

**Title: Modification of MSMS Policy regarding Michigan Certificate of Need**

**Introduced by: Domenic R. Federico, MD, for the Kent County Delegation**

**Original Author: Phillip G. Wise, MD**

**Referred to: Reference Committee B**

**House Action: Adopted**

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**Whereas, certificate of need (CON) laws “Prohibit identified health facilities/services/equipment from being initiated, upgraded or modernized, expanded, relocated or acquired without a certificate from the state,”<sup>1</sup> and**

**Whereas, “CON programs create barriers to entry in the health care market...prevent new health care entrants from competing without a state-issued certificate of need, which is often difficult to obtain. This process has the effect of shielding incumbent health care providers from new entrants. As a result, CON programs may actually increase health care costs, as supply is depressed below competitive levels,”<sup>2</sup> and**

**Whereas, the federal mandate for a CON programs was repealed in 1984, as well as the federal funding, and**

**Whereas, CONs are frequently not granted on an objective analysis of community need, but rather on the basis of political influence, institutional prestige or other factors, and**

**Whereas, existing MSMS policy endorses only the total repeal of the Certificate of Need Laws, and**

**Whereas, many of the CON laws do not pertain to physicians; therefore be it**

**RESOLVED: That MSMS policy be changed to state that MSMS supports repeal of Certificate Need legislation and repeal of Certificate of Need Standards, specifically those addressing physician ownership of or investments in ambulatory surgery centers, rudimentary or advanced imaging centers, extracorporeal shockwave lithotripsy, laboratories, and advanced radiotherapy treatment centers.**

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**WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE**

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<sup>1</sup> Michigan Citizen’s Research Council

<sup>2</sup> U.S. Department of Justice and Federal Trade Commission 2004