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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 3762

03/14/2018 Authored by Liebling, Sauke, Poppe, Bly, Schultz and others
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to health; modifying requirements for a hospital or hospital campus closure,
1.3 service curtailment, or service relocation; establishing a right of first refusal for
1.4 hospitals; amending Minnesota Statutes 2016, section 144.555; proposing coding
1.5 for new law in Minnesota Statutes, chapter 144.

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

1.7 Section 1. Minnesota Statutes 2016, section 144.555, is amended to read:

1.8 144.555 HOSPITAL OR CAMPUS CLOSINGS, SERVICE CURTAILMENT, OR
1.9 RELOCATION OF SERVICES; PATIENT RELOCATIONS.

1.10 Subdivision 1. Notice of closing or, curtailing, or relocating service. If a facility
1.11 licensed under sections 144.50 to 144.56, or a campus of a facility licensed under sections
1.12 144.50 to 144.56, voluntarily plans to cease operations or to, curtail operations to the extent
1.13 that patients or residents must be relocated, or relocate the provision of health services to
1.14 another facility or another campus of the facility, the controlling persons of the facility
1.15 planning to cease, curtail, or relocate services must notify the commissioner of health at
1.16 least 90 days nine months before the scheduled cessation or, curtailment, or relocation of
1.17 services. The commissioner shall cooperate with the controlling persons and advise them
1.18 about relocating the any patients or residents, to the extent they must be relocated. If a
1.19 facility or campus of the facility voluntarily plans to cease operations, the controlling persons
1.20 of the facility must also comply with section 144.556.

1.21 Subd. 1a. Public hearing. Upon receiving notice under subdivision 1, the commissioner
1.22 shall conduct a public hearing on the scheduled cessation or curtailment of operations, or
1.23 relocation of services from the facility or campus of the facility. The commissioner must
1.24 provide adequate public notice of the hearing in a time and manner determined by the

2.1 commissioner. The public hearing must be conducted in the community where the facility
2.2 or campus of the facility is located at least six months before the scheduled cessation,
2.3 curtailment, or relocation of services. The public hearing must include:

2.4 (1) an explanation by controlling persons of the facility of the reasons for ceasing
2.5 operations, curtailing operations, or relocating the provision of health services to another
2.6 hospital campus or facility;

2.7 (2) a description of the actions that controlling persons of the facility will take to ensure
2.8 that residents in the facility's or campus's service area have continued access to those health
2.9 services to be eliminated, curtailed, or relocated;

2.10 (3) an opportunity for public testimony on the scheduled cessation, curtailment, or
2.11 relocation of services, and on the facility's plan to ensure continued access to those health
2.12 services to be eliminated, curtailed, or relocated; and

2.13 (4) an opportunity for controlling persons of the facility to respond to questions from
2.14 interested persons.

2.15 Subd. 2. **Penalty.** Failure to notify the commissioner under subdivision 1 or to participate
2.16 in a public hearing under subdivision 1a may result in issuance of a correction order under
2.17 section 144.653, subdivision 5.

2.18 Sec. 2. **[144.556] RIGHT OF FIRST REFUSAL FOR HOSPITALS.**

2.19 (a) The controlling persons of a hospital licensed under sections 144.50 to 144.56 shall
2.20 not sell or convey the hospital or a campus of the hospital, offer to sell or convey the hospital
2.21 or a campus of the hospital, or voluntarily cease operations of the hospital or a campus of
2.22 the hospital unless the controlling persons have first made a good faith offer to sell or convey
2.23 the hospital or a campus of the hospital to the home rule charter or statutory city, county,
2.24 town, or hospital district in which the hospital or a campus of the hospital is located.

2.25 (b) The offer to sell or convey the hospital or a campus of the hospital must be at a price
2.26 that does not exceed the current fair market value of the hospital or a campus of the hospital.
2.27 A party to whom an offer is made under paragraph (a) must accept or decline the offer
2.28 within 60 days of receipt. If the party fails to respond within 60 days of receipt, the offer is
2.29 deemed declined.