licensed beds at the same licensed site, or the one-time replacement of less

than 50% of the licensed beds to a new site within 250 yards of the building on the licensed site containing more than 50% of the licensed beds, which may include a new site across a highway(s) or street(s) as defined in MCL 257.20 and excludes a new site across a limited access highway as defined in MCL 257.26. The hospital beds will be in new physical plant space being developed in new construction or in newly acquired space (purchase, lease, donation, etc.) within the replacement zone. *(Similar language to NH-HLTCU already.)*

Section 6. Requirements for approval -- new beds in a hospital *(Informational only – as a new definition for Renewal of Lease may or may not have an impact on this subsection.)*

Subsection 2(b), (g)

(2) An applicant proposing to begin operation as a new LTAC hospital, IRF hospital or alcohol and substance abuse hospital within an existing licensed, host hospital shall demonstrate that it meets all of the requirements of this subsection:

(b) The patient care space and other space to establish the new hospital is being obtained through a lease arrangement and renewal of a lease between the applicant and the host hospital. The initial, renewed, or any subsequent lease shall specify at least all of the following:

(i) That the host hospital shall delicense the same number of hospital beds proposed by the applicant for licensure in the new hospital or any subsequent application to add additional beds.

(ii) That the proposed new beds shall be for use in space currently licensed as part of the host hospital.

(iii) That upon non-renewal and/or termination of the lease, upon termination of the license issued under Part 215 of the act to the applicant for the new hospital, or upon noncompliance with the project delivery requirements or any other applicable requirements of these standards, the beds licensed as part of the new hospital must be disposed of by one of the following means:

(A) Relicensure of the beds to the host hospital. The host hospital must obtain a CON to acquire the LTAC or IRF hospital. In the event that the host hospital applies for a CON to acquire the LTAC or IRF hospital [including the beds leased by the host hospital to the LTAC or IRF hospital] within six months following the termination of the lease with the LTAC or IRF hospital, it shall not be required to be in compliance with the hospital bed supply if the host hospital proposes to add the beds of the LTAC or IRF hospital to the host hospital's medical/surgical licensed capacity and the application meets all other applicable project delivery requirements. The beds must be used for general medical/surgical purposes. Such an application shall not be subject to comparative review and shall be processed under the procedures for non-substantive review (as this will not be considered an increase in the number of beds originally licensed to the applicant at the host hospital);

(g) The lease will not result in an increase in the number of licensed hospital beds in the hospital group.

Section 11. Effect on prior planning policies; comparative reviews

(2) Projects reviewed under these standards shall be subject to comparative review except those projects meeting the requirements of Section 7 involving the replacement of beds in a hospital within the replacement zone and projects involving acquisition (including purchase, lease, donation or comparable arrangements) of a hospital. *(Similar language to NH-HLTCU already. Renewal of Lease would need to be added.)*