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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3700

02/13/2024 Authored by Smith, Curran, Sencer-Mura, Hemmingsen-Jaeger, Bierman and others
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 governing notice and public hearings
1.3 for hospital closures, curtailment of operations, relocation of services, and cessation
1.4 in offering certain services; providing for penalties; establishing a right of first
1.5 refusal before the sale of a hospital or hospital campus; amending Minnesota
1.6 Statutes 2022, section 144.555, subdivisions 1a, 1b, 2, by adding subdivisions;
1.7 proposing coding for new law in Minnesota Statutes, chapter 144.

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

1.9 Section 1. Minnesota Statutes 2022, section 144.555, subdivision 1a, is amended to read:

1.10 Subd. 1a. Notice of closing, curtailing operations, relocating services, or ceasing to
1.11 offer certain services; hospitals. (a) The controlling persons of a hospital licensed under
1.12 sections 144.50 to 144.56 or a hospital campus must notify the commissioner of health and
1.13 the public, and others at least ~~120~~ 300 days before the hospital or hospital campus voluntarily
1.14 plans to implement one of the following scheduled actions:

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

1.21 (b) A notice required under this subdivision must comply with the requirements in
1.22 subdivision 1d.

2.1 ~~(b)~~ (c) The commissioner shall cooperate with the controlling persons and advise them  
 2.2 about relocating the patients.

2.3 Sec. 2. Minnesota Statutes 2022, section 144.555, subdivision 1b, is amended to read:

2.4 Subd. 1b. **Public hearing.** Within ~~45~~ 30 days after receiving notice under subdivision  
 2.5 1a, the commissioner shall conduct a public hearing on the scheduled cessation of operations,  
 2.6 curtailment of operations, relocation of health services, or cessation in offering health  
 2.7 services. The commissioner must provide adequate public notice of the hearing in a time  
 2.8 and manner determined by the commissioner. The controlling persons of the hospital or  
 2.9 hospital campus must participate in the public hearing. The public hearing must be held at  
 2.10 a location that is within ten miles of the hospital or hospital campus and that is provided or  
 2.11 arranged by the hospital or hospital campus. Video conferencing technology must be used  
 2.12 to allow members of the public to view and participate in the hearing. The public hearing  
 2.13 must include:

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

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

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

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

2.25 Sec. 3. Minnesota Statutes 2022, section 144.555, is amended by adding a subdivision to  
 2.26 read:

2.27 Subd. 1d. **Methods of providing notice; content of notice.** (a) A notice required under  
 2.28 subdivision 1a must be provided to patients, hospital personnel, the public, local officials,  
 2.29 and the commissioner of health using at least the following methods:

2.30 (1) posting a notice of the proposed cessation of operations, curtailment, relocation of  
 2.31 health services, or cessation in offering health services at the main public entrance of the  
 2.32 hospital or hospital campus;

3.1 (2) providing written notice to the commissioner of health and to the county board in  
3.2 the county where the hospital or hospital campus is located;

3.3 (3) providing written notice to the local health department as defined in section 145A.02,  
3.4 subdivision 8b, for the community where the hospital or hospital campus is located;

3.5 (4) providing notice to the public through a written public announcement which must  
3.6 be distributed to local and statewide media outlets;

3.7 (5) providing written notice to existing patients of the hospital or hospital campus; and

3.8 (6) notifying all personnel currently employed in the unit, hospital, or hospital campus  
3.9 impacted by the proposed cessation, curtailment, or relocation.

3.10 (b) A notice required under subdivision 1a must include:

3.11 (1) a description of the proposed cessation of operations, curtailment, relocation of health  
3.12 services, or cessation in offering health services. The description must include:

3.13 (i) the number of beds, if any, that will be eliminated, repurposed, reassigned, or otherwise  
3.14 reconfigured to serve populations or patients other than those currently served;

3.15 (ii) the current number of beds in the impacted unit, hospital, or hospital campus, and  
3.16 the number of beds in the impacted unit, hospital, or hospital campus after the proposed  
3.17 cessation, curtailment, or relocation takes place;

3.18 (iii) the number of existing patients who will be impacted by the proposed cessation,  
3.19 curtailment, or relocation;

3.20 (iv) any decrease in personnel, or relocation of personnel to a different unit, hospital, or  
3.21 hospital campus, caused by the proposed cessation, curtailment, or relocation;

3.22 (v) a description of the health services provided by the unit, hospital, or hospital campus  
3.23 impacted by the proposed cessation, curtailment, or relocation; and

3.24 (vi) identification of the three nearest available health care facilities where patients may  
3.25 obtain the health services provided by the unit, hospital, or hospital campus impacted by  
3.26 the proposed cessation, curtailment, or relocation, and any potential barriers to seamlessly  
3.27 transition patients to receive services at one of these facilities. If the unit, hospital, or hospital  
3.28 campus impacted by the proposed cessation, curtailment, or relocation serves medical  
3.29 assistance or Medicare enrollees, the information required under this item must specify  
3.30 whether any of the three nearest available facilities serves medical assistance or Medicare  
3.31 enrollees; and

4.1 (2) a telephone number and address for each of the following, to which interested parties  
 4.2 may offer comments on the proposed cessation, curtailment, or relocation:

4.3 (i) the hospital or hospital campus;

4.4 (ii) the parent entity, if any, or the entity under contract, if any, that acts as the corporate  
 4.5 administrator of the hospital or hospital campus; and

4.6 (iii) the chief executive officer of the hospital or hospital campus.

4.7 Sec. 4. Minnesota Statutes 2022, section 144.555, subdivision 2, is amended to read:

4.8 Subd. 2. **Penalty; facilities other than hospitals.** Failure to notify the commissioner  
 4.9 under subdivision 1, ~~1a, or 1c or failure to participate in a public hearing under subdivision~~  
 4.10 ~~1b~~ may result in issuance of a correction order under section 144.653, subdivision 5.

4.11 Sec. 5. Minnesota Statutes 2022, section 144.555, is amended by adding a subdivision to  
 4.12 read:

4.13 Subd. 3. **Penalties; hospitals.** (a) Failure to participate in a public hearing under  
 4.14 subdivision 1b or failure to notify the commissioner under subdivision 1c may result in  
 4.15 issuance of a correction order under section 144.653, subdivision 5.

4.16 (b) Notwithstanding any law to the contrary, the commissioner must impose on the  
 4.17 controlling persons of a hospital or hospital campus a fine of \$20,000 for each failure to  
 4.18 provide notice to an individual or entity or at a location required under subdivision 1d,  
 4.19 paragraph (a). The commissioner is not required to issue a correction order before imposing  
 4.20 a fine under this paragraph. Section 144.653, subdivision 8, applies to fines imposed under  
 4.21 this paragraph.

4.22 Sec. 6. **[144.556] RIGHT OF FIRST REFUSAL; SALE OF HOSPITAL OR**  
 4.23 **HOSPITAL CAMPUS.**

4.24 (a) The controlling persons of a hospital licensed under sections 144.50 to 144.56 or a  
 4.25 hospital campus must not sell or convey the hospital or hospital campus, offer to sell or  
 4.26 convey the hospital or hospital campus to a person other than a local unit of government  
 4.27 listed in this paragraph, or voluntarily cease operations of the hospital or hospital campus  
 4.28 unless the controlling persons have first made a good faith offer to sell or convey the hospital  
 4.29 or hospital campus to the home rule charter or statutory city, county, town, or hospital  
 4.30 district in which the hospital or hospital campus is located.

5.1 (b) The offer to sell or convey the hospital or hospital campus to a local unit of  
5.2 government under paragraph (a) must be at a price that does not exceed the current fair  
5.3 market value of the hospital or hospital campus. A party to whom an offer is made under  
5.4 paragraph (a) must accept or decline the offer within 60 days of receipt. If the party to whom  
5.5 the offer is made fails to respond within 60 days of receipt, the offer is deemed declined.