

Subd. 2. **COMMISSION MEMBERS; TERMS, VACANCIES.** Charter commission members shall hold office for the term of four years, and until their successors are appointed and qualify, except that of members initially appointed after July 1, 1967, eight shall be appointed for two year terms and seven for four year terms. No person may be appointed to more than two successive terms as a commission member. Vacancies in the commission shall be filled by appointment of the chief judge for the unexpired terms. Upon the expiration of each term, the chief judge shall appoint new commission members. If the chief judge fails to appoint new commission members within 30 days then thereafter the governing body of the city shall, appoint new commission members, unless within the 30 day period the chief judge indicates in writing to the governing body an intention to appoint new members, in which case the chief judge shall have an additional 60 days within which to make the appointment. Appointments shall be made by order filed with the court administrator of the district court. An appointee who neglects to file with the court administrator within 30 days a written acceptance and oath of office shall be deemed to have declined the appointment and the place shall be filled as though the appointee had resigned. The charter commission, within 30 days after the initial appointment of the commission, shall make rules, including quorum requirements, with reference to its operations and procedures. The commission shall submit to the chief judge of the district court, on or before December 31 of each year, an annual report outlining its activities and accomplishments for the preceding calendar year. The commission shall forward a copy of the report to the clerk of the city. Any member may be removed at any time from office, by written order of the district court, the reason for such removal being stated in the order. When any member has failed to perform the duties of office and has failed to attend four consecutive meetings without being excused by the commission, the secretary of the charter commission shall file a certificate with the court setting forth those facts and the district court shall thereupon make its order of removal and the chief judge shall fill the vacancy created thereby.

Presented to the governor May 13, 2004

Signed by the governor May 15, 2004, 11:05 p.m.

CHAPTER 198—S.F.No. 2080

An act relating to health; modifying requirements for outpatient surgical centers; requiring reporting requirements of diagnostic imaging facilities; modifying procedures for the Board of Medical Practice; appropriating money; amending Minnesota Statutes 2002, sections 144.55, subdivisions 1, 2, 3, 5, 6, 7, by adding subdivisions; 144.651, subdivision 2; 144.653, subdivision 4; 144.698, subdivisions 1, 5; 147.091, subdivision 1; 256B.02, subdivision 7; Minnesota Statutes 2003 Supplement, sections 144.7063, subdivision 3; 256L.035; proposing coding for new law in Minnesota Statutes, chapter 144.

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

New language is indicated by underline, deletions by ~~strikeout~~.

Section 1. Minnesota Statutes 2002, section 144.55, subdivision 1, is amended to read:

Subdivision 1. **ISSUANCE.** The state commissioner of health is hereby authorized to issue licenses to operate hospitals, sanitariums, outpatient surgical centers, or other institutions for the hospitalization or care of human beings, which are found to comply with the provisions of sections 144.50 to 144.56 and any reasonable rules promulgated by the commissioner. The commissioner shall not require an outpatient surgical center licensed as part of a hospital to obtain a separate outpatient surgical center license. All decisions of the commissioner thereunder may be reviewed in the district court in the county in which the institution is located or contemplated.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 2. Minnesota Statutes 2002, section 144.55, is amended by adding a subdivision to read:

Subd. 1a. **LICENSE FEE.** The annual license fee for outpatient surgical centers is \$1,512.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 3. Minnesota Statutes 2002, section 144.55, is amended by adding a subdivision to read:

Subd. 1b. **STANDARDS FOR NURSING CARE.** As a condition of licensure, outpatient surgical centers must provide nursing care consistent with nationally accepted nursing clinical standards for perioperative nursing, including, but not limited to Association of Operating Room Nurses and American Nurses Association standards, which are generally accepted in the professional nursing community.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 4. Minnesota Statutes 2002, section 144.55, subdivision 2, is amended to read:

Subd. 2. **DEFINITION DEFINITIONS.** For the purposes of this section, the following terms have the meanings given:

(a) "Outpatient surgical center" or "center" means a freestanding facility organized for the specific purpose of providing elective outpatient surgery for preexamined, prediagnosed, low-risk patients. Admissions are limited to procedures that utilize general anesthesia or conscious sedation and that do not require overnight inpatient care. An outpatient surgical center is not organized to provide regular emergency medical services and does not include a physician's or dentist's office or clinic for the practice of medicine, the practice of dentistry, or the delivery of primary care.

(b) "Joint commission" means the Joint Commission on Accreditation of Hospitals Health Care Organizations.

EFFECTIVE DATE. This section is effective August 1, 2004.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 5. Minnesota Statutes 2002, section 144.55, subdivision 3, is amended to read:

Subd. 3. **STANDARDS FOR LICENSURE.** (a) Notwithstanding the provisions of section 144.56, for the purpose of hospital licensure, the commissioner of health shall use as minimum standards the hospital certification regulations promulgated pursuant to Title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq. The commissioner may use as minimum standards changes in the federal hospital certification regulations promulgated after May 7, 1981, if the commissioner finds that such changes are reasonably necessary to protect public health and safety. The commissioner shall also promulgate in rules additional minimum standards for new construction.

(b) Each hospital and outpatient surgical center shall establish policies and procedures to prevent the transmission of human immunodeficiency virus and hepatitis B virus to patients and within the health care setting. The policies and procedures shall be developed in conformance with the most recent recommendations issued by the United States Department of Health and Human Services, Public Health Service, Centers for Disease Control. The commissioner of health shall evaluate a hospital's compliance with the policies and procedures according to subdivision 4.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 6. Minnesota Statutes 2002, section 144.55, subdivision 5, is amended to read:

Subd. 5. **COORDINATION OF INSPECTIONS.** Prior to conducting routine inspections of hospitals and outpatient surgical centers, a state agency shall notify the commissioner of its intention to inspect. The commissioner shall then determine whether the inspection is necessary in light of any previous inspections conducted by the commissioner, any other state agency, or the joint commission. The commissioner shall notify the agency of the determination and may authorize the agency to conduct the inspection. No state agency may routinely inspect any hospital without the authorization of the commissioner. The commissioner shall coordinate, insofar as is possible, routine inspections conducted by state agencies, so as to minimize the number of inspections to which hospitals are subject.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 7. Minnesota Statutes 2002, section 144.55, subdivision 6, is amended to read:

Subd. 6. **SUSPENSION, REVOCATION, AND REFUSAL TO RENEW.** (a) The commissioner may refuse to grant or renew, or may suspend or revoke, a license on any of the following grounds:

(1) Violation of any of the provisions of sections 144.50 to 144.56 or the rules or standards issued pursuant thereto, or Minnesota Rules, chapters 4650 and 4675;

(2) Permitting, aiding, or abetting the commission of any illegal act in the institution;

New language is indicated by underline, deletions by ~~strikeout~~.

(3) Conduct or practices detrimental to the welfare of the patient; or

(4) Obtaining or attempting to obtain a license by fraud or misrepresentation; or

(5) With respect to hospitals and outpatient surgical centers, if the commissioner determines that there is a pattern of conduct that one or more physicians who have a "financial or economic interest", as defined in section 144.6521, subdivision 3, in the hospital or outpatient surgical center, have not provided the notice and disclosure of the financial or economic interest required by section 144.6521.

(b) The commissioner shall not renew a license for a boarding care bed in a resident room with more than four beds.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 8. Minnesota Statutes 2002, section 144.55, subdivision 7, is amended to read:

Subd. 7. **HEARING.** Prior to any suspension, revocation or refusal to renew a license, the licensee shall be entitled to notice and a hearing as provided by sections 14.57 to 14.69. At each hearing, the commissioner shall have the burden of establishing that a violation described in subdivision 6 has occurred.

If a license is revoked, suspended, or not renewed, a new application for license may be considered by the commissioner if the conditions upon which revocation, suspension, or refusal to renew was based have been corrected and evidence of this fact has been satisfactorily furnished. A new license may then be granted after proper inspection has been made and all provisions of sections 144.50 to 144.56 and any rules promulgated thereunder, or Minnesota Rules, chapters 4650 and 4675, have been complied with and recommendation has been made by the inspector as an agent of the commissioner.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 9. **[144.565] DIAGNOSTIC IMAGING FACILITIES.**

Subdivision 1. **UTILIZATION AND SERVICES DATA; ECONOMIC AND FINANCIAL INTERESTS.** The commissioner shall require diagnostic imaging facilities to annually report to the commissioner, in the form and manner specified by the commissioner:

(1) utilization data for each health plan company and each public program, including workers' compensation, as follows:

(i) the number of computerized tomography (CT) procedures performed;

(ii) the number of magnetic resonance imaging (MRI) procedures performed; and

(iii) the number of positron emission tomography (PET) procedures performed;
and

(2) the names of all individuals with a financial or economic interest in the facility.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. COMMISSIONER'S RIGHT TO INSPECT RECORDS. If the report is not filed or the commissioner of health has reason to believe the report is incomplete or false, the commissioner shall have the right to inspect diagnostic imaging facility books, audits, and records.

Subd. 3. SEPARATE REPORTS. For a diagnostic imaging facility that is not attached or not contiguous to a hospital or a hospital affiliate, the commissioner shall require the information in subdivision 1 be reported separately for each detached diagnostic imaging facility as part of the report required under section 144.702. If any entity owns more than one diagnostic imaging facility, that entity must report by individual facility.

Subd. 4. DEFINITIONS. For purposes of this section, the following terms have the meanings given:

(a) "Diagnostic imaging facility" means a health care facility that provides diagnostic imaging services through the use of ionizing radiation or other imaging technique including, but not limited to magnetic resonance imaging (MRI) or computerized tomography (CT) scan on a freestanding or mobile basis.

(b) "Financial or economic interest" means a direct or indirect:

(1) equity or debt security issued by an entity, including, but not limited to, shares of stock in a corporation, membership in a limited liability company, beneficial interest in a trust, units or other interests in a partnership, bonds, debentures, notes or other equity interests or debt instruments, or any contractual arrangements;

(2) membership, proprietary interest, or co-ownership with an individual, group, or organization to which patients, clients, or customers are referred to; or

(3) employer-employee or independent contractor relationship, including, but not limited to, those that may occur in a limited partnership, profit-sharing arrangement, or other similar arrangement with any facility to which patients are referred, including any compensation between a facility and a health care provider, the group practice of which the provider is a member or employee or a related party with respect to any of them.

(c) "Freestanding" means a diagnostic imaging facility that is not located within
a:

(1) hospital;

(2) location licensed as a hospital; or

(3) physician's office or clinic where the professional practice of medicine by licensed physicians is the primary purpose and not the provision of ancillary services such as diagnostic imaging.

(d) "Mobile" means a diagnostic imaging facility that is transported to various sites not including movement within a hospital or a physician's office or clinic.

EFFECTIVE DATE. This section is effective August 1, 2004.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 10. Minnesota Statutes 2002, section 144.651, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also means a person who receives health care services at an outpatient surgical center. "Patient" also means a minor who is admitted to a residential program as defined in section 253C.01. For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment on an outpatient basis or in a community support program or other community-based program. "Resident" means a person who is admitted to a nonacute care facility including extended care facilities, nursing homes, and boarding care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age. For purposes of all subdivisions except subdivisions 28 and 29, "resident" also means a person who is admitted to a facility licensed as a board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, or a supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and which operates a rehabilitation program licensed under Minnesota Rules, parts 9530.4100 to 9530.4450.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 11. **[144.652] DISCLOSURE OF FINANCIAL INTEREST.**

Subdivision 1. **DISCLOSURE.** No health care provider with a financial or economic interest in, or an employment or contractual arrangement that limits referral options with, a hospital, outpatient surgical center or diagnostic imaging facility, or an affiliate of one of these entities, shall refer a patient to that hospital, center, or facility, or an affiliate of one of these entities, unless the health care provider discloses in writing to the patient, in advance of the referral, the existence of such an interest, employment, or arrangement.

The written disclosure form must be printed in letters of at least 12-point boldface type and must read as follows: "Your health care provider is referring you to a facility or service in which your health care provider has a financial or economic interest."

Hospitals, outpatient surgical centers, and diagnostic imaging facilities shall promptly report to the commissioner of health any suspected violations of this section by a health care provider who has made a referral to such hospital, outpatient surgical center, or diagnostic imaging facility without providing the written notice.

Subd. 2. **POSTING OF NOTICE.** In addition to the requirement in subdivision 1, each health care provider who makes referrals to a hospital, outpatient surgical center or diagnostic imaging facility, or an affiliate of one of these entities in which the health care provider has a financial or economic interest, or has an employment or contractual arrangement with one of these entities that limits referral options, shall post a notice of this interest, employment, or arrangement in a patient reception area or waiting room or other conspicuous public location within the provider's facility.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 3. DEFINITION. (a) For purposes of this section, the following definitions apply.

(b) "Affiliate" means an entity that controls, is controlled by, or is under common control with another entity.

(c) "Diagnostic imaging facility" has the meaning provided in section 144.565, subdivision 4.

(d) "Employment or contractual arrangement that limits referral options" means a requirement of, or a financial incentive, provided to a health care provider to refer a patient to a specific hospital, outpatient surgical center or diagnostic imaging facility, or an affiliate of one of these entities even if other options exist for the patient.

(e) "Freestanding" has the meaning provided in section 144.565, subdivision 4.

(f) "Financial or economic interest" means a direct or indirect:

(1) equity or debt security issued by an entity, including, but not limited to, shares of stock in a corporation, membership in a limited liability company, beneficial interest in a trust, units or other interests in a partnership, bonds, debentures, notes or other equity interests or debt instruments, or any contractual arrangements;

(2) membership, proprietary interest, or co-ownership with an individual, group, or organization to which patients, clients, or customers are referred to; or

(3) employer-employee or independent contractor relationship, including, but not limited to, those that may occur in a limited partnership, profit-sharing arrangement, or other similar arrangement with any facility to which patients are referred, including any compensation between a facility and a health care provider, the group practice of which the provider is a member or employee or a related party with respect to any of them.

(g) "Health care provider" means an individual licensed by a health licensing board as defined in section 214.01, subdivision 2, who has the authority, within the individual's scope of practice, to make referrals to a hospital, outpatient surgical center, or diagnostic imaging facility.

(h) "Mobile" has the meaning provided in section 144.565, subdivision 4.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 12. Minnesota Statutes 2002, section 144.653, subdivision 4, is amended to read:

Subd. 4. WITHOUT NOTICE. One or more unannounced inspections of each facility required to be licensed under the provisions of sections 144.50 to 144.58 or Minnesota Rules, chapter 4675, shall be made annually.

EFFECTIVE DATE. This section is effective August 1, 2004.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 13. Minnesota Statutes 2002, section 144.698, subdivision 1, is amended to read:

Subdivision 1. **YEARLY REPORTS.** Each hospital and each outpatient surgical center, which has not filed the financial information required by this section with a voluntary, nonprofit reporting organization pursuant to section 144.702, shall file annually with the commissioner of health after the close of the fiscal year:

- (1) a balance sheet detailing the assets, liabilities, and net worth of the hospital or outpatient surgical center;
- (2) a detailed statement of income and expenses;
- (3) a copy of its most recent cost report, if any, filed pursuant to requirements of Title XVIII of the United States Social Security Act;
- (4) a copy of all changes to articles of incorporation or bylaws;
- (5) information on services provided to benefit the community, including services provided at no cost or for a reduced fee to patients unable to pay, teaching and research activities, or other community or charitable activities;
- (6) information required on the revenue and expense report form set in effect on July 1, 1989, or as amended by the commissioner in rule; and
- (7) information on changes in ownership or control; and
- (8) other information required by the commissioner in rule.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 14. Minnesota Statutes 2002, section 144.698, subdivision 5, is amended to read:

Subd. 5. **COMMISSIONER'S RIGHT TO INSPECT RECORDS.** If the report is not filed or the commissioner of health has reason to believe the report is incomplete or false, the commissioner shall have the right to inspect hospital and outpatient surgical center books, audits, and records as reasonably necessary to verify hospital and outpatient surgical center reports.

Sec. 15. Minnesota Statutes 2003 Supplement, section 144.7063, subdivision 3, is amended to read:

Subd. 3. **FACILITY.** "Facility" means a hospital or outpatient surgical center licensed under sections 144.50 to 144.58.

EFFECTIVE DATE. This section is effective on the date of full implementation of the adverse health care events reporting system as provided in Laws 2003, chapter 99, section 7, provided the commissioner has secured sufficient funds from nonstate sources to operate the adverse health care events reporting system in fiscal year 2005.

Sec. 16. Minnesota Statutes 2002, section 147.091, subdivision 1, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **GROUNDS LISTED.** The board may refuse to grant a license, may refuse to grant registration to perform interstate telemedicine services, or may impose disciplinary action as described in section 147.141 against any physician. The following conduct is prohibited and is grounds for disciplinary action:

(a) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board. The burden of proof shall be upon the applicant to demonstrate such qualifications or satisfaction of such requirements.

(b) Obtaining a license by fraud or cheating, or attempting to subvert the licensing examination process. Conduct which subverts or attempts to subvert the licensing examination process includes, but is not limited to: (1) conduct which violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (2) conduct which violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (3) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(c) Conviction, during the previous five years, of a felony reasonably related to the practice of medicine or osteopathy. Conviction as used in this subdivision shall include a conviction of an offense which if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon.

(d) Revocation, suspension, restriction, limitation, or other disciplinary action against the person's medical license in another state or jurisdiction, failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction, or having been refused a license by any other state or jurisdiction.

(e) Advertising which is false or misleading, which violates any rule of the board, or which claims without substantiation the positive cure of any disease, or professional superiority to or greater skill than that possessed by another physician.

(f) Violating a rule promulgated by the board or an order of the board, a state, or federal law which relates to the practice of medicine, or in part regulates the practice of medicine including without limitation sections 148A.02, 609.344, and 609.345, or a state or federal narcotics or controlled substance law.

(g) Engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare or safety of a patient; or medical practice which is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(h) Failure to supervise a physician's assistant or failure to supervise a physician under any agreement with the board.

New language is indicated by underline, deletions by ~~strikeout~~.

(i) Aiding or abetting an unlicensed person in the practice of medicine, except that it is not a violation of this paragraph for a physician to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of that person's license or registration or delegated authority.

(j) Adjudication as mentally incompetent, mentally ill or mentally retarded, or as a chemically dependent person, a person dangerous to the public, a sexually dangerous person, or a person who has a sexual psychopathic personality by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise.

(k) Engaging in unprofessional conduct. Unprofessional conduct shall include any departure from or the failure to conform to the minimal standards of acceptable and prevailing medical practice in which proceeding actual injury to a patient need not be established.

(l) Inability to practice medicine with reasonable skill and safety to patients by reason of illness, drunkenness, use of drugs, narcotics, chemicals or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills.

(m) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(n) Failure by a doctor of osteopathy to identify the school of healing in the professional use of the doctor's name by one of the following terms: osteopathic physician and surgeon, doctor of osteopathy, or D.O.

(o) Improper management of medical records, including failure to maintain adequate medical records, to comply with a patient's request made pursuant to section 144.335 or to furnish a medical record or report required by law.

(p) Fee splitting, including without limitation:

(1) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, or remuneration, directly or indirectly, primarily for the referral of patients or the prescription of drugs or devices;

(2) dividing fees with another physician or a professional corporation, unless the division is in proportion to the services provided and the responsibility assumed by each professional and the physician has disclosed the terms of the division;

(3) referring a patient to any health care provider as defined in section 144.335 in which the referring physician has a significant "financial or economic interest", as defined in section 144.6521, subdivision 3, unless the physician has disclosed the physician's own financial interest financial or economic interest in accordance with section 144.6521; and

(4) dispensing for profit any drug or device, unless the physician has disclosed the physician's own profit interest.

New language is indicated by underline, deletions by ~~strikeout~~.

The physician must make the disclosures required in this clause in advance and in writing to the patient and must include in the disclosure a statement that the patient is free to choose a different health care provider. This clause does not apply to the distribution of revenues from a partnership, group practice, nonprofit corporation, or professional corporation to its partners, shareholders, members, or employees if the revenues consist only of fees for services performed by the physician or under a physician's direct supervision, or to the division or distribution of prepaid or capitated health care premiums, or fee-for-service withhold amounts paid under contracts established under other state law.

(q) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(r) Becoming addicted or habituated to a drug or intoxicant.

(s) Prescribing a drug or device for other than medically accepted therapeutic or experimental or investigative purposes authorized by a state or federal agency or referring a patient to any health care provider as defined in section 144.335 for services or tests not medically indicated at the time of referral.

(t) Engaging in conduct with a patient which is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior which is seductive or sexually demeaning to a patient.

(u) Failure to make reports as required by section 147.111 or to cooperate with an investigation of the board as required by section 147.131.

(v) Knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo.

(w) Aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(1) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(2) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(3) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(4) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

(x) Practice of a board-regulated profession under lapsed or nonrenewed credentials.

(y) Failure to repay a state or federally secured student loan in accordance with the provisions of the loan.

New language is indicated by underline, deletions by ~~strikeout~~.

(z) Providing interstate telemedicine services other than according to section 147.032.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 17. Minnesota Statutes 2002, section 256B.02, subdivision 7, is amended to read:

Subd. 7. **VENDOR OF MEDICAL CARE.** (a) "Vendor of medical care" means any person or persons furnishing, within the scope of the vendor's respective license, any or all of the following goods or services: medical, surgical, hospital, ambulatory surgical center services, optical, visual, dental and nursing services; drugs and medical supplies; appliances; laboratory, diagnostic, and therapeutic services; nursing home and convalescent care; screening and health assessment services provided by public health nurses as defined in section 145A.02, subdivision 18; health care services provided at the residence of the patient if the services are performed by a public health nurse and the nurse indicates in a statement submitted under oath that the services were actually provided; and such other medical services or supplies provided or prescribed by persons authorized by state law to give such services and supplies. The term includes, but is not limited to, directors and officers of corporations or members of partnerships who, either individually or jointly with another or others, have the legal control, supervision, or responsibility of submitting claims for reimbursement to the medical assistance program. The term only includes directors and officers of corporations who personally receive a portion of the distributed assets upon liquidation or dissolution, and their liability is limited to the portion of the claim that bears the same proportion to the total claim as their share of the distributed assets bears to the total distributed assets.

(b) "Vendor of medical care" also includes any person who is credentialed as a health professional under standards set by the governing body of a federally recognized Indian tribe authorized under an agreement with the federal government according to United States Code, title 25, section 450f, to provide health services to its members, and who through a tribal facility provides covered services to American Indian people within a contract health service delivery area of a Minnesota reservation, as defined under Code of Federal Regulations, title 42, section 36.22.

(c) A federally recognized Indian tribe that intends to implement standards for credentialing health professionals must submit the standards to the commissioner of human services, along with evidence of meeting, exceeding, or being exempt from corresponding state standards. The commissioner shall maintain a copy of the standards and supporting evidence, and shall use those standards to enroll tribal-approved health professionals as medical assistance providers. For purposes of this section, "Indian" and "Indian tribe" mean persons or entities that meet the definition in United States Code, title 25, section 450b.

EFFECTIVE DATE. This section is effective August 1, 2004.

Sec. 18. Minnesota Statutes 2003 Supplement, section 256L.035, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

256L.035 LIMITED BENEFITS COVERAGE FOR CERTAIN SINGLE ADULTS AND HOUSEHOLDS WITHOUT CHILDREN.

(a) "Covered health services" for individuals under section 256L.04, subdivision 7, with income above 75 percent, but not exceeding 175 percent, of the federal poverty guideline means:

(1) inpatient hospitalization benefits with a ten percent co-payment up to \$1,000 and subject to an annual limitation of \$10,000;

(2) physician services provided during an inpatient stay; and

(3) physician services not provided during an inpatient stay, outpatient hospital services, freestanding ambulatory surgical center services, chiropractic services, lab and diagnostic services, and prescription drugs, subject to an aggregate cap of \$2,000 per calendar year and the following co-payments:

(i) \$50 co-pay per emergency room visit;

(ii) \$3 co-pay per prescription drug; and

(iii) \$5 co-pay per nonpreventive physician visit.

For purposes of this subdivision, "a visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary.

Enrollees are responsible for all co-payments in this subdivision.

(b) The November 2006 MinnesotaCare forecast for the biennium beginning July 1, 2007, shall assume an adjustment in the aggregate cap on the services identified in paragraph (a), clause (3), in \$1,000 increments up to a maximum of \$10,000, but not less than \$2,000, to the extent that the balance in the health care access fund is sufficient in each year of the biennium to pay for this benefit level. The aggregate cap shall be adjusted according to the forecast.

(c) Reimbursement to the providers shall be reduced by the amount of the co-payment, except that reimbursement for prescription drugs shall not be reduced once a recipient has reached the \$20 per month maximum for prescription drug co-payments. The provider collects the co-payment from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment, except as provided in paragraph (d).

(d) If it is the routine business practice of a provider to refuse service to an individual with uncollected debt, the provider may include uncollected co-payments under this section. A provider must give advance notice to a recipient with uncollected debt before services can be denied.

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

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 19. **APPROPRIATIONS.**

(a) Any money received by the commissioner of health from nonstate sources to operate the adverse health care events reporting system in fiscal year 2005 is appropriated to the commissioner of health for that purpose.

(b) The annual licensing fee collected under Minnesota Statutes, section 144.55, subdivision 1a, is appropriated from the state government special revenue fund to the commissioner of health for the purposes of regulating outpatient surgical centers.

Presented to the governor May 13, 2004

Signed by the governor May 15, 2004, 10:40 p.m.

CHAPTER 199—S.F.No. 1803

An act relating to business organizations; enacting and modifying the Uniform Limited Partnership Act of 2001; providing transitional provisions; making conforming changes; regulating the organization, structure, and governance of business corporations, nonprofit corporations, and limited liability companies; appropriating money; amending Minnesota Statutes 2002, sections 5.25, subdivision 1; 302A.011, subdivisions 21, 31, 49, 51, by adding subdivisions; 302A.111, subdivision 2; 302A.115, subdivision 1; 302A.137; 302A.215; 302A.231, subdivisions 4, 6; 302A.401, subdivision 3; 302A.402, subdivision 2; 302A.437, subdivision 1; 302A.441; 302A.471, subdivisions 1, 3; 302A.473, subdivisions 3, 4; 302A.521, subdivision 1; 302A.651, subdivision 1; 302A.661, subdivision 2; 302A.723, subdivision 1; 308A.121, subdivision 1; 317A.011, subdivision 14, by adding a subdivision; 317A.115, subdivision 2; 317A.231, subdivisions 4, 5; 317A.447; 322B.03, subdivisions 36a, 45a; 322B.115, subdivision 2; 322B.12, subdivision 1; 322B.155; 322B.346, subdivision 1; 322B.35, subdivision 1; 322B.383, subdivision 1; 322B.386, subdivisions 3, 4; 322B.40, subdivision 6; 322B.63; 322B.643, subdivisions 4, 6; 322B.77, subdivision 2; 323A.1-01; Minnesota Statutes 2003 Supplement, section 317A.443, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 302A; 322B; proposing coding for new law as Minnesota Statutes, chapter 321; repealing Minnesota Statutes 2002, sections 322A.01; 322A.02; 322A.03; 322A.04; 322A.05; 322A.06; 322A.07; 322A.11; 322A.12; 322A.13; 322A.14; 322A.15; 322A.16; 322A.17; 322A.18; 322A.19; 322A.24; 322A.25; 322A.26; 322A.27; 322A.28; 322A.31; 322A.32; 322A.33; 322A.34; 322A.35; 322A.38; 322A.39; 322A.40; 322A.41; 322A.45; 322A.46; 322A.47; 322A.48; 322A.49; 322A.50; 322A.51; 322A.52; 322A.55; 322A.56; 322A.57; 322A.58; 322A.59; 322A.63; 322A.64; 322A.65; 322A.66; 322A.69; 322A.70; 322A.71; 322A.72; 322A.73; 322A.74; 322A.75; 322A.76; 322A.761; 322A.79; 322A.80; 322A.81; 322A.82; 322A.85; 322A.86; 322A.87; 322A.88.

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

New language is indicated by underline, deletions by ~~strikeout~~.