MN HOUSE RESEARCH

Hospital Closures and Changes in Services

July 2026

Overview

Hospitals are licensed by the commissioner of health. Before a scheduled closure or change in health services, hospitals are required to provide notice of the closure or change to the commissioner of health and other interested individuals and entities. Hospitals must follow specific requirements for how the notice is provided and information that must be included in the notice. After receiving notice, the commissioner of health must hold a public hearing on the closure or change in services. The notice and public hearing requirements, and related penalties, are found in Minnesota Statutes, section 144.555, subdivisions 1a to 1d and 3.

This publication provides background on these requirements, describes the requirements for notice and public hearings (page 1), specifies the penalties that apply for failing to comply with certain notice and public hearing requirements (page 3), and lists the public hearings that have been held under this section since July 1, 2021 (page 4).

Notice Requirements

Requirements were modified to provide more information to additional individuals.

Prior to July 1, 2021, if a hospital voluntarily planned to close or change its operations to the extent that patients needed to be relocated, the hospital's leadership personnel (referred to as "controlling persons" in statute) were required to notify the commissioner of health at least 90 days before the closure or change in operations. These requirements were modified to include more individuals and more information in the notification. Hospitals must ensure the public, patients, communities, and employees:

- have sufficient notice of hospital closures and changes in services before they occur;
- receive detailed information about closures and changes in services; and
- have the opportunity to ask questions about closures and changes in services.

The modified notice and public hearing provisions for hospitals became effective July 1, 2021, and additional changes became effective July 1, 2024.

Hospitals must provide notice before closing, modifying services, or relocating services.

The leadership personnel of a hospital or hospital campus must provide notice before:

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- closing the hospital or hospital campus;
- modifying operations to the extent that emergency department services or patients receiving inpatient health services must be relocated;
- relocating inpatient health services or emergency department services to another hospital or hospital campus; or
- ending the provision of inpatient maternity care and inpatient newborn care services, inpatient intensive care unit services, inpatient mental health services, or inpatient substance use disorder treatment services.

Notice must be provided in the methods listed in statute to patients; hospital personnel; the public; the commissioner of health; and the city council, county board, and local health department of the community where the hospital or campus is located. The notice must describe the closure or change in services by providing information on the hospital beds, patients, services, and hospital personnel affected, and the anticipated size of the affected unit, campus, or hospital after the closure or change in services. The notice must also identify the three nearest health care facilities where patients may obtain impacted services after the closure or change and must provide contact information for the hospital or hospital campus and, if applicable, the parent entity or corporate administrator for the hospital or campus. The commissioner of health developed a form for hospitals to use to provide notice to the commissioner.

Notice must be provided at least 182 days before the closure or change in services. However, if the closure or change is needed because of a natural disaster, an emergency, or an inability to hire or retain staff needed to provide health services according to the applicable standard of care, notice must be provided as soon as practicable after deciding to close the hospital or campus or change services. The commissioner of health may also approve a shorter notice period if the hospital's leadership personnel show they cannot meet the 182-day notice requirement.

The commissioner of health must provide the hospital or campus with advice about patient relocations but is not authorized to prevent or modify the closure or change in services.

Public Hearings

The commissioner of health must hold a public hearing.

Within 30 days after receiving notice of the closure or change in services, the commissioner of health must hold a public hearing on the closure or change in services. However, if the closure or change is needed because of a natural disaster, an emergency, or an inability to hire or retain essential staff needed to provide health services according to the applicable standard of care, the hearing must be held as soon as practicable after the decision is made to close the hospital or campus or change services. The commissioner must provide adequate public notice of the hearing.

The hospital or hospital campus that is the subject of the hearing must arrange a site for the public hearing. The site must be within ten miles of the hospital or campus or, with the

commissioner's approval, as close as practicable to the hospital or campus, and must be able to accommodate the number of individuals anticipated to attend. Leadership personnel of the hospital or campus must participate in the hearing. The hearing must include an explanation of the reasons for closing the hospital or campus or changing services, information on steps being taken to ensure impacted populations will have continued access to services being eliminated or modified, at least one hour of public testimony, and a chance for the leadership personnel to respond to questions from the public. Video conferencing technology must also be used to allow members of the public to view and participate in the hearing even if they are not at the hearing.

Penalties may be imposed for noncompliance.

Two penalties exist for failing to comply with certain notice and public hearing requirements. First, for each failure to provide notice to an individual or entity required to receive notice, or each failure to provide notice at a required location, the commissioner must impose a $20,000 fine on the hospital's controlling persons. These fines must not exceed $60,000 per closure or change in services. Second, the commissioner may issue a correction order on a hospital's or campus's leadership for failing to participate in the public hearing or failing to provide notice to the commissioner when the closure or change in services is due to a natural disaster, other emergency, or an inability to hire or retain essential staff.

There have been 20 public hearings as of July 1, 2026.

As of July 1, 2026, 20 public hearings have been held under Minnesota Statutes, section 144.555. Of these hearings:

- eight hearings related to hospitals in the seven-county metropolitan area, and 12 hearings related to hospitals outside the seven-county metropolitan area. Two hearings were held for changes in the operations of Allina Mercy Hospital, Unity Campus;
- nine hearings were held in 2024, the most in one calendar year;
- eight hearings related to closures of labor and delivery units or relocations of labor and delivery services;
- five hearings related to closures or relocations of behavioral health units or services, including residential addiction services, mental health services, and chemical dependency units. Additionally, one hearing related to a hospital closure that resulted in the relocation of adult mental health services and addiction services to other locations;
- three hearings related to closures of inpatient pediatrics units or a cessation in admitting pediatric patients; and
- one hearing related to a hospital transitioning from a critical access hospital to a rural emergency hospital with no inpatient beds or swing beds.

The following table lists in chronological order the public hearings held between July 1, 2021, and July 1, 2026.

Public Hearing Date	Hospital	Location	Closure or Change in Services	Hospital-Stated Reason for Closure or Change
11/18/21	Allina Health Regina Hospital	Hastings	Relocation of labor and delivery services to United Hospital, St. Paul and Children's Minnesota, St. Paul Campus	Declining number of births at this facility
2/22/22	Allina Health Cambridge Medical Center	Cambridge	Relocation of labor and delivery services to Mercy Hospital, Coon Rapids	Declining number of births at this facility, challenges with recruiting and retaining staff
3/1/22	HealthPartners Olivia Hospital	Olivia	Elimination of labor and delivery services	Declining number of births at this facility, shortage of providers, challenging for providers to demonstrate competency due to low number of births
4/12/22	HealthEast St. Joseph's Hospital	St. Paul	Closure of St. Joseph's Hospital	Recent operating losses, located near other acute care facilities, services provided did not meet community needs
10/13/22	Avera Granite Falls Health Center	Granite Falls	Elimination of labor and delivery services	Declining number of births at this facility, challenges with retaining staff
1/11/23	Tri-County Hospital/Astera Health	Wadena	Relocation of hospital to new location in Wadena	New facility constructed to better meet needs of patients, providers, and community
3/28/23	Children's Minnesota, St. Paul Campus	St. Paul	Relocation of epilepsy monitoring unit to Children's Minnesota, Minneapolis Campus	Consolidation of enhanced epilepsy services and specialty providers in one location with improved facilities and space to expand

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10/11/23	New Ulm Medical Center	New Ulm	Closure of residential addiction services program, transition to partial hospitalization and day treatment program	Program operating loss in recent years, staffing challenges, new program will better meet community needs
12/21/23	United Hospital	St. Paul	Relocation of inpatient adolescent mental health services to Abbott Northwestern Hospital, Minneapolis	Conversion of United's adolescent mental health unit to adult mental health unit and relocation of adolescent mental health beds to Abbott Northwestern to meet patient needs
1/17/24	Sanford Bemidji Medical Center	Bemidji	Closure of inpatient rehabilitation unit	Decrease in admissions to the unit over past 10 years made maintaining unit no longer sustainable
1/30/24	Essentia Health-Fosston	Fosston	Closure of labor and delivery services unit	Declining number of births at facility, difficult for staff to maintain competency
2/6/24	Mayo Clinic New Prague	New Prague	Closure of labor and delivery unit	Declining number of births at facility, difficulty recruiting and retaining staff, difficult for staff to maintain competency
2/20/24	Lake Region Healthcare Fergus Falls	Fergus Falls	Closure of voluntary admission inpatient mental health unit	Difficulty hiring psychiatrists to staff unit, unit was not meeting community needs and was not financially sustainable
3/26/24	Allina Mercy Hospital, Mercy and Unity Campuses	Coon Rapids (Mercy Campus), Fridley (Unity Campus)	Relocation of intensive care services and surgical services from Unity Campus to Mercy Campus, closure of inpatient pediatric unit at Mercy Campus	Relocation of intensive care services and surgical services: operating rooms at Unity Campus required significant renovations, low volume of ICU patients at Unity Campus,

Public Hearing Date	Hospital	Location	Closure or Change in Services	Hospital-Stated Reason for Closure or Change
				centralization of surgical care at Mercy Campus, creation of specialty care unit at Unity Campus to alleviate emergency department boarding Closure of inpatient pediatric unit: decrease in volume of pediatric inpatients at Mercy Campus, change in bed use to alleviate emergency department boarding
4/30/24	Mahnomen Health Center	Mahnomen	Transition from critical access hospital to rural emergency hospital with no inpatient beds or swing beds	Decrease in inpatient services and swing bed services provided in recent years
5/14/24	Lakewood Health System	Staples	Cessation in providing inpatient behavioral health services	Difficulty recruiting and retaining staff, majority of services provided to patients from outside hospital's service area
6/27/24	North Memorial Health Robbinsdale Hospital	Robbinsdale	Lowering newborn nursery level of care from Level 2 (special care nursery) to Level 1 (well newborn nursery)	Financial challenges, declines in daily census of births at hospital and in the number of babies needing Level 2 or higher care
10/28/24	Mayo Clinic Health System-Fairmont	Fairmont	Closure of inpatient obstetrics unit, inpatient pediatric care unit, surgical procedures unit	Closure of obstetrics unit: declining number of births, difficulty recruiting and retaining staff, difficult for staff to maintain competency Closure of inpatient pediatrics unit: decrease in admissions

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				Closure of surgical procedures unit: unable to replace departed staff, many surgeries for Fairmont residents currently performed elsewhere
9/25/25	Allina Health Mercy Hospital-Unity Campus; Abbott Northwestern Hospital	Fridley (Unity Campus), Minneapolis (Abbott Northwestern Hospital)	Closure of inpatient chemical dependency unit at Unity Campus; cessation in performing inpatient kidney transplant surgeries at Abbott Northwestern	Closure of chemical dependency unit: decrease in admissions Cessation in inpatient kidney transplant surgeries: inability to fill a required staff position
12/2/25	Allina Health Faribault Medical Center	Faribault	Closure of birth center and consolidation of labor and delivery services to Owatonna Hospital; cessation in evening and weekend emergency surgical coverage; cessation in admitting pediatric patients	Consolidation of labor and delivery services in Owatonna: challenges of staffing labor and delivery services in two facilities in close proximity Cessation in evening/weekend surgical coverage: limited availability of anesthesia resources Cessation in admitting pediatric patients: low volume of pediatric patients
Sources: MDH, Health Regulation Division Public Hearings website, https://www.health.state.mn.us/about/org/hrd/hearing/index.html; email communication with MDH staff 9/23/25; press reports.				

For more information about notice and public hearing requirements for hospital closures and changes in services, see the Minnesota Department of Health website, https://www.health.state.mn.us/facilities/regulation/hospital/closure/index.html.

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