

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 4392

(SENATE AUTHORS: MANN and Boldon)

DATE	D-PG	OFFICIAL STATUS
02/29/2024	11847	Introduction and first reading
		Referred to Commerce and Consumer Protection
03/07/2024	12067	Author added Boldon

1.1 A bill for an act

1.2 relating to commerce; prohibiting private equity companies and real estate

1.3 investment trusts from acquiring or increasing control over providers of health

1.4 care services; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

1.6 Section 1. **[62J.96] PRIVATE EQUITY COMPANIES AND REAL ESTATE**

1.7 **INVESTMENT TRUSTS.**

1.8 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have

1.9 the meanings given.

1.10 (b) "Indirect ownership interest" means an ownership interest in (1) an entity that has

1.11 an ownership interest in a provider, or (2) an indirect owner of a provider. The amount of

1.12 indirect ownership interest is determined by multiplying the percentages of ownership in

1.13 each entity.

1.14 (c) "Operational control" means to:

1.15 (1) influence or direct the actions or policies of any part of a provider; or

1.16 (2) choose, appoint, or terminate a member of the board, manager, managing member,

1.17 senior employee, consultant, or other individual or entity that participates in the operational

1.18 oversight of a provider.

1.19 (d) "Ownership interest" means possession of equity in capital, stock, profits, or

1.20 ownership of real estate on which a provider operates.

1.21 (e) "Private equity company" means a publicly traded or nonpublicly traded entity that

1.22 collects capital investments from individuals or entities.

2.1 (f) "Provider" means an individual or entity that provides health or medical care services
2.2 within Minnesota for a fee. For purposes of this paragraph, "for a fee" includes traditional
2.3 fee-for-service arrangements, capitation arrangements, and any other arrangement in which
2.4 a provider receives compensation for providing health or medical care services or has the
2.5 authority to directly bill a group purchaser, health plan company, or individual for providing
2.6 health or medical care services. Provider includes but is not limited to nursing homes, clinics,
2.7 hospitals, ambulatory surgical centers, dental organizations, physician organizations, and
2.8 integrated provider and plan systems.

2.9 (g) "Real estate investment trust" has the meaning given in United States Code, title 26,
2.10 section 856.

2.11 Subd. 2. **Moratorium.** (a) A private equity company or real estate investment trust is
2.12 prohibited from acquiring or increasing any direct or indirect ownership interest the private
2.13 equity company or real estate investment trust has in a provider after August 1, 2024.

2.14 (b) A private equity company or real estate investment trust is prohibited from acquiring
2.15 or increasing any operational or financial control the private equity company or real estate
2.16 investment trust has over a provider after August 1, 2024. This paragraph does not prohibit
2.17 a private equity company or real estate investment trust from replacing the provider's directors
2.18 or employees in the normal course of business.

2.19 **EFFECTIVE DATE.** This section is effective August 1, 2024.