

Sec. 24. Minnesota Statutes 1978, Section 474.10, Subdivision 3, is amended to read:

Subd. 3. Tax increments with respect to any industrial development project shall be segregated and specially accounted for by the county treasurer until all bonds issued to finance the project have been fully paid; but the county treasurer shall remit the same to the municipality or redevelopment agency only in the amount certified to him to be required for any of the purposes stated in subdivision 2. The amount so needed shall be certified annually to the county auditor and treasurer by the municipality or redevelopment agency on or before October 1. Any tax increment remaining in any year after such remittance shall, when collected, be distributed among all of the taxing districts levying taxes on the project area, in proportion to the amounts so levied by them, respectively. The provisions of this subdivision shall not apply to a project, certification of which is requested subsequent to the effective date of the Minnesota tax increment financing act.

Sec. 25. **REPEALER.** Minnesota Statutes 1978, Sections 458.192, Subdivision 12; 472A.02, Subdivision 3; 472A.07, Subdivision 4; and 472A.08, are repealed.

Approved June 5, 1979.

CHAPTER 323—H.F.No.260

An act relating to health; providing for health planning; requiring certificates of need for construction or modification of certain health care facilities and services; amending Minnesota Statutes 1978, Chapter 144, by adding a section; repealing Minnesota Statutes 1978, Sections 145.71 to 145.831.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[145.832] PURPOSE; CITATION.** Subdivision 1. The legislature finds that the unnecessary construction or modification of health care facilities increases the cost of care and threatens the financial ability of the public to obtain necessary medical services. The purposes of sections 1 to 14 are to promote comprehensive health planning; to assist in providing the highest quality of health care at the lowest possible cost; to avoid unnecessary duplication by ensuring that only those health care facilities and services which are needed will be developed; and to provide an orderly method of resolving questions concerning the necessity of construction or modification of health care facilities.

It is the policy of sections 1 to 14 that decisions regarding the construction or modification of health care facilities should be based on the maximum possible participation on the local level by consumers of health care and elected officials, as well as the providers directly concerned.

Subd. 2. Sections 1 to 14 may be cited as "The Minnesota Certificate of Need Act."

Changes or additions indicated by underline deletions by ~~strikeout~~

Sec. 2. [145.833] DEFINITIONS. Subdivision 1. As used in sections 1 to 14, unless the context otherwise requires, the terms defined in this section have the meaning ascribed to them.

Subd. 2. "Health care facility" means any facility licensed under Minnesota Statutes, Sections 144.50 to 144.56, or any nursing home licensed under Minnesota Statutes, Sections 144A.02 to 144A.11; but does not include any facility licensed under Minnesota Statutes, Sections 245.781 to 245.813 or 252.28, unless the facility is a vendor of medical care under Minnesota Statutes, Section 256B.02, Subdivision 7, and is certified as any type of intermediate care facility or skilled nursing facility or is operated by the commissioner of public welfare as a state hospital. "Health care facility" also includes any facility in which services are provided primarily for the treatment of kidney diseases.

Subd. 3. "Health services" means all clinically related services, diagnostic, treatment or rehabilitative, that are cost centers utilized by a health care facility for its accounting purposes. The cost center shall conform to definitions of cost centers recognized by generally accepted accounting principles and shall conform to the cost center definitions utilized in reports of the facility, or organization to any other state agency or program. The cost centers include alcohol, drug abuse and mental health services.

Subd. 4. "Predevelopment activity" means any activity by or on behalf of a health care facility or any person which occurs in preparation for the offering or development of a new institutional health service if the predevelopment activity would require an expenditure in excess of \$150,000 or if the predevelopment activity involves any arrangement or commitment for financing the offering or development of a new institutional health service.

Subd. 5. "Construction or modification" means:

(a) Any erection, building, alteration, reconstruction, modernization, improvement, extension, lease or other acquisition, or any purchase, lease or other acquisition of diagnostic or therapeutic equipment, by or on behalf of a health care facility which:

(1) Requires, or would require if purchased, a total capital expenditure in excess of \$150,000, and which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance; or

(2) Changes the bed capacity of a health care facility in a manner which increases the total number of beds, or distributes beds among various categories, or relocates beds from one physical facility or site to another, by more than ten beds or more than ten percent of the licensed bed capacity, whichever is less, over a two year period;

(b) Any expansion or extension of the scope or type of existing health services rendered by a health care facility if expansions or extensions of the scope or type of existing health services requires a capital expenditure in excess of \$50,000 during any continuous 12 month period for that service;

Changes or additions indicated by underline deletions by ~~strikeout~~

(c) The establishment of a new health care facility or any predevelopment activity by or on behalf of a health care facility which may result in a proposal reviewable according to sections 1 to 14;

(d) Any establishment of a new institutional health service, excluding home health services, by a health care facility which is to be offered in or through a health care facility and which was not offered on a regular basis in or through that facility within the 12 month period prior to the time when that service is intended to be offered; and

(e) The purchase, lease or other acquisition of diagnostic or therapeutic equipment by a licensed medical doctor, a group of licensed medical doctors, or a professional corporation of licensed medical doctors organized pursuant to Minnesota Statutes, Chapter 319A, which requires, or would require if purchased, a capital expenditure in excess of \$150,000 for any one item of equipment and is determined by the state commissioner of health to be designed to circumvent the provisions of sections 1 to 14.

Subd. 6. "Certificate of need" means a certificate issued in accordance with sections 1 to 14.

Subd. 7. "Health systems agency" means an agency designated pursuant to the National Health Planning and Resources Development Act, 42 U.S.C., Section 300k, et seq.; provided that in the metropolitan area the health systems agency shall be the metropolitan council, if it has appointed a health board to advise it which meets the requirements of section 14.

Subd. 8. "Consumer" means any person other than a person:

(a) Whose occupation involves, or before his retirement involved, the administration of health activities or the providing of health services within the 12 months previous to appointment;

(b) Who is, or ever was, employed by a health care facility within the 12 months previous to appointment, as a licensed professional; or

(c) Who has, or ever had, a material financial interest in the rendering of health service within the 12 months previous to appointment.

Subd. 9. "Health service areas" means those areas established pursuant to 42 U.S.C., Section 3001.

Subd. 10. "Health systems plan" means the plan developed by the health systems agency pursuant to the requirements of 42 U.S.C., Section 3001-2.

Subd. 11. "Annual implementation plan" means the plan developed annually by the health systems agency pursuant to the requirements of 42 U.S.C., Section 3001-2 which relate to the implementation of the health systems plan.

Subd. 12. "Develop" means to undertake those activities which on their completion

Changes or additions indicated by underline deletions by strikeout

will result in the offering of a new institutional health service or the incurring of a financial obligation in relation to offering the service.

Subd. 13. "Offer" means that the health care facility holds itself out as capable of providing or as having the means for the provision of a specified health service.

Subd. 14. "Person" means an individual, a trust or estate, a partnership, a corporation (including associations, joint stock companies, and insurance companies), a state or political subdivision or instrumentality (including a municipal corporation) of the state.

Sec. 3. [145.834] CERTIFICATE OF NEED REQUIRED. No construction or modification of or predevelopment activities by a health care facility, whether public, nonprofit, or proprietary, shall be commenced or offered unless a certificate of need has been issued therefor in accordance with sections 1 to 14. The state planning agency, as the administrative authority for the National Health Planning and Resource Development Act of 1974, 42 U.S.C., Section 300k, et seq., shall enter into an agreement with the commissioner of health under which the commissioner shall promulgate rules governing the administration of sections 1 to 14. The commissioner of health shall promulgate rules to define the commencement of a construction or a modification or predevelopment activities and other rules necessary to implement, enforce and administer sections 1 to 14. All rules heretofore promulgated by the state planning agency pursuant to certificate of need shall remain in effect until modified or repealed by the rules of the commissioner of health.

Sec. 4. [145.835] NOTICE TO HEALTH SYSTEMS AGENCY. Subdivision 1. PRECONSTRUCTION NOTICE. No health care facility, or person, group, corporation or association intending to embark upon a program of construction or modification of a health care facility, shall engage architectural, professional consultation, other predevelopment activities, or fund raising services with respect to construction or modification until it has notified the health systems agency of its intention to engage such services or activities. The notice shall state simply the nature of the architectural, professional consultation, other predevelopment activities, or fund raising services to be engaged and the nature of the construction or modification contemplated. Upon receipt of notice under this section, the health systems agency shall promptly notify the commissioner of health and the state planning agency.

Subd. 2. DETERMINATION OF APPLICABILITY. Any person directly affected by the proposed construction or modification may, at the time of submission of the notice to the health systems agency, request a written determination by the commissioner of health as to whether the construction or modification is subject to the provisions of sections 1 to 14 and whether a certificate of need must be obtained. Upon receipt of a request, the health systems agency shall within 30 days submit a recommendation to the commissioner of health as to whether a certificate of need is required. The applicant shall be notified by the commissioner of health of the determination in writing not later than 30 days after the receipt of the request from the health systems agency. No health systems agency shall be required to accept or act upon a certificate of need application if the notice required by this section has not been given. Nothing in this section shall be

Changes or additions indicated by underline deletions by strikeout

construed to limit in any way the right to engage architectural, professional consultation, other predevelopment activities, or fund raising services except as provided by subdivision 1.

Subd. 3. PHYSICIANS; NOTICE OF ACQUISITION OF EQUIPMENT. A licensed medical doctor, a group of licensed medical doctors, or a professional corporation of licensed medical doctors organized pursuant to Minnesota Statutes, Chapter 319A, proposing to purchase, lease or otherwise acquire one or more items of diagnostic or therapeutic equipment which require a capital expenditure in excess of \$150,000 shall, prior to purchasing or acquiring the equipment, notify the health systems agency and the commissioner of health of the proposed acquisition or purchase.

The commissioner of health shall within 60 days of receipt of the notice determine whether or not the proposed acquisition or purchase is designed to circumvent the provisions of sections 1 to 14. A hearing shall be held if requested by the applicant or the health systems agency. The commissioner of health shall notify the applicant and the health systems agency in writing of its determination. If the commissioner of health determines that the proposed acquisition or purchase is not designed to circumvent the provisions of sections 1 to 14, no certificate of need shall be required of the applicant. If the commissioner of health determines that the proposed acquisition or purchase is designed to circumvent the provisions of sections 1 to 14, the applicant must obtain a certificate of need.

Subd. 4. WAIVERS. A proposed construction or modification may be granted a waiver from the requirements of section 3 by the commissioner of health if, based on the recommendation of the health systems agency, the commissioner determines that:

(a) The proposed capital expenditure is less than three percent of the annual operating budget of the facility applying for a waiver, and the expenditure is required solely to meet mandatory federal or state requirements of law; or

(b) The construction or modification is not related to direct patient care services, such as parking lots, sprinkler systems, heating or air conditioning equipment, fire doors, food service equipment, building maintenance, or other constructions or modifications of a like nature.

The commissioner of health, after consultation with the state planning agency and the health systems agencies, may by rule provide for the granting of waivers under other situations the commissioner of health deems appropriate and not inconsistent with sections 1 to 14 and 42 U.S.C., Section 300k, et seq.

The request for a waiver shall be submitted by the applicant to the health systems agency at the same time the applicant submits a notice of intent to the health systems agency pursuant to subdivision 1. Within 30 days of the request, the health systems agency shall submit its recommendation on the issue of the waiver to the commissioner of health, but the recommendation shall not be binding on the commissioner of health. The commissioner of health shall notify the applicant and the health systems agency of the decision to grant or deny the waiver within 30 days of receipt of the recommendation

Changes or additions indicated by underline deletions by strikeout

from the health systems agency.

Subd. 5. EMERGENCY WAIVERS. An emergency waiver may be granted by the commissioner to a requesting health care facility when damage from fire or other disaster necessitates repair. The commissioner of health and the health systems agencies shall establish procedures to expedite waivers under these conditions.

Sec. 5. [145.836] APPLICATION FOR CERTIFICATE OF NEED. Subdivision 1. APPLICATION PROCEDURE. Applications for certificate of need shall be submitted to the health systems agency serving the area in which the proposed construction or modification is to take place. Prior to acting on the application and within ten days of receipt, the health systems agency shall send a copy to the commissioner of health and to the state planning agency with a recommendation that the application be considered either complete or incomplete. The commissioner of health shall determine that the application is initially complete or incomplete within ten days of receipt of a recommendation from a health systems agency. If the application is incomplete, it is not to be considered to be submitted to the health systems agency or the commissioner and it shall be returned stating the specific needs to be met in order for the application to be considered complete.

Subd. 2. CONTENT OF APPLICATIONS. Each application for a certificate of need shall be submitted in a format prescribed by the commissioner of health and shall contain information concerning the following:

(a) The geographic area to be served;

(b) The population to be served;

(c) The reasonably anticipated need for the facility or service to be provided by the proposed construction or modification and identification of the factors which create the need;

(d) A description of the construction or modification, including:

(1) The capital budget contemplated;

(2) The estimated annual operating cost, including the anticipated salary cost and numbers of new staff necessitated by the construction or modification for at least the first five years;

(3) The anticipated effect of the construction or modification on the per day and per admission or per outpatient visit cost charges by an existing health care facility and the general financial solvency of the applicant; and

(4) The availability and manner of financing of the proposed construction or modification and the estimated date of commencement and completion of the construction or modification.

Changes or additions indicated by underline deletions by strikeout

(e) Alternatives which were considered and found not to be acceptable as a substitute for the proposed construction or modification;

(f) So far as is known, existing institutions within the area to be served that offer, or propose to offer, the same or similar service, the extent of utilization of existing facilities or services; and the anticipated effect that the construction or modification will have on existing facilities and services;

(g) The projected utilization of the proposed construction or modification for at least the first five years; and

(h) The relationship of the proposed construction or modification to the health system plan and the annual implementation plan.

Subd. 3. APPLICATION REVISION. A proposed construction or modification may be revised by the health care facility, health systems agency or commissioner, during the review of the application, provided, that the revision is within the scope of the construction or modification initially proposed and that the revision is acceptable to the health systems agency and the health care facility.

Sec. 6. [145.837] REVIEW OF APPLICATIONS. Subdivision 1. CRITERIA FOR REVIEW. The commissioner of health shall, after consulting with the state planning agency and the health systems agencies, promulgate rules governing the health systems agencies in their determinations whether certificates of need are required and in their review of applications for certificates of need pursuant to sections 1 to 14. The rules shall provide for the consideration of at least the following criteria:

(a) The relationship of the proposed construction or modification to the applicable health system plan and annual implementation plan;

(b) The relationship of the construction or modification being proposed to the long range development plan of the health care facility requesting the certificate of need;

(c) The need for health care facilities and services, excluding home health services, in the area and the requirements of the population of the area;

(d) The availability and adequacy of other less costly or more effective health services in the area which may serve as alternates or substitutes for the whole or any part of the service to be provided by the proposed construction or modification;

(e) The relationship of the proposed construction or modification to the existing health care system of the area, including the possible economies and improvement in service that may be derived from operation of joint, cooperative, or shared health care resources;

(f) The availability of resources, including health care providers, management personnel, and funds for both capital and operational needs for the provision of the services proposed to be provided and the availability of alternative uses of such resources

Changes or additions indicated by underline deletions by strikeout

for the provision of other health services;

(g) The immediate and long-term financial feasibility of the proposed construction or modification, as well as its probable impact on the operational costs and charges of the health care facility;

(h) The relationship, including the organizational relationship, of the health services proposed to be provided to ancillary or support services;

(i) The special needs and circumstances of medical teaching, research facilities and referral facilities which provide a substantial portion of their services or resources, or both, to individuals outside of the health service area;

(j) The special needs and circumstances of biomedical and behavioral research projects which are designed to meet a national need and for which local conditions offer special advantages;

(k) In the case of a construction project: the costs and methods of the proposed construction, including the costs and methods of energy provision and the probable impact of the construction project reviewed on the costs of providing health services by the person proposing the project;

(l) The special needs of hospitals to convert excess hospital beds to long-term care or other alternate functions, but only if the hospitals terminate all acute care services; and

(m) The special requirements of health maintenance organizations to meet the health care needs of their present and future subscribers.

Subd. 2. REVIEW PROCEDURES. In reviewing complete applications, the health systems agency shall:

(1) Hold a public hearing;

(2) Provide notice of the public hearing by publication in a legal newspaper of general circulation in the area for two successive weeks at least ten days before the date of such hearing and notify affected persons which shall include at least the applicant and other persons subject to review, contiguous health systems agencies, the health care facilities located in the health service area and which provide institutional health services, and the rate review agency;

(3) Allow any interested person the opportunity to be heard, to be represented by counsel, to present oral and written evidence, and to confront and cross-examine opposing witnesses at the public hearing;

(4) Provide a transcript of the hearing at the expense of any individual requesting it, if the transcript is requested at least three days prior to the hearing;

(5) Make written findings of fact and recommendations concerning the application.

Changes or additions indicated by underline deletions by ~~strikeout~~

The commissioner of health shall promulgate by rule the required findings of fact which shall address the criteria specified in section 6, subdivision 1, and the provisions of the National Health Planning and Resources Development Act, 42 U.S.C., Section 300k, et seq. The findings of fact and recommendations shall be available to any individual requesting them; and

(6) Follow any further procedure not inconsistent with sections 1 to 14 or Minnesota Statutes, Sections 15.0411 to 15.052, which it deems appropriate.

Within 60 days after the commissioner has determined the application to be complete, the health systems agency shall make its recommendation to the commissioner of health. The health systems agency shall either recommend that the commissioner of health issue, deny or issue with revisions a certificate of need for the proposed construction or modification. The reasons for the recommendation shall be set forth in detail.

Subd. 3. EXTENSION OF REVIEW PERIOD. Any of the time periods specified by sections 1 to 7 may be extended for a specific period of time upon mutual agreement among the commissioner of health, the health systems agency and the health care facility.

Sec. 7. [145.838] DETERMINATION. Subdivision 1. Within 30 days after receiving the recommendation of the health systems agency, the commissioner of health shall review the recommendations and make one of the following decisions based upon the record developed by the health systems agency:

(a) Issue a certificate of need;

(b) Deny the certificate of need; or

(c) Remand the application to the health systems agency with comments and instructions for further consideration and recommendations. A remanded application shall be treated by the health systems agency as if it were a new application for a certificate of need.

Subd. 2. If the decision of the commissioner of health is contrary to the recommendation of the health systems agency, the commissioner of health shall delineate written findings as required in section 6, subdivision 2, and the provisions of the National Health Planning and Resources Development Act, 42 U.S.C., Section 300k, et seq. and submit this to the health systems agency. Within 30 days of receipt of this decision, any person may make a written request to the commissioner of health to reconsider his decision. If the commissioner determines that good cause has been shown, a new public hearing shall be held. The commissioner shall determine whether the request:

(a) presents significant, relevant information not previously considered by the commissioner; or

(b) demonstrates that there have been significant changes in the factors, criteria or circumstances relied upon by the commissioner in reaching his decision; or

Changes or additions indicated by underline deletions by ~~strikeout~~

(c) demonstrates that the commissioner has materially failed to follow his rules in reaching his decision; or

(d) any such other bases for a public hearing as the commissioner determines constitutes good cause. The commissioner may by rule establish procedures for the reconsideration process.

Following disposition of the reconsideration request, the health systems agency or the group, organization, association or persons submitting the application may submit to the commissioner of health a request for review of his decision within 30 days of receipt of the reconsideration decision. The request for review shall state in detail why the commissioner's decision was not supported by the record as a whole and should be changed to be consistent with the recommendation of the health systems agency. The commissioner of health within 10 days of receipt of the request for review shall serve a notice of and order of hearing upon the party requesting the review and the health systems agency and shall file the entire record with the hearing examiner assigned by the chief hearing examiner. The review shall be confined to the record, oral argument, and, if requested by the hearing examiner, written briefs. The hearing for oral argument shall be scheduled within 30 days of receipt by the commissioner of health of the request for review; provided, however, that if the hearing examiner requests the submission of written briefs, the hearing shall be continued until such briefs are submitted but the continuance shall be for no more than 30 days. The burden shall be on the party requesting the review to demonstrate that the commissioner's decision was not supported by the record as a whole. The decision of the hearing examiner shall be in writing and shall be rendered within 45 days after the conclusion of the hearing. The decision of the hearing examiner shall be the final administrative decision and subject to court appeal as provided for in this section.

Subd. 3. Any persons aggrieved by the decision of the commissioner of health pursuant to subdivision 1 of this section or of the hearing examiner pursuant to subdivision 2 of this section denying a certificate of need or by the commissioner of health denying a waiver pursuant to section 4, subdivision 4 shall be entitled to judicial review in the manner provided for in sections 15.0414 to 15.0426; provided, however, that the commissioner of health may appeal the decision of the hearing examiner whenever the decision changes, modifies, or reverses the decision of the commissioner of health.

Subd. 4. In order to effectively carry out the public policy of the certificate of need law as expressed in section 1, the commissioner of health shall not be prohibited from securing a review of any final order or judgment of the district court rendered pursuant to subdivision 3 of this section but may appeal to the supreme court pursuant to section 15.0426.

Sec. 8. [145.839] EXPIRATION OF CERTIFICATE. A certificate of need shall expire if the construction or modification is not commenced within 18 months following the issuance of the certificate.

No certificate of need shall be renewed automatically after expiring before the commencement of the construction or modification. Upon expiration of the certificate,

Changes or additions indicated by underline deletions by ~~strikeout~~

the facility or other person required to obtain a certificate of need pursuant to sections 1 to 14 shall present an updated application and the agency shall redetermine its recommendation.

Sec. 9. **[145.84] PERIODIC REPORTS.** The commissioner of health shall, by rule, require health care facilities, upon completion of a construction or modification for which a certificate of need was issued, to furnish financial information which compares actual costs of the construction or modification with those estimated costs used in the application for a certificate.

Sec. 10. **[145.841] EVASIONS.** No health care facility shall separate portions of a single proposed construction or modification into components in order to evade the cost limitations of section 2, subdivision 5.

Sec. 11. **[145.842] ENFORCEMENT.** The district court in the county where an alleged violation occurs shall have jurisdiction to enjoin violations of sections 1 to 14. At the request of the commissioner of health, the attorney general may bring an action to enjoin an alleged violation. At the request of a health systems agency, the county attorney of the county where an alleged violation occurs may bring an action to enjoin the alleged violation. The commissioner of health shall not issue a license for any portion of a health care facility in violation of section 3 until a certificate of need has been issued. No health care facility in violation of section 3 shall be eligible to apply for or receive public funds under Minnesota Statutes, Chapters 245 to 256B, or from any other source, until a certificate of need has been issued.

Sec. 12. **[145.843] FACILITIES IN VIOLATION OF OTHER STATE LAW.** A health systems agency may recommend denial of a certificate of need and the commissioner of health may deny a certificate of need to a health care facility if proceedings pursuant to Minnesota Statutes, Section 144.55 or 144A.11 have been initiated against a licensed health care facility. This section shall not apply to proposed construction or modification which is intended to correct the causes of the violations.

Sec. 13. **[145.844] HEALTH MAINTENANCE ORGANIZATION.** Sections 1 to 12 shall apply to health maintenance organizations to the extent that federal law or regulation requires the application of state certificate of need laws to health maintenance organizations.

Sec. 14. **[145.845] HEALTH SYSTEMS AGENCIES; MEMBERSHIP.** The commissioner of health shall after consulting with the state planning agency promulgate rules concerning the membership of health systems agencies. The rules shall:

(1) Comply with the provisions of the National Health Planning and Resources Development Act, 42 U.S.C., Section 300k, et seq.;

(2) Provide that a majority of the membership be composed of consumers;

(3) Provide for representation of hospital and nursing home providers;

Changes or additions indicated by underline deletions by ~~strikeout~~

- (4) Provide for representation of local boards of health;
- (5) Provide for representation of licensed medical doctors and other health professionals;
- (6) Provide for a fixed term of membership; and
- (7) Provide that members of a health systems agency shall not select their successors.

No existing health systems agency shall exercise the functions provided in sections 1 to 14 until it is in compliance with rules issued pursuant to this section.

If there is no health systems agency in a designated area of the state in compliance with sections 1 to 14, the Minnesota state planning agency shall perform the functions and duties of a health systems agency for that area. In this specific instance, the state planning agency shall be exempt from utilizing the services of the hearing examiner.

Sec. 15. Minnesota Statutes 1978, Chapter 144, is amended by adding a section to read:

[144.7021] EXEMPT HOSPITALS. Subdivision 1. The commissioner of health shall periodically establish a percentage figure for an acceptable increase in hospital gross acute care charges. Any hospital which files with the commissioner an abbreviated projected operating statement and which represents in this statement that it anticipates a percentage increase in annual gross acute care charges less than the figure established by the commissioner shall be exempt from the review of projected annual revenues and expenses authorized by section 144.701, subdivision 2.

Subd. 2. As part of the income statement in its annual financial report required by section 144.698, each exempted hospital shall include a separate statement of its total hospital gross acute care charges. If any exempted hospital exceeds the figure established by the commissioner, it shall promptly file a rate review request pursuant to section 144.701 or 144.702.

Subd. 3. The available abbreviated projected operating statements of hospitals which are exempted from rate review under this section shall be used in making determinations of the reasonableness of all hospitals' projected increases in revenues and expenses.

Sec. 16. **REPEALER.** Minnesota Statutes 1978, Sections 145.71; 145.72; 145.73; 145.74; 145.75; 145.751; 145.76; 145.761; 145.77; 145.78; 145.79; 145.80; 145.811; 145.812; 145.82; 145.83; and 145.831, are repealed.

Approved June 5, 1979.

Changes or additions indicated by underline deletions by ~~strikeout~~