

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 3618

03/12/2018 Authored by Thissen
The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act
1.2 relating to health care; modifying the membership and terms of the Destination
1.3 Medical Center's governing board; requiring the medical business entity to conduct
1.4 community needs assessments and provide community benefits; amending
1.5 Minnesota Statutes 2016, sections 469.40, subdivision 1, by adding a subdivision;
1.6 469.41, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes,
1.7 chapter 469.

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

1.9 Section 1. Minnesota Statutes 2016, section 469.40, subdivision 1, is amended to read:

1.10 Subdivision 1. **Application.** For the purposes of sections 469.40 to 469.47, the terms
1.11 defined in this section have the meanings given them unless the context clearly indicates
1.12 otherwise.

1.13 **EFFECTIVE DATE.** This section is effective June 1, 2018.

1.14 Sec. 2. Minnesota Statutes 2016, section 469.40, is amended by adding a subdivision to
1.15 read:

1.16 Subd. 1a. **Affected region.** "Affected region" means the counties of Steele, Dodge,
1.17 Goodhue, Wabasha, Freeborn, Mower, Fillmore, Winona, and Houston.

1.18 **EFFECTIVE DATE.** This section is effective June 1, 2018.

1.19 Sec. 3. Minnesota Statutes 2016, section 469.41, subdivision 2, is amended to read:

1.20 Subd. 2. **Membership; quorum.** (a) The corporation's governing board consists of ~~eight~~
1.21 11 members appointed as follows:

1.22 (1) the mayor of the city, or the mayor's designee, subject to approval by the city council;

2.1 (2) the city council president, or the city council president's designee, subject to approval
2.2 by the city council;

2.3 (3) the chair or a member of the county board, appointed by the county board;

2.4 (4) a representative of the medical business entity, appointed by and serving at the
2.5 pleasure of the medical business entity; ~~and~~

2.6 (5) ~~four~~ five members appointed by the governor, subject to confirmation by the senate.
2.7 Of these members, one must be a representative of labor, and one must represent rural health
2.8 care providers who provide health care services in any part of the affected region and are
2.9 not employed by or affiliated with the medical business entity; and

2.10 (6) two elected officials appointed by the governor who serve on a county board of a
2.11 county, or on a city council of a home rule charter or statutory city, in the affected region.

2.12 (b) Appointing authorities must make their respective initial appointments as soon as
2.13 practicable after June 22, 2013, but no later than July 22, 2013. For changes or additions to
2.14 board membership effective June 1, 2018, appointing authorities must make their respective
2.15 initial appointments as soon as practicable after June 1, 2018, but no later than August 1,
2.16 2018.

2.17 (c) A quorum of the board is ~~six~~ seven members.

2.18 **EFFECTIVE DATE.** This section is effective June 1, 2018.

2.19 Sec. 4. Minnesota Statutes 2016, section 469.41, subdivision 3, is amended to read:

2.20 Subd. 3. **Terms.** (a) A member first appointed after June 22, 2013, under subdivision
2.21 2, paragraph (a), clauses (1), (2), and (3), serves for a term coterminous with the term of
2.22 the elected office, but may be reappointed. A member first appointed after June 1, 2018,
2.23 under subdivision 2, paragraph (a), clause (6), serves for a term coterminous with the term
2.24 of the elected office, but may be reappointed.

2.25 (b) Two members first appointed after June 22, 2013, under subdivision 2, paragraph
2.26 (a), clause (5), serve from the date of appointment until the first Tuesday after the first
2.27 Monday in January 2017, and two members first appointed after June 22, 2013, under
2.28 subdivision 2, paragraph (a), clause (5), serve from the date of appointment until the first
2.29 Tuesday after the first Monday in January 2020. Thereafter, members appointed by the
2.30 governor serve six-year terms.

2.31 (c) Notwithstanding paragraph (b), the chair shall determine by lot one of the members
2.32 appointed under subdivision 2, paragraph (a), clause (5), whose term shall end on June 1,

3.1 2018. Members first appointed under subdivision 2, paragraph (a), clause (5), after June 1,
3.2 2018, shall serve from the date of appointment until the first Tuesday after the first Monday
3.3 in January 2024. Thereafter, these members shall serve six-year terms.

3.4 **EFFECTIVE DATE.** This section is effective June 1, 2018.

3.5 Sec. 5. **[469.411] COMMUNITY NEEDS ASSESSMENT; COMMUNITY BENEFITS.**

3.6 Subdivision 1. **Community needs assessment.** (a) The medical business entity must
3.7 conduct periodic community needs assessments covering all counties in Minnesota in which
3.8 the medical business entity provides health care services. At a minimum, in the assessment
3.9 the medical business entity must:

3.10 (1) identify and prioritize community needs in all counties in Minnesota in which the
3.11 medical business entity provides health care services, and identify community needs the
3.12 medical business entity is able to directly address and community needs the medical business
3.13 entity is able to address in collaboration with other entities;

3.14 (2) describe the processes used by the medical business entity to consult with community
3.15 groups and local government officials in the counties in Minnesota in which the medical
3.16 business entity provides health care services, to identify and prioritize the community needs
3.17 of these counties; and

3.18 (3) specify proposals to sustain and expand access to health care services for residents
3.19 in rural areas outside Olmsted County.

3.20 (b) The initial assessment must be completed by January 1, 2019. The medical business
3.21 entity assessment must update the assessment at least every three years thereafter.

3.22 Subd. 2. **Provision of community benefits.** (a) The medical business entity must provide
3.23 or fund the provision of community benefits in counties in Minnesota in which the medical
3.24 business entity provides health care services. The community benefits must be consistent
3.25 with the most recent community needs assessment conducted under subdivision 1 and must
3.26 be classified in one of the following categories:

3.27 (1) health care services;

3.28 (2) other benefits for vulnerable populations;

3.29 (3) sustaining and expanding access to health care services for rural residents;

3.30 (4) other benefits for the broader community; and

3.31 (5) nonquantifiable benefits.

4.1 (b) At least 50 percent of the community benefits must be provided in counties other
4.2 than Olmsted County.

4.3 (c) The medical business entity must annually provide or fund the provision of community
4.4 benefits with an economic value of at least five percent of the medical business entity's most
4.5 recently reported annual net operating income. In calculating the economic value of the
4.6 community benefits provided or funded, the medical business entity shall not include costs
4.7 associated with medical education or research, the cost of providing charity care or health
4.8 care services for a reduced price due to the financial hardship of the patient, or the cost to
4.9 the medical business entity of providing care to persons covered by medical assistance or
4.10 MinnesotaCare that exceeds the amounts those programs reimburse for such care.

4.11 Subd. 3. **Report on community benefits provided.** By March 1 of each year, the medical
4.12 business entity shall issue a public report detailing the community benefits provided or
4.13 funded by the medical business entity in the previous calendar year.

4.14 **EFFECTIVE DATE.** This section is effective June 1, 2018.