

Subject Facility or campus closure, service relocation, cessation of services

Authors Lippert

Analyst Elisabeth Klarqvist

Date March 1, 2021

Overview

Current law requires the commissioner of health to be notified at least 90 days before a facility voluntarily ceases operations or curtails operations to the extent that patients or residents must be relocated. This bill modifies the notice period, requires notice before health services are relocated or before certain services are no longer offered, and establishes a right of first refusal for a local unit of government before a hospital or hospital campus is conveyed, sold, or closed.

Summary

Section	Description
---------	-------------

1	Hospital or campus closings, relocation of services, or cessation in offering certain services; patient relocations.
---	-----------------------------------------------------------------------------------------------------------------------------

Amends § 144.555.

Subd. 1. Notice of closing, curtailing operations, relocating services, or ceasing to offer certain services. In a subdivision requiring controlling persons of a health care facility to provide notice to the commissioner of health before taking certain actions related to continued operation of the facility, requires notice to also be provided before the health care facility relocates the provision of health care services to another facility or another campus or before ceasing to offer maternity care and newborn care, intensive care services, inpatient mental health services, or inpatient substance use disorder treatment services. Requires notice to be provided nine months before the scheduled change, rather than 90 days as in current law. Also requires the controlling persons of a hospital to comply with the right of first refusal provisions.

Subd. 1a. Public hearing. Upon receiving notice under subdivision 1, requires the commissioner to conduct a public hearing on the cessation of operations, curtailment of operations, or relocation or cessation of services. Requires the public hearing to be held in the community where the facility or campus is

Section	Description
---------	-------------

located at least six months before the scheduled change, and lists what must be addressed at the public hearing.

Subd. 2. Penalty. Provides that failure to participate in a public hearing may result in the commissioner of health issuing a correction order against the facility.

2 **Right of first refusal for hospital or hospital campus.**

Adds § 144.556. Provides a local unit of government with a right of first refusal to purchase a hospital or hospital campus before the hospital or campus is sold or conveyed to another party, or is closed.

Subd. 1. Prerequisite before sale, conveyance, or ceasing operations of hospital or hospital campus. Before the controlling persons of a hospital sell, convey, or offer to sell or convey a hospital or hospital campus or cease operations of the hospital or campus, requires the controlling persons to first make a good faith offer to sell or convey the hospital or campus to a local unit of government where the hospital or campus is located.

Subd. 2. Offer. Prohibits the offer to sell or convey the hospital or campus from exceeding the hospital's or campus's current fair market value, requires the offer to be accepted or declined within 60 days after receipt, and provides that if the party to whom the offer is made does not respond within 60 days, the offer is deemed declined.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155