

CHAPTER 250

GILLETTE CHILDREN'S HOSPITAL BOARD

250.05 Creation; administration; powers and duties.

250.01 [Repealed, 1973 c 540 s 5]

250.02 [Repealed, 1973 c 540 s 5]

250.03 [Repealed, 1973 c 540 s 5]

250.04 [Repealed, 1973 c 540 s 5]

250.05 CREATION; ADMINISTRATION; POWERS AND DUTIES.

Subdivision 1. There is hereby established as a public corporation in the executive branch of state government the Gillette children's hospital board. The purpose of the board shall be to govern the operation of Gillette children's hospital in such manner as to obtain a maximum of efficiency and economy in the performance of and training in medical and surgical care of children with handicaps or disabilities.

Subd. 2. The Gillette children's hospital shall be governed by a board of directors consisting of up to 19 members. Not more than nine of those shall be residents of Ramsey county. The commissioner of health and the commissioner of jobs and training shall each designate a senior employee of their respective departments to represent them as voting members of the board. The designee of the commissioner of jobs and training shall be the person having authority over the administration of federally recognized vocational rehabilitation programs. Notwithstanding the provisions of subdivision 2a, the term of office of a designee shall be coterminous with the term of office of the designating commissioner. Of the remaining members, at least four shall be persons (a) whose past or present occupation has not involved the administration of health activities or the providing of health services within the 12 months before appointment, (b) who were not employed by a health care facility as a licensed professional within 12 months before appointment, and (c) who have not held a material financial interest in the rendering of health service within 12 months before appointment. One member shall be a member of the medical staff, to be elected by the medical staff of the hospital. Members other than the designees shall be elected by the other members. No member of the board may be an employee of or have any direct or immediate family financial interest in a business entity that provides goods or services to the hospital.

Subd. 2a. The membership terms, compensation, and removal of members shall be as provided in section 15.0575.

Subd. 3. The board shall organize by electing a chair and other officers as may be required. The Gillette children's hospital board shall employ an administrator and other professional, technical, and clerical personnel as may be required. The administrator shall serve at the pleasure of the board. The Gillette children's hospital board shall employ a certified public accountant to annually audit and examine its financial records. The report of an examination or audit by a certified public accountant shall be submitted on request to the legislative auditor who shall review the audit report and accept it or make additional examinations as the legislative auditor deems to be in the public interest. The working papers of the certified public accountant relating to the Gillette children's hospital board shall be made available to the legislative auditor upon request.

The Gillette children's hospital board may contract for the services of individuals who perform medical, technical, or other services of a professional nature, and may contract for the purchase of necessary supplies, services, and equipment. Except as it determines, the Gillette children's hospital board shall not be subject to the provisions

of chapter 16, concerning budgeting, payroll, and the purchase of goods or services. Any department of state government is authorized, within the limits of its functions and appropriations, to assist the Gillette children's hospital board upon request.

Subd. 3a. All employees of the Gillette children's hospital who are in the classified service of the state on March 28, 1974 shall be continued as employees of the Gillette children's hospital board without loss of status, seniority, or benefits. The departments of administration and personnel shall endeavor to assist in the transfer elsewhere within state service of any classified employee who desires such assistance. Classified personnel may, with their individual approval and the approval of the Gillette children's hospital board, enter the unclassified service. Employees who remain in the classified service of the state under the provisions of this section, may do so as long as they continue to occupy the position occupied on March 28, 1974. If such an employee at a subsequent date is appointed, transferred, promoted, or demoted to a different position under the Gillette children's hospital board, that position and employee shall be in the unclassified service. All other employees of the Gillette children's hospital board shall be in the unclassified service. The Gillette children's hospital board may prescribe all terms and conditions of employment of unclassified employees, including but not limited to the fixing of classification and compensation, without regard to the provisions of chapter 15A. Full-time employees of the Gillette children's hospital board may be members of the Minnesota state retirement system for classified employees, to which the Gillette children's hospital board shall make employer's contributions.

Subd. 4. The Gillette children's hospital board, acting through its board of directors, may contract with the governing body and the owners of the St. Paul Ramsey medical center and of any other hospital or institution, for the joint maintenance and operation of the Gillette children's hospital. Contracts may include agreements for the joint employment and utilization of personnel, the joint purchase of supplies and equipment, and joint construction, acquisition, or leasing of space for offices, outpatient facilities, operating rooms, and other medical facilities for use in training in the care and treatment of disabled and handicapped children, the operation of an orthotic/prosthetic laboratory, and the conduct of patient education programs. No contract shall, however, provide for the expenditure of funds for additional patient bed capacity.

Subd. 5. The Gillette children's hospital board shall have the power to accept gifts and grants, to sue and be sued, and to establish a schedule of charges for all services furnished. All funds received by the Gillette children's hospital board from any source are hereby annually appropriated to the Gillette children's hospital board, which shall be responsible for their management and control. An annual report shall be submitted to the legislature by the Gillette children's hospital board not later than November 15 of each year. The report shall summarize the activities of the board and the hospital over the preceding fiscal year, shall evaluate whether the statutory structure for the board results in effective administration of the hospital and whether statutory changes are necessary. The report shall be submitted together with the audit report required by subdivision 3.

Subd. 6. The Gillette children's hospital shall seek reimbursement for costs of care and treatment provided, from parents to the extent of their ability to pay, from insurance policies covering care and treatment, and from other sources, including any federally financed medical aids for which the child is eligible. To the extent of appropriations available therefor, the department of human services shall continue to provide financial assistance to the Gillette children's hospital board to pay for costs of care otherwise unmet which are beyond the ability of parents to provide. Children from other states who can benefit from the services of the hospital may be accepted upon the referral of a medical doctor. Reimbursement for full costs for care provided nonresident patients shall be obtained from parents, from insurance policies covering care and treatment, or from any sources other than the state of Minnesota which may be available to the child and the child's family.

Subd. 7. The Gillette Children's Hospital is organized and shall be operated exclusively for charitable, scientific, and educational purposes within the meaning of

section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Notwithstanding any other provisions of this chapter, the Gillette Children's Hospital shall not carry on any activities not permitted to be carried on by:

(1) a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; or

(2) a corporation, contributions to which are deductible under sections 170(c)(2), 2055(a)(2), and 2522(a)(2) of the Internal Revenue Code of 1986, as amended.

Subd. 8. The Gillette Children's Hospital may be dissolved upon the adoption of a plan to dissolve by two-thirds of the Gillette Children's Hospital board. In the event of dissolution of the Gillette Children's Hospital, no liquidating or other dividends shall be declared or paid to any private individual and the net assets of the Gillette Children's Hospital shall be distributed as follows:

(1) all liabilities and obligations of the Gillette Children's Hospital shall be paid, satisfied, or discharged, or adequate provision shall be made to do so; and

(2) remaining assets shall be distributed to the state of Minnesota or public, charitable, scientific, or educational organizations described in sections 170(c)(2), 501(c)(3), 2055(a)(2), and 2522(a)(2) of the Internal Revenue Code of 1986, as amended, as determined in the plan to dissolve.

History: 1973 c 540 s 1; 1974 c 277 s 1,2; 1974 c 581 s 4; 1975 c 14 s 1; 1975 c 271 s 6; 1976 c 134 s 56-58; 1977 c 10 s 1; 1978 c 715 s 1-4; 1Sp1981 c 4 art 1 s 51,122; 1982 c 614 s 8; 1983 c 305 s 22; 1984 c 654 art 5 s 58; 1985 c 285 s 44; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1987 c 118 s 1,2; 1987 c 384 art 2 s 60

NOTE: Subdivision 1, 2, 2a, 3, 4, 5, 6, and 7 are repealed effective upon the filing of the articles of incorporation with the secretary of state by Laws 1988, chapter 599, section 5. See Laws 1988, chapter 599, section 6.