

**To:** Members, House Health Policy Committee  
**From:** Chris Mitchell, Senior Vice President Advocacy  
**Date:** September 27, 2017  
**Re:** Senate Bill 450  
**Position:** Support

Senate Bill 450 will allow the Community Health Center of Branch County (CHC) to integrate with ProMedica Health System with minimal disruption and expense. In its current structure as a municipal health facility, CHC could only become a part of the ProMedica system by allowing ProMedica to acquire the CHC assets and assume its contractual obligations. This would require creation of a new nonprofit company, new licenses, accreditations, Medicare numbers, and Certificates of Need (CONs) even though all of these items are already in existence.

Senate Bill 450 allows CHC to restructure as a nonprofit corporation. As a nonprofit corporation, CHC can proceed with its integration into the ProMedica system through an acquisition and without the extensive and costly regulatory burden of duplicating licenses, accreditations and CONs. Similar legislation was passed on behalf of municipal hospitals in Alpena, Manistee, and Mecosta counties as each became members of larger health care systems.

The Michigan Health & Hospital Association supports Senate Bill 450 and appreciates the willingness of the House Health Policy members to consider the bill.

**Brian Peters, Chief Executive Officer**