

1.1 **Senator Marty from the Committee on Finance, to which was re-referred**

1.2 **H.F. No. 402:** A bill for an act relating to health; establishing requirements for certain
 1.3 health care entity transactions; changing the expiration date on moratorium conversion
 1.4 transactions; requiring a health system to return charitable assets received from the state to
 1.5 the general fund in certain circumstances; requiring a study on the regulation of certain
 1.6 transactions; requiring a report; appropriating money; amending Minnesota Statutes 2022,
 1.7 section 62U.04, subdivision 11; Laws 2017, First Special Session chapter 6, article 5, section
 1.8 11, as amended; proposing coding for new law in Minnesota Statutes, chapter 309; proposing
 1.9 coding for new law as Minnesota Statutes, chapter 145D.

1.10 Reports the same back with the recommendation that H.F. No. 402, the first unofficial
 1.11 engrossment, be amended as follows:

1.12 Page 10, delete lines 8 to 19

1.13 Page 10, line 20, delete "(c)" and insert "(b)"

1.14 Page 10, line 21, delete "(d)" and insert "(c)"

1.15 Page 10, line 26, delete "(e)" and insert "(d)"

1.16 Page 11, line 9, delete "13.31" and insert "13.39"

1.17 Page 11, delete section 3 and insert:

1.18 "**Sec. 3. [309.715] OWNERSHIP OR CONTROL OF UNIVERSITY OF MINNESOTA**
 1.19 **HEALTH CARE FACILITIES.**

1.20 The importance of the University of Minnesota health care facilities, which are the
 1.21 academic health care facilities licensed by the commissioner of health as M Health Fairview
 1.22 University, or any successor name, to the state of Minnesota shall be recognized based on
 1.23 their status as publicly supported academic health care facilities; their relationship with the
 1.24 University of Minnesota Medical School, a public entity dedicated to medical education,
 1.25 research, and public service; the status of the University of Minnesota as a constitutionally
 1.26 autonomous state entity; and the university's mission as a land grant institution. The
 1.27 University of Minnesota health care facilities, as charitable assets, must remain dedicated
 1.28 to the university's public health care mission. As such, the University of Minnesota health
 1.29 care facilities shall not be owned or controlled, directly or indirectly, in whole or in part,
 1.30 by a for-profit entity or an out-of-state entity, unless the attorney general determines that
 1.31 ownership or control by a for-profit entity or out-of-state entity is in the public interest. A
 1.32 determination under this subdivision must be made using the procedures and authority in
 1.33 section 145D.01 and in consultation with the commissioner of health and the Board of
 1.34 Regents of the University of Minnesota.

2.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 2.2 applies to transactions related to transferring ownership or control of the University of
 2.3 Minnesota health care facilities that are completed on or after that date."

2.4 Page 13, line 8, delete "and"

2.5 Page 13, line 10, delete the period and insert "; and"

2.6 Page 13, after line 10, insert:

2.7 "(5) issues, including statutory language and regulatory implementation, related to a
 2.8 potential statutory requirement that nonprofit health maintenance organizations licensed
 2.9 under chapter 62D, and health systems organized as a charitable organization, upon the sale
 2.10 or transfer of control to an out-of-state or for-profit entity, return to the general fund an
 2.11 amount equal to the value of any charitable assets the health maintenance organization or
 2.12 health system received from the state."

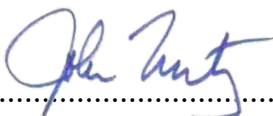
2.13 Page 13, delete lines 20 to 22

2.14 Page 13, line 23, delete "(e)" and insert "(d)"

2.15 Page 13, delete lines 28 and 29 and insert:

2.16 "\$1,584,000 in fiscal year 2024 and \$769,000 in fiscal year 2025 are appropriated from
 2.17 the general fund to the commissioner of health for purposes of Minnesota Statutes, section
 2.18 145D.01, and to conduct a study and develop recommendations on nonprofit health
 2.19 maintenance organization conversions and other transactions. The base for this appropriation
 2.20 is \$710,000 in fiscal year 2026 and \$710,000 in fiscal year 2027."

2.21 And when so amended the bill do pass. Amendments adopted. Report adopted.

2.22 
 2.23
 (Committee Chair)

2.24 May 12, 2023.....
 2.25 (Date of Committee recommendation)