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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1173

02/18/2021 Authored by Lippert
The bill was read for the first time and referred to the Committee on Health Finance and Policy

1.1 A bill for an act
1.2 relating to health; modifying requirements for a hospital or hospital campus closure,
1.3 curtailment of operations, service relocation, or ceasing to offer certain services;
1.4 establishing a right of first refusal before selling or conveying a hospital or hospital
1.5 campus; amending Minnesota Statutes 2020, section 144.555; proposing coding
1.6 for new law in Minnesota Statutes, chapter 144.

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

1.8 Section 1. Minnesota Statutes 2020, section 144.555, is amended to read:

1.9 144.555 HOSPITAL OR CAMPUS CLOSINGS, RELOCATION OF SERVICES,
1.10 OR CESSATION IN OFFERING CERTAIN SERVICES; PATIENT RELOCATIONS.

1.11 Subdivision 1. Notice of closing or, curtailing service operations, relocating services,
1.12 or ceasing to offer certain services. If a facility licensed under sections 144.50 to 144.56
1.13 voluntarily plans to cease operations or to curtail operations to the extent that patients or
1.14 residents must be relocated, (a) The controlling persons of the a facility licensed under
1.15 sections 144.50 to 144.56 must notify the commissioner of health at least 90 days nine
1.16 months before the a scheduled cessation or curtailment. action if the facility voluntarily
1.17 plans to:

- 1.18 (1) cease operations;
1.19 (2) curtail operations to the extent that patients or residents must be relocated;
1.20 (3) relocate the provision of health services to another facility or another campus of the
1.21 facility; or
1.22 (4) cease offering maternity care and newborn care services, intensive care unit services,
1.23 inpatient mental health services, or inpatient substance use disorder treatment services.

2.1 (b) The commissioner shall cooperate with the controlling persons and advise them  
 2.2 about relocating the patients or residents. If a facility or campus of a facility is a hospital  
 2.3 and voluntarily plans to cease operations, the controlling persons of the facility must also  
 2.4 comply with section 144.556.

2.5 Subd. 1a. **Public hearing.** Upon receiving notice under subdivision 1, the commissioner  
 2.6 shall conduct a public hearing on the scheduled cessation of operations, curtailment of  
 2.7 operations, relocation of services, or cessation in offering services. The commissioner must  
 2.8 provide adequate public notice of the hearing in a time and manner determined by the  
 2.9 commissioner. The public hearing must be conducted in the community where the facility  
 2.10 or campus of the facility is located at least six months before the scheduled cessation of  
 2.11 operations, curtailment of operations, relocation of services, or cessation in offering services.  
 2.12 The public hearing must include:

2.13 (1) an explanation by the controlling persons of the facility of the reasons for ceasing  
 2.14 operations, curtailing operations, relocating the provision of health services to another  
 2.15 facility or campus, or ceasing to offer any of the listed health services;

2.16 (2) a description of the actions that controlling persons of the facility will take to ensure  
 2.17 that residents in the facility's or campus' service area have continued access to the health  
 2.18 services being eliminated, curtailed, or relocated;

2.19 (3) an opportunity for public testimony on the scheduled cessation, curtailment, relocation  
 2.20 of services, or cessation in offering any of the listed health services, and on the facility's  
 2.21 plan to ensure continued access to those health services being eliminated, curtailed, or  
 2.22 relocated; and

2.23 (4) an opportunity for controlling persons of the facility to respond to questions from  
 2.24 interested persons.

2.25 Subd. 2. **Penalty.** Failure to notify the commissioner under subdivision 1 or to participate  
 2.26 in a public hearing under subdivision 1a may result in issuance of a correction order under  
 2.27 section 144.653, subdivision 5.

2.28 Sec. 2. **[144.556] RIGHT OF FIRST REFUSAL FOR HOSPITAL OR HOSPITAL**  
 2.29 **CAMPUS.**

2.30 Subdivision 1. **Prerequisite before sale, conveyance, or ceasing operations of hospital**  
 2.31 **or hospital campus.** The controlling persons of a hospital licensed under sections 144.50  
 2.32 to 144.56 shall not sell or convey the hospital or a campus of the hospital, offer to sell or  
 2.33 convey the hospital or hospital campus, or voluntarily cease operations of the hospital or

3.1 hospital campus unless the controlling persons have first made a good faith offer to sell or  
3.2 convey the hospital or hospital campus to the home rule charter or statutory city, county,  
3.3 town, or hospital district in which the hospital or hospital campus is located.

3.4 Subd. 2. Offer. The offer to sell or convey the hospital or hospital campus must be at a  
3.5 price that does not exceed the current fair market value of the hospital or hospital campus.  
3.6 A party to whom an offer is made under subdivision 1 must accept or decline the offer  
3.7 within 60 days after receipt. If the party fails to respond within 60 days after receipt, the  
3.8 offer is deemed declined.