

HOUSE RESEARCH

Bill Summary

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Overview

This bill modifies requirements for the review, by the commissioner of health, of major spending commitments related to the purchase, construction, or leasing of a radiation therapy facility. The bill modifies the definition of health care provider, adds two additional criteria for review, and clarifies the authority of the commissioner to take action against providers who violate requirements for prospective review and approval. A major spending commitment is defined as an expenditure of over \$500,000 for a unit of medical equipment, a capital expenditure, a new specialized service, planning for an activity that would constitute a major spending commitment, or a project involving a combination of two or more of the preceding activities. Providers are required to submit information on major spending commitments to the commissioner, for retrospective review. If a project fails this retrospective review, the provider must obtain the prospective approval of the commissioner for major spending commitments for a five year period.

Section

1 **Definitions.** Amends § 62J.17, by adding subd. 8. Sets requirements for the review of major spending commitments related to the purchase, construction, or leasing of a radiation therapy facility.

(a) [Definition of provider.] Defines health care provider as: (1) a provider as defined in section 62J.03, subd. 8; (2) a person or organization that, upon engaging in an activity related to a major spending commitment, will become a health care provider as defined in section 62J.03, subdivision 8; (3) an organization under common control with an

organization defined in clauses (1) or (2); or (4) an organization that manages a person or organization described in clauses (1), (2), or (3).

(b) [Criteria for review.] Requires the commissioner of health to consider, when conducting retrospective or prospective review, the criteria in current law for retrospective review, and two additional criteria. These are: (1) the alternatives available to patients in terms of avoiding an unwarranted duplication of services, facilities, or equipment; and (2) the best interests of the patients, including conflicts of interest that may be present in influencing the use of the services, facility, or equipment relating to the major spending commitment.

(c) [Penalties and remedies.] Allows the commissioner, in the event a provider subject to prospective review makes a major spending commitment before obtaining the approval of the commissioner, to: (1) assess fines against providers of up to triple the amount of the major spending commitment; (2) secure a permanent injunction against providers; and (3) obtain a court order to invalidate any agreement, lease, or contract related to a major spending commitment.

(d) [Scope of prospective review.] If a provider fails the retrospective review of a major spending commitment subject to his subdivision, limits prospective review and approval to this category of major spending commitments.

(e) [Exemption.] States that this subdivision does not apply to radiation therapy facilities owned and operated, or managed, by a hospital.