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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **3980**

03/02/2020 Authored by Liebling; Nelson, M.; Wolgamott; Noor; Cantrell and others  
The bill was read for the first time and referred to the Health and Human Services Finance Division  
03/16/2020 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act  
1.2 relating to public health; creating a health care response account and a provider  
1.3 grant and loan program; transferring money to the health care response account  
1.4 and the public health response contingency account; amending Minnesota Statutes  
1.5 2018, section 144.4199, subdivision 4; proposing coding for new law in Minnesota  
1.6 Statutes, chapter 144.

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

1.8 Section 1. [144.4188] HEALTH CARE RESPONSE ACCOUNT AND PROVIDER  
1.9 GRANT AND LOAN PROGRAM.

1.10 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

1.11 (b) "Account" means the health care response account established in this section.

1.12 (c) "Communicable disease" means an infectious disease or condition that causes serious  
1.13 illness, serious disability, or death, the infectious agent of which may pass or be carried,  
1.14 directly or indirectly, from person to person.

1.15 (d) "Eligible provider" means an ambulance service; health care provider; health care  
1.16 clinic; health care or long-term care facility, including but not limited to a hospital, nursing  
1.17 facility, or regulated setting where assisted living services are provided; or health system.

1.18 Subd. 2. **Health care response account.** (a) A health care response account is created  
1.19 in the special revenue fund in the state treasury. Money in the account does not cancel and  
1.20 is appropriated to the commissioner of health to:

1.21 (1) make grants and no-interest loans to eligible providers for costs related to planning  
1.22 for, preparing for, or responding to an outbreak of a communicable disease that meets one  
1.23 or more of the criteria in section 144.4199, subdivision 3, clause (3); and

2.1 (2) administer the grant and loan program under this section, including carrying out the  
2.2 commissioner's due diligence duties under this section.

2.3 (b) Interest earned on money in the account is credited to the account.

2.4 Subd. 3. **Determination criteria; notice.** (a) The commissioner may make grants and  
2.5 loans from the account upon determinations by the commissioner that:

2.6 (1) an outbreak of a communicable disease has occurred in the state or is likely to occur  
2.7 in the state;

2.8 (2) one or more of the criteria in section 144.4199, subdivision 3, clause (3), is met; and

2.9 (3) one or more categories of eligible providers may need additional resources on an  
2.10 urgent or emergency basis to plan for, prepare for, or respond to the communicable disease  
2.11 outbreak.

2.12 (b) Prior to making grants or loans under this section, the commissioner must provide  
2.13 written notice to the governor and the chairs and ranking minority members of the legislative  
2.14 committees with jurisdiction over health care finance and policy specifying the communicable  
2.15 disease necessitating issuance of grants and loans; an estimated amount of grants and loans  
2.16 that may be issued; and a description of how eligible providers anticipate using the funds  
2.17 to plan for, prepare for, or respond to a communicable disease.

2.18 (c) Notwithstanding paragraphs (a) and (b), the commissioner may make grants and  
2.19 loans from the account to eligible providers to plan for, prepare for, or respond to a  
2.20 communicable disease outbreak that meets one or more of the criteria in section 144.4199,  
2.21 subdivision 3, clause (3), if the commissioner is making expenditures for the same  
2.22 communicable disease outbreak from the public health response contingency account under  
2.23 section 144.4199.

2.24 Subd. 4. **Grants and loans.** The commissioner may make grants and no-interest loans  
2.25 to eligible providers that demonstrate a need on an urgent or emergency basis to plan for,  
2.26 prepare for, or respond to a communicable disease outbreak that has occurred or is likely  
2.27 to occur in the state for a communicable disease that meets one or more of the criteria in  
2.28 section 144.4199, subdivision 3, clause (3). The commissioner shall determine the number  
2.29 of grants issued, number of loans issued, and grant and loan amounts. The commissioner  
2.30 shall establish priorities for the issuance of grants and loans by assessing:

2.31 (1) the needs across the health care system for additional resources to plan for, prepare  
2.32 for, and respond to a communicable disease outbreak;

3.1 (2) whether the eligible provider may be reimbursed from another source for the cost of  
3.2 planning for, preparing for, or responding to a communicable disease outbreak; and

3.3 (3) whether the eligible provider lacks sufficient access to other resources to respond to  
3.4 a communicable disease outbreak in a timely manner or would be financially at risk without  
3.5 a grant or loan under this section.

3.6 Subd. 5. **Application; grant agreement; loan agreement.** (a) The commissioner shall  
3.7 develop a single application form and application process for grants and loans under this  
3.8 section. An applicant must provide the following information in the application:

3.9 (1) applicant financial information, including but not limited to audited financial  
3.10 statements, income statements, or cost reports;

3.11 (2) how the applicant anticipates using the grant, loan, or both;

3.12 (3) the requested grant amount, requested loan amount, or both;

3.13 (4) an explanation of how the grant, loan, or both will allow the applicant to address  
3.14 shortcomings or needs in the applicant's planning, preparation for, or response to a  
3.15 communicable disease outbreak; and

3.16 (5) other information deemed necessary by the commissioner to evaluate grant or loan  
3.17 applications.

3.18 (b) Before issuing a grant to an applicant, the commissioner must obtain a signed grant  
3.19 agreement from the applicant.

3.20 (c) Before issuing a loan to an applicant, the commissioner must obtain:

3.21 (1) a signed loan agreement from the applicant specifying how the loan is to be used;  
3.22 and

3.23 (2) a promissory note specifying repayment conditions and default provisions.

3.24 Subd. 6. **Allowable uses of funds.** (a) The commissioner may issue grants for costs of:

3.25 (1) staff overtime and hiring additional staff;

3.26 (2) staff training and orientation;

3.27 (3) purchasing consumable protective or treatment supplies and equipment to protect or  
3.28 treat staff, visitors, and patients;

3.29 (4) development and implementation of screening and testing procedures;

3.30 (5) patient outreach activities;

4.1 (6) additional emergency transportation of patients;

4.2 (7) temporary information technology and systems costs to support patient triage,  
4.3 screening, and telemedicine activities; and

4.4 (8) other expenses that, in the judgment of the commissioner, cannot reasonably be  
4.5 expected to generate income for the eligible provider after the outbreak ends.

4.6 (b) The commissioner may issue loans for costs that include but are not limited to:

4.7 (1) the purchase of permanent equipment to treat affected patients; and

4.8 (2) capital improvements or structural modifications related to testing, isolation,  
4.9 quarantine, or treatment of patients.

4.10 Subd. 7. **Condition of accepting grant or loan.** As a condition of accepting a grant or  
4.11 loan under this section to plan for, prepare for, or respond to SARS-CoV-2 virus and  
4.12 coronavirus disease 2019 (COVID-19), an eligible provider must agree not to bill uninsured  
4.13 patients for services related to screening for, testing for, or treating COVID-19.

4.14 Subd. 8. **Loan repayments.** (a) The commissioner shall establish a process for loan  
4.15 repayments. A loan recipient must begin repaying the loan no later than one year after the  
4.16 date of the loan, except that the commissioner may delay the start of the loan repayment  
4.17 period if needed because of undue financial hardship of the loan recipient or continuation  
4.18 of the outbreak.

4.19 (b) All repayments must be credited to the account.

4.20 (c) A loan must be amortized no later than five years after the date of the loan.

4.21 Subd. 9. **Evaluation; reports.** (a) During the application process and following issuance  
4.22 of a grant or loan, the commissioner may require applicants, grant recipients, and loan  
4.23 recipients to provide the commissioner with information for the commissioner to evaluate  
4.24 the need for or use of the grant or loan.

4.25 (b) By January 15 of each of the two years following a calendar year in which grants or  
4.26 loans are issued under this section, the commissioner shall report the following information  
4.27 to the chairs and ranking minority members of the legislative committees with jurisdiction  
4.28 over health and human services policy and finance:

4.29 (1) the total number of grants issued and total number of loans issued in each of the  
4.30 previous two calendar years;

4.31 (2) the total amount of money issued as grants in each of the previous two calendar  
4.32 years;

5.1 (3) the total amount of money issued as loans in each of the previous two calendar years;  
5.2 and

5.3 (4) for each grant or loan recipient in the previous two calendar years, the name of the  
5.4 recipient, grant amount or loan amount, uses of grant or loan funds, and amount spent for  
5.5 each use.

5.6 Subd. 10. **Data classification.** (a) The following data collected by the commissioner  
5.7 during the application process under subdivisions 4 and 9 are private data on individuals,  
5.8 as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02,  
5.9 subdivision 9: (1) financial information about the applicant, including credit reports; (2)  
5.10 financial statements; (3) net worth calculations; (4) business plans; (5) income and expense  
5.11 projections; (6) balance sheets; (7) customer sheets and data on patients; (8) income tax  
5.12 returns; and (9) design, market, and feasibility studies not paid for with public funds.

5.13 (b) Data specified in paragraph (a) become public when the applicant receives a grant  
5.14 or loan, except that the following data remain private data on individuals or nonpublic data:  
5.15 business plans; income and expense projections not related to the grant or loan provided;  
5.16 customer lists and data on patients; income tax returns; and design, market, and feasibility  
5.17 studies not paid for with public funds.

5.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.19 Sec. 2. Minnesota Statutes 2018, section 144.4199, subdivision 4, is amended to read:

5.20 Subd. 4. **Uses of funds.** (a) When the determination criteria in subdivision 3 are satisfied  
5.21 and the commissioner has complied with subdivisions 5, paragraph (a), and 7, the  
5.22 commissioner may make expenditures from the public health response contingency account  
5.23 for the following purposes attributable to a public health response:

5.24 (1) staffing;

5.25 (2) information technology;

5.26 (3) supplies, equipment, and services to protect people in the affected area or population,  
5.27 health care providers, and public safety workers;

5.28 (4) training for and coordination with local public health departments and health care  
5.29 providers;

5.30 (5) communication with and outreach to affected areas or populations;

5.31 (6) to provide a state match for federal assistance obtained for the public health response;

6.1 (7) laboratory testing, including enhancements to laboratory capacity necessary to conduct  
6.2 testing related to the event, and supplies, equipment, shipping, and security;

6.3 (8) the purchase of vaccines, antibiotics, antivirals, and other medical resources to prevent  
6.4 the spread of the pandemic influenza or communicable or infectious disease or to treat  
6.5 related medical conditions;

6.6 (9) reimbursement to community health boards or other local units of government for  
6.7 incurred costs for the goods and services listed in clauses (1) to (8) that are attributable to  
6.8 the public health response;

6.9 (10) reimbursement to health care organizations and health care providers for incurred  
6.10 costs that are attributable to the public health response; ~~and~~

6.11 (11) funding to support other state agencies for costs incurred by those agencies that are  
6.12 attributable to the public health response; and

6.13 (12) payments to ambulance services; health care providers; health care clinics; health  
6.14 care and long-term care facilities, including but not limited to hospitals, nursing facilities,  
6.15 and regulated settings at which assisted living services are provided; and health systems for  
6.16 costs of actions that are necessary on an emergency basis to plan for, prepare for, or respond  
6.17 to the pandemic influenza or communicable or infectious disease.

6.18 (b) Money in the account must not be used to increase the total number of full-time  
6.19 equivalent permanent employees at the Department of Health, unless expressly authorized  
6.20 by law. Money in the account shall be used only for public health response activities to  
6.21 protect the health and safety of the public.

6.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.23 **Sec. 3. TRANSFERS; HEALTH CARE RESPONSE ACCOUNT; PUBLIC HEALTH**  
6.24 **RESPONSE CONTINGENCY ACCOUNT.**

6.25 (a) The commissioner of management and budget shall transfer \$79,300,000 from the  
6.26 general fund to the health care response account under Minnesota Statutes, section 144.4188,  
6.27 for administration of the provider grant and loan program by the commissioner of health  
6.28 and for issuance of grants and loans under Minnesota Statutes, section 144.4188.

6.29 (b) The commissioner of management and budget shall transfer \$20,000,000 from the  
6.30 general fund to the public health response contingency account under Minnesota Statutes,  
6.31 section 144.4199, for payments under Minnesota Statutes, section 144.4199, subdivision  
6.32 4, paragraph (a), clause (12).

7.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.