

Subject Monitoring and enforcement of hospital construction moratorium
exception conditions

Authors Fischer

Analyst Elisabeth Klarqvist

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Overview

Current law prohibits the establishment of a new hospital or a hospital construction project that increases hospital bed capacity, relocates beds from one site to another, or otherwise results in an increase in or redistribution of hospital beds within the state. A hospital may add licensed beds or a new hospital may be constructed if an exception to the hospital construction moratorium is enacted in law authorizing the addition or construction. Some exceptions in law include conditions for the addition of beds or construction of a new hospital.

This bill directs the commissioner of health to monitor whether hospitals and hospital corporate systems are satisfying the conditions on which exceptions were granted and prohibits the commissioner from renewing bed licenses if a hospital is not satisfying conditions in the exception. It also modifies an existing exception governing transfers of beds from a closed hospital to another hospital in the same system, and establishes a new exception to allow hospitals to add beds to primarily provide mental health or substance use disorder services without participating in the public interest review process.

Summary

Section	Description
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1	Routine inspections; presumption.
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Amends § 144.55, subd. 4. In a subdivision governing the commissioner of health's authority to inspect hospitals, requires the commissioner to conduct hospital inspections as needed to determine whether a hospital or hospital corporate system continues to satisfy the conditions on which a moratorium exception was granted.

This section is effective July 1, 2021.

Section	Description
2	<p>Suspension, revocation, refusal to renew.</p> <p>Amends § 144.55, subd. 6. Prohibits the commissioner from renewing licenses for hospital beds issued according to a hospital construction moratorium exception if the commissioner finds the hospital or hospital corporate system is not satisfying the conditions included in the exception.</p> <p>This section is effective for license renewals occurring on or after July 1, 2021.</p>
3	<p>Restricted construction or modification.</p> <p>Amends § 144.551, subd. 1. Amends an existing exception to the hospital construction moratorium to require hospital beds transferred from a closed hospital to another site or complex in a hospital corporate system to be first used to replace the beds that had been used in the closed hospital for mental health services and substance use disorder services, before transferring remaining beds for any other purpose. Also adds an additional exception to the hospital construction moratorium to allow a hospital or hospital corporate system to add beds to primarily provide mental health and substance use disorder services, and exempts beds added under this clause from the public interest review process.</p> <p>This section is effective the day following final enactment.</p>
4	<p>Monitoring.</p> <p>Adds subd. 5 to § 144.551. Requires the commissioner to monitor the addition of beds and establishment of new hospitals according to exceptions established under this section. Requires hospitals and hospital corporate systems to annually report to the commissioner on how the hospital or system continues to satisfy the conditions included in the exception.</p> <p>This section is effective July 1, 2021.</p>



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