

## CON commission has broad powers

The Michigan Certificate of Need program was established in 1974 to "balance cost, quality and access issues" so that only needed health care services and facilities are developed in the state.

A commission was established in 1988 and became part of the new Department of Community Health in 1998. The current commission has 11 members appointed by the governor.

The CON program covers the increasing or relocating of hospital beds from one site to another, acquisition of an existing health facility, operations of a new health facility and the implementation, replacement or expansion of

clinical services.

In addition, capital expenditures also require a CON.

The CON Commission has approved certificates of need and reviewed standards for air ambulances, computed tomography scanners, magnetic resonance imaging, radiation therapy, open heart surgery, PET scanners and transplantation services as well as hospital beds.

A health facility is defined as a hospital, psychiatric hospital or unit, a nursing home, a freestanding surgical outpatient facility or an HMO (for limited projects).

In late 2002, the state Legislature approved a law exempting the Detroit

Medical Center, Henry Ford Health System and St. John Health from CON compliance.

The law was approved after the two health systems had failed on several attempts to win CON commission support for moving beds out to suburban sites in West Bloomfield and Novi.

The law provided that the exemption would be withdrawn if a seven-member majority of the 11-member commission decides that the exemption will harm access to health care.

The commission is next scheduled to meet June 10 to discuss and possibly vote on the matter.

## Who's who on the CON commission

Following is a list of members of the Certificate of Need Commission.

■ **Renee Turner Bailey** (CON Commission Chair), executive director, Health Care Quality Consortium Ford Motor Co. World Headquarters, Dearborn. Re-appointed by Gov. Jennifer Granholm March 2003.

■ **Jack Stunt** (CON Commission Vice Chair), continuing member, retired business association executive, Grand Haven.

■ **Peter Ajlomi**, D.O. (representing osteopathic physicians). In private practice of orthopedic surgery, Mt. Clemens. Appointed by Gov.

Granholm April 2003.

■ **Richard Brown** (representing hospitals), president and CEO, Spectrum Health, Grand Rapids. Appointed by Gov. Granholm April 2003.

■ **James K. Delaney**, continuing member, vice president and director of administration, Flexaben Corp. in Troy.

■ **Edward B. Goldman**, J.D., continuing member, general counsel, University of Michigan Medical Center, Ann Arbor.

■ **Norma Hagenow**, R.N. and MBA (representing hospitals), CEO and president, Genesys Health System, Grand Blanc. Appointed by Gov. Granholm April 2003.

■ **Michael Sandler**, M.S. (representing allopathic physicians), senior staff radiologist at Henry Ford Hospital, Detroit. Appointed by Gov. Granholm April 2003.

■ **Michael Young**, D.O. Flint (representing school of medicine), associate clinical professor of laboratory medicine at Michigan State University School of Osteopathic Medicine and family practice physician, Flint. Appointed by Gov. Granholm April 2003.

Source: Michigan Department of Community Health

## BATTLE

FROM PAGE A1

The same situation exists in Novi, where Providence Hospital, which is owned by St. John, has a freestanding clinic. But for in-patient admissions, the closest hospital in the system is in Southfield, in an aging facility in need of costly renovation.

Both hospital groups say they would like to move unused beds from their existing hospitals to these facilities in western Oakland County. Not only would patient access be enhanced, they argue, but the increase in paying clients would allow them to stay in Detroit and better serve the region's neediest residents.

### SLIM OPERATING MARGINS

According to testimony at a hearing Wednesday before the state Certificate of Need Commission in Lansing, hospitals can, at best, hope to operate on about a 2.5-percent margin. It's not uncommon for income from one facility to be used to offset losses at another. In Detroit, half of all patients are underinsured or uninsured. In the suburbs, most patients have private health insurance. "We've paid a high price for our commitment to stay in the



PAUL HIRSCHBAUM/STAFF PHOTOGRAPHER

Vin Sahney, senior vice president for planning and strategic development for Henry Ford Health System, says the company can't renovate its 75-year-old Detroit facility and therefore would rather build new beds in the suburbs than downtown, where they're not needed.

city of Detroit," said Bob Riney, Henry Ford senior vice president. While others have left, citing staggering losses, a few have remained to continue to care for those in need, racking up losses in the range of \$100 million per year per hospital group in uncompensated care.

One company, Trinity Health, closed Detroit Mercy Hospital for just that reason.

"We are sympathetic to the plight of health-care providers in Detroit," said Michael Slubowski, executive vice presi-

dent of Trinity. "We advocate for changes in policy. ... However, building new beds will not ... provide a return on the investment to compensate for uncompensated care."

Hospitals opposed to moving beds to western Oakland County argue there is a cost that is passed on to all consumers, whether it's the price of construction or a loss of services at existing hospitals.

"The war is over a limited number of patients," Slubowski said.

CON Commissioner Norma Hagenow, however, found that argument to be about profits, not patient care.

"You're now back into the black by being in suburbia," she told Slubowski. "As other hospitals try to level the playing field, they will do the same thing."

"So there is competition for suburbia, but nobody's competing for downtown."

No one argued that moving hospital beds will solve all the problems, or even close.

Rather, said Paul Lene of the Michigan Catholic Conference, it's "one piece of an overall strategy ... a very important component of that strategy."

One other component of balancing the books is philanthropic fund-raising, which could dwindle if wealthier patients aren't served, according to Vin Sahney, senior vice president for planning and strategy at Henry Ford.

"One of my biggest worries is if we don't have access to paying customers, we will lose our ability to raise funds," he said, adding that donations often come from people whose families have used a hospital.

### SUPPLY AND DEMAND

In today's health-care market, pricing and access to serv-

ices are controlled by insurance companies and government — those who pay the bills. There's little compensation for the cost of capital improvements. Still, during a full day of testimony there was considerable disagreement as to whether more hospital beds translates automatically to increased demand and, therefore, higher health-care costs.

"There's an old argument that supply begets demand," said Elliott Joseph, speaking for St. John. "That argument was made when a lot of us were admitted to hospitals because we didn't feel good. ... The world has dramatically changed since that argument was made."

Representatives of business and labor disagreed.

"Someone is going to have to pay for the expansion of hospital capacity," said Tom Smith, director of health care for Troy-based Delphi Corp., the world's largest automotive supplier. Just like in the auto industry, he said, "excess capacity is very, very costly."

Smith argued that no new beds are needed in Oakland County because too many beds are already going unused.

"Unless you need more beds somewhere, why would you add new beds?" he asked. "Whether you add them or you

move them, there's really no need."

### DEADLINE APPROACHES

Whichever way the CON Commission votes June 10 (and due to constitutional questions regarding the revised law, the commission may decide not to vote at all), legal challenges are expected, both by those who want to expand and those who want to see the original CON process preserved.

"Beaumont strongly supports the CON program that applies to all hospitals," said Patrick O'Donovan, director of planning for Beaumont Hospitals. "Allowing hospitals to sidestep the process even once sets a bad precedent and severely weakens the CON process."

"CON planning for beds can work and has worked." "There may be people who will file lawsuits," said Assistant Attorney General Ron Styka, legal advisor to the CON Commission, who has rendered an informal opinion that some of the revisions are, in fact, unconstitutional. "Ultimately the Michigan courts and Supreme Court will decide what it says."

alingsbury@hometownlife.com (248) 901-2529

## SOUTHFIELD PUBLIC SCHOOLS

### Middle School Advanced Learning Camp LEARNING QUEST 2003

REGISTRATION:  
Now - June 23, 2003  
After June 24, 2003,  
students will be charged an  
additional \$25.00 late fee.

DATES:  
June 23 - July 18, 2003  
8:30 a.m. - 3:30 p.m.  
Southfield High School  
24675 Lahser  
Southfield, MI 48034  
248-746-7240 or 248-746-8988

COST:  
\$325 Residents  
\$375 Non-Residents  
Certified Check or  
Money Orders Only

John W. English  
Administrative Building  
24681 Lahser  
Southfield, MI 48034  
Attention: Dr. Irma Hamilton  
Supervisor of Secondary  
Education

Certified check or money order  
should be made payable to  
Southfield Public Schools and  
must be included with the  
application form.

NO CASH OR PERSONAL  
CHECKS WILL BE ACCEPTED.  
For further information  
please contact Dr. Irma  
Hamilton at 248-746-8988

Southfield Public Schools is offering a new and  
exciting full day Advanced Learning Summer Camp  
for interested academically talented students  
currently in grades 6-8 entitled  
"Learning Quest".

- **MATHEMATICAL COMPUTATION AND ENGINEERING DESIGN**  
Students will utilize advanced mathematical skills and engineering  
ingenuity to design and create an engineering project.

- **SCIENTIFIC AND MEDICAL MAGIC**  
Students will be introduced to and explore the chemical,  
environmental, physical and biological sciences.  
They will become familiar with utilizing the scientific method  
in their investigative research.

- **APPLIED BUSINESS AND COMPUTER APPLICATIONS**  
This course will expose students to the principles of business and  
marketing. They will also use the computer to create a business plan  
of their choice and design a web page to market their project.

- **ADVANCED CREATIVE TECHNIQUES IN MUSIC, ART, DANCE**  
Students will be exposed to advanced techniques in Music, Art and  
Dance. They will have the opportunity to create an artistic  
extravaganza utilizing the techniques learned  
for a culminating performance.

- **ADDITIONAL COMPONENTS**  
Students will engage in hands-on, experiential based activities.  
Cooperative learning teaming and differentiated instruction will be  
implemented to enhance the learning environment.  
There will be field trips to a college/university,  
business and/or a medical facility.

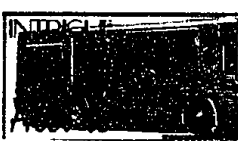
### ~ ALSO AVAILABLE ~

- **SUMMER ACCELERATED ENRICHMENT ACADEMY (Grades 2-5)**  
June 23 - July 25 - Five-Week Session  
8:30 - 11:30 a.m. \$275.00

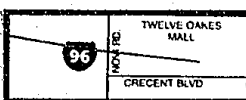
#### LOCATION:

McIntyre Elementary • 19600 Saratoga Boulevard  
Dr. Mardella Alexander 248-746-8565  
(Off Evergreen, North of 11 Mile Road)

You're cordially invited...  
to a 3 Day Only Special Showing of  
Ultimate Luxury Motor Homes  
Thursday, Friday & Saturday, June 5, 6, 7



SHOW LOCATION:  
**NOVI, MICHIGAN - WYNDAM GARDEN HOTEL**  
off 96 at exit 162 & Novi Rd. 42100 Crescent Blvd



#### SHOW HOURS:

**THURS & FRI, JUNE 5 & 6**  
10:00 AM - 8:00 PM  
**SAT, JUNE 7 9:00 AM - 3 PM**