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STATE OF MICHIGAN  
DEPARTMENT OF COMMUNITY HEALTH  
CERTIFICATE OF NEED

PUBLIC HEARING  
HOSPITAL BEDS STANDARDS

BEFORE ANDREA MOORE, DEPARTMENT TECHNICIAN TO CON COMMISSION  
201 Townsend Street, Lansing, Michigan  
Thursday, October 16, 2008, at 9:00 a.m.

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TABLE OF CONTENTS

PAGE

OPENING REMARKS:

Ms. Andrea Moore . . . . . 3

PUBLIC COMMENT:

HOSPITAL BEDS

Ms. Barbara Jackson (Blue Cross/Blue Shield) . . . . . 4

Mr. Dennis McCafferty (Michigan Economic Alliance) . . . . . 5

CLOSING REMARKS:

Ms. Andrea Moore . . . . . 6

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1                   Lansing, Michigan

2                   Thursday, October 16, 2008 - 9:15 a.m.

3                   MS. MOORE: Good morning, I am Andrea Moore,  
4                   Department Technician to the Certificate of Need Commission  
5                   from the CON Health Policy Section of the Department of  
6                   Community Health. Chairperson Ed Goldman has directed the  
7                   department to conduct today's hearing on the Hospital Beds  
8                   Standards.

9                   Copies of the standards, comment cards and the  
10                  sign-in log are located on the back table. A comment card  
11                  must be completed and provided to me if you wish to give  
12                  testimony today.

13                  The proposed CON Review Standards for Hospital  
14                  Beds are being reviewed and modified to include but not  
15                  limited to the following:

- 16                  1.       Definitions for "acquiring a hospital,"  
17                          "host hospital," and "licensed site" clarified  
18                          based on current department practice.
- 19                  2.       Clarified language under Section 2 -- I'm sorry --  
20                          Section 6(2)(b) and (b)(I), renewal of lease for  
21                          long-term acute care hospitals and subsequent  
22                          addition of beds for LTACHs and host hospitals  
23                          respectively, based on current department  
24                          practice.
- 25                  3.       Updated Appendix A.

1           4.       Recalculation of the bed need with the base year  
2                   of 2006 and the planning year of 2011. Updated  
3                   Appendix C. The bed need numbers will become  
4                   effective with the effective date of the  
5                   standards.

6           5.       Other technical changes.

7                   If you wish to speak on the proposed standards,  
8           please turn in a comment card to me. Additionally, if you  
9           have written testimony, please provide a copy. Just as a  
10          reminder, all cell phones and pagers need to be turned off  
11          or set to vibrate during today's hearing.

12                   As indicated on the Notice of Public Hearing,  
13          written testimony may be provided to the department via our  
14          Web site at [www.michigan.gov/con](http://www.michigan.gov/con) through Thursday, October  
15          23rd, 2008 at 5:00 p.m.

16                   Today is Thursday, October 16th, 2008, and we will  
17          begin taking testimony from Barb Jackson from Blue Cross/  
18          Blue Shield of Michigan.

19                   MS. JACKSON: Good morning. On behalf of Blue  
20          Cross/Blue Shield of Michigan and Blue Care Network, I want  
21          to thank everybody for the opportunity to testify. As we  
22          stated at the September 16th commission meeting, BCBSM and  
23          BCN support updating the Hospital Beds Review Standards and  
24          applaud the commission's proposed action to do so. These  
25          proposed standards serve an important function by clarifying

1 and updating the language, including a recalculated hospital  
2 bed need based on current conditions. Keeping the standards  
3 as relevant as possible by using current data is vitally  
4 important. We commend the commission for moving this  
5 updated language forward for proposed action. Thank you.

6 MS. MOORE: Thank you. Is there anyone else in  
7 the audience that would like to provide testimony today?  
8 Dennis McCafferty from Economic Alliance.

9 MR. McCAFFERTY: Good morning. I'm Dennis  
10 McCafferty from the Economic Alliance for Michigan. We'd  
11 like to commend the commission and the department for their  
12 work on the pending technical updates of the Hospital Beds  
13 Standards. We'd also like to say that we see that there are  
14 no other reasons for the standards to be re-opened in 2009.  
15 From March 2002 to March 2007 there were four separate  
16 efforts to review the standards and a total of 60 public  
17 meetings were held. The issues regarding relocation of  
18 existing hospitals was specifically addressed four times,  
19 and four times the commission decided that this part of the  
20 standards should not be changed.

21 It was also noted that during this last decade  
22 that there had been significant liberalization in the  
23 standards made by the commission. The definition of "full  
24 occupancy" has been reduced from 91 percent for overall sub  
25 areas to 80 percent -- to 80 to 85 percent and then to 75 to

