

1.1 **Senator Wiklund from the Committee on Health and Human Services, to which**
1.2 **was re-referred**

1.3 **S.F. No. 2477:** A bill for an act relating to insurance; modifying commissioner of health
1.4 authority over insurance holding company systems; modifying Medicare supplement benefits;
1.5 modifying provisions governing renewability and discontinuation of health plans; modifying
1.6 reporting requirements related to the 340B drug program; modifying uniform explanation
1.7 of benefits specifications; requiring public posting of information relating to prescription
1.8 drug prices; requiring pharmacy benefit managers to submit prescription drug fee information
1.9 to the commissioner of health; amending Minnesota Statutes 2024, sections 13.7191,
1.10 subdivision 4; 60D.15, subdivision 3; 60D.21, subdivisions 1, 3; 60D.23; 62A.31,
1.11 subdivisions 1r, 1w; 62A.65, subdivisions 1, 2, by adding a subdivision; 62D.12, subdivisions
1.12 2, 2a; 62D.121, subdivision 1; 62D.221, subdivision 1; 62J.461, subdivisions 3, 4, 5; 62J.51,
1.13 subdivision 19a; 62J.581; 62J.84, subdivisions 2, 3, 6, 10, 11, 12, 13, 14, 15; 62K.10,
1.14 subdivisions 2, 5, 6; repealing Minnesota Statutes 2024, section 62K.10, subdivision 3.

1.15 Reports the same back with the recommendation that the bill be amended as follows:

1.16 Page 1, delete sections 1 and 2

1.17 Page 2, delete sections 3 to 5

1.18 Page 7, delete section 14

1.19 Page 13, lines 5, 6, 9, and 10, reinstate the stricken language

1.20 Page 13, line 8, reinstate the stricken language and delete the new language

1.21 Page 24, after line 19, insert:

1.22 "Sec. 26. Minnesota Statutes 2024, section 144.50, is amended by adding a subdivision
1.23 to read:

1.24 Subd. 8. Controlling person. (a) "Controlling person" means an owner and the following
1.25 individuals and entities, if applicable:

1.26 (1) each officer of the organization, including the chief executive officer and the chief
1.27 financial officer;

1.28 (2) the hospital administrator; and

1.29 (3) any managerial official.

1.30 (b) Controlling person also means any entity or natural person who has any direct or
1.31 indirect ownership interest in:

1.32 (1) any corporation, partnership or other business association which is a controlling
1.33 person;

1.34 (2) the land on which a hospital is located;

1.35 (3) the structure in which a hospital is located;

2.1 (4) any entity with at least a five percent mortgage, contract for deed, deed of trust, or
2.2 other security interest in the land or structure comprising a hospital; or

2.3 (5) any lease or sublease of the land, structure, or facilities comprising a hospital.

2.4 (c) Controlling person does not include:

2.5 (1) a bank, savings bank, trust company, savings association, credit union, industrial
2.6 loan and thrift company, investment banking firm, or insurance company unless the entity
2.7 directly or through a subsidiary operates a hospital;

2.8 (2) government and government-sponsored entities such as the United States Department
2.9 of Housing and Urban Development, Ginnie Mae, Fannie Mae, Freddie Mac, and the
2.10 Minnesota Housing Finance Agency which provide loans, financing, and insurance products
2.11 for housing sites;

2.12 (3) an individual who is a state or federal official, a state or federal employee, or a
2.13 member or employee of the governing body of a political subdivision of the state or federal
2.14 government that operates one or more hospitals, unless the individual is also an officer,
2.15 owner, or managerial official of the hospital, receives any remuneration from a hospital, or
2.16 who is a controlling person not otherwise excluded in this subdivision;

2.17 (4) a natural person who is a member of a tax-exempt organization under section 290.05,
2.18 subdivision 2, unless the individual is also a controlling person not otherwise excluded in
2.19 this subdivision; and

2.20 (5) a natural person who owns less than five percent of the outstanding common shares
2.21 of a corporation:

2.22 (i) whose securities are exempt by virtue of section 80A.45, clause (6); or

2.23 (ii) whose transactions are exempt by virtue of section 80A.46, clause (7).

2.24 Sec. 27. Minnesota Statutes 2024, section 144.555, subdivision 1a, is amended to read:

2.25 **Subd. 1a. Notice of closing, curtailing operations, relocating services, or ceasing to**
2.26 **offer certain services; hospitals.** (a) The controlling persons of a hospital licensed under
2.27 sections 144.50 to 144.56 or a hospital campus must notify the commissioner of health, the
2.28 public, and others at least 182 days before the hospital or hospital campus voluntarily plans
2.29 to implement one of the scheduled actions listed in paragraph (b), unless the controlling
2.30 persons can demonstrate to the commissioner that meeting the advanced notice requirement
2.31 is not feasible and the commissioner approves a shorter advanced notice.

2.32 (b) The following scheduled actions require advanced notice under paragraph (a):

3.1 (1) ceasing operations;

3.2 (2) curtailing operations to the extent that ~~patients inpatients or emergency department~~
3.3 services must be relocated;

3.4 (3) relocating the provision of inpatient health services or emergency department services
3.5 to another hospital or ~~another~~ hospital campus; or

3.6 (4) ceasing to offer inpatient maternity care and inpatient newborn care services, inpatient
3.7 intensive care unit services, inpatient mental health services, or inpatient substance use
3.8 disorder treatment services.

3.9 (c) A notice required under this subdivision must comply with the requirements in
3.10 subdivision 1d.

3.11 (d) The commissioner shall cooperate with the controlling persons and advise them
3.12 about relocating the patients.

3.13 (e) In this subdivision, "inpatient" means services that are provided to a person who has
3.14 been admitted to a hospital for bed occupancy.

3.15 Sec. 28. Minnesota Statutes 2024, section 144.555, subdivision 1b, is amended to read:

3.16 Subd. 1b. **Public hearing.** Within 30 days after receiving notice under subdivision 1a,
3.17 the commissioner shall conduct a public hearing on the scheduled cessation of operations,
3.18 curtailment of operations, relocation of health services, or cessation in offering health
3.19 services. The commissioner must provide adequate public notice of the hearing in a time
3.20 and manner determined by the commissioner. The commissioner must ensure that video
3.21 conferencing technology will be used to allow members of the public to view and participate
3.22 in the hearing. The controlling persons of the hospital or hospital campus must participate
3.23 in the public hearing. The public hearing must be held at a location that is within ten miles
3.24 of the hospital or hospital campus and which can accommodate anticipated public attendance
3.25 or with the commissioner's approval as close as is practicable, and that is provided or arranged
3.26 by the hospital or hospital campus. Video conferencing technology must be used to allow
3.27 members of the public to view and participate in the hearing. The public hearing must
3.28 include:

3.29 (1) an explanation by the controlling persons of the reasons for ceasing or curtailing
3.30 operations, relocating health services, or ceasing to offer any of the listed health services;

4.1 (2) a description of the actions that controlling persons will take to ensure that residents
4.2 in the hospital's or campus's service area have continued access to the health services being
4.3 eliminated, curtailed, or relocated;

4.4 (3) an opportunity for public testimony for at least one hour on the scheduled cessation
4.5 or curtailment of operations, relocation of health services, or cessation in offering any of
4.6 the listed health services, and on the hospital's or campus's plan to ensure continued access
4.7 to those health services being eliminated, curtailed, or relocated; and

4.8 (4) an opportunity for the controlling persons to respond to questions from interested
4.9 persons.

4.10 Sec. 29. Minnesota Statutes 2024, section 145.987, subdivision 1, is amended to read:

4.11 **Subdivision 1. Establishment; composition of advisory council.** The health equity
4.12 advisory and leadership (HEAL) council consists of 18 members appointed by the
4.13 commissioner of health including, but not limited to, members who will provide
4.14 representation from the following groups:

4.15 (1) African American and African heritage communities;

4.16 (2) Asian American and Pacific Islander communities;

4.17 (3) Latina/o/x communities;

4.18 (4) American Indian communities and Tribal governments and nations;

4.19 (5) disability communities;

4.20 (6) lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; and

4.21 (7) representatives who reside outside the seven-county metropolitan area.

4.22 Sec. 30. Minnesota Statutes 2024, section 145.987, subdivision 2, is amended to read:

4.23 **Subd. 2. Organization and meetings.** (a) Terms, compensation, and removal of members
4.24 of the advisory council shall be as provided in section 15.059, subdivisions 2 to 4, except
4.25 that terms for advisory council members shall be for two years. Members may be reappointed
4.26 to serve up to two additional terms. Notwithstanding section 15.059, subdivision 6, the
4.27 advisory council shall not expire. ~~The commissioner shall recommend appointments to~~
4.28 ~~replace members vacating their positions in a timely manner, no more than three months~~
4.29 ~~after the advisory council reviews panel recommendations.~~

5.1 (b) The commissioner must convene meetings at least quarterly and must provide meeting
5.2 space and administrative support to the advisory council. Subcommittees may be convened
5.3 as necessary. Advisory council meetings are subject to the Open Meeting Law under chapter
5.4 13D."

5.5 Renumber the sections in sequence

5.6 Amend the title as follows:

5.7 Page 1, line 2, delete everything after the semicolon

5.8 Page 1, line 3, delete everything before "modifying"

5.9 Page 1, line 6, after the semicolon, insert "modifying notice and public hearing
5.10 requirements related to hospitals closing, curtailing operations, relocating services, or ceasing
5.11 to offer certain services; modifying composition and organization of the health equity
5.12 advisory and leadership council;"

Amend the title numbers accordingly

5.13 And when so amended the bill do pass and be re-referred to the Committee on Commerce
5.14 and Consumer Protection. Amendments adopted. Report adopted.

Malvin H. Wilkman
(Committee Chair)

5.17 April 2, 2025.....
5.18 (Date of Committee recommendation)