

Notice & Data Reporting of Certain Health Care Transactions Under Minnesota Statutes, Section 145D.02

APRIL 2024

Answers to Frequently Asked Questions

Why is reporting required?

By adopting Minnesota Statutes, sections [145D.01](#)¹ and [145D.02](#),² the Minnesota Legislature directed state officials and the Minnesota Attorney General to monitor health care transactions in order to understand their impact on health care access and cost. As part of this new law, health care entities that are providing services to residents of Minnesota and/or are located in Minnesota must report to the Minnesota Department of Health (MDH) prior to the completion of a transaction under Minnesota Statutes, section 145D.02.

When is reporting to MDH required?

Reporting exclusively to MDH is required when the merger, acquisition, purchase, or sale between one or more health care entities:

- Will result in an entity with an average revenue between \$10,000,000 and \$80,000,000 per year when operating at full capacity, or
- At least one of the entities has average revenue within those bounds. Both for-profit and non-profit entities are required to report upcoming transactions.

Reporting is completed through giving notice and providing data to MDH at least 30 days before a transaction is expected to be completed. See [Minnesota Statutes, section 145D.02](#).³

If the resulting entity will have an average revenue over \$80,000,000 per year, the entities are required to report to MDH and the Minnesota Attorney General's Office. See [Minnesota Statutes, section 145D.01, subdivision 2](#).⁴

¹ [Minnesota Statutes, section 145D.01 \(https://www.revisor.mn.gov/statutes/cite/145D.01\)](https://www.revisor.mn.gov/statutes/cite/145D.01)

² [Minnesota Statutes, section 145D.02 \(https://www.revisor.mn.gov/statutes/cite/145D.02\)](https://www.revisor.mn.gov/statutes/cite/145D.02)

³ [Minnesota Statutes, section 145D.02 \(https://www.revisor.mn.gov/statutes/cite/145D.02\)](https://www.revisor.mn.gov/statutes/cite/145D.02)

⁴ [Minnesota Statutes, section 145D.01 \(https://www.revisor.mn.gov/statutes/cite/145D.01\)](https://www.revisor.mn.gov/statutes/cite/145D.01)

When is reporting to MDH not required?

Reporting is not required if the resulting entity will have an average revenue of less than \$10,000,000 when operating at full capacity. It is also not required to obtain a mortgage or secured loan by a health care entity for improvement, or collaboration for the sole purpose of clinical trials or providing graduate medical education. Other exemptions are provided in [Minnesota Statutes, section 145D.01](#).⁵

How are transactions defined according to the statute?

A transaction is defined as an action, or series of actions that take place within 5 years, involving a health care entity that is licensed, or conducts business, in the State of Minnesota. These actions include mergers between two or more health care entities; the sale/transfer/lease/sharing of at least 40% of the assets/revenue of one health care entity to another; granting at least a 40% security or ownership transfer of one health care entity to another; creating a new health care entity, or changes to the governing body of a health care entity in a way that transfers control/responsibility to another health care entity. See [Minnesota Statutes, section 145D.01, subdivision 1\(j\)](#).⁶

What type of health care entity is required to report transactions?

Minnesota Statutes, section 145D.01, subdivision 1(e) states that the following entities are required to report transactions to MDH:

- A hospital
- A hospital system
- A captive professional entity
- A medical foundation
- A health care provider group practice
- An entity organized or controlled by a hospital, hospital system, captive professional entity, medical foundation, or health care provide group practice
- An entity that owns or exercises control over a hospital, hospital system, captive professional entity, medical foundation, or health care provide group practice

Do nursing homes need to report transactions to MDH?

Currently, nursing homes do not need to provide notice of transactions to MDH under Minnesota Statutes, chapter 145D. More specifically, Minnesota Statutes, section 145D.01, subdivision 1(k)(6) identifies the types of nursing homes/long term care facilities that are

⁵ [Minnesota Statutes, section 145D.01 \(https://www.revisor.mn.gov/statutes/cite/145D.01\)](https://www.revisor.mn.gov/statutes/cite/145D.01)

⁶ [Minnesota Statutes, section 145D.01 \(https://www.revisor.mn.gov/statutes/cite/145D.01\)](https://www.revisor.mn.gov/statutes/cite/145D.01)

exempt from reporting requirements under Minnesota Statutes, section 145D.01. Nursing homes, however, are subject to change-of-ownership (CHOW) reporting outlined in Minnesota Statutes, section 144A. Additional information is available on the [MDH Nursing Home Change of Ownership⁷](#) webpage.

How much notice is required for reporting transactions to the MDH?

Notice must be provided at least 30 days before the proposed completion date of the transaction, or within ten business days of the date the parties first reasonably anticipate entering into the transaction if the expected completion is within less than 30 days. See Minnesota Statutes, section 145D.02.

What data is required in the reports?

Minnesota Statutes, section 145D.02(b) lists the following information as required:

- Entities involved in the transaction
- Leadership, ownership structures, and business relationship of the entities involved in the transaction—including all board members, managing partners, member managers, and officers
- Services provided by each entity and the operating and nonoperating revenue for each entity by location for the last three years
- Primary service area for each location
- Proposed service area for each location
- Current relationships between the entities and the affected health care providers and practices
- Locations of affected health care providers and practices
- Services provided by affected health care providers and practices
- Proposed relationships between the entities and the affected health care providers and practices
- Terms of the transaction agreement or agreements
- Potential areas of expansion—whether in existing markets or new markets
- Plans to close facilities, reduce workforce, or reduce or eliminate services
- Number of full-time equivalent positions at each location before and after the transaction by job category—including administrative and contract positions
- Any other information relevant to evaluating the transaction that is requested by MDH

⁷ [MDH Nursing Home Change of Ownership](https://www.health.state.mn.us/facilities/regulation/nursinghomes/nhchow.html)
(<https://www.health.state.mn.us/facilities/regulation/nursinghomes/nhchow.html>)

Is the data submitted to MDH public?

The information provided for health care transactions is considered private and/or nonpublic, see Minnesota Statutes, section 145D.02(d). MDH may share the data with the attorney general of Minnesota in order to aid in investigation and review. The Attorney General must maintain data confidentiality.

What will the data submitted to MDH be used for?

Minnesota Statutes, section 145D.02(f), directs MDH to use the data for analysis of the economic and health care access impact of these transactions, and use that analysis to provide recommendations for future legislation.

If a submission is missing information, what is the timeline to submit the additional documentation?

Once MDH has completed its review and notified the health care entity/entities that additional information is needed, the health care entity/entities will have 14 days to submit the requested documentation.

How can data be submitted? What is the data submission process?

Instructions for the form and manner of submitting data, as well as a link to access the data portal, can be found on the [MDH Transaction Notices](#)⁸ webpage. The data submission process consists of registering with the data portal, submitting the required information in the portal, completing the health care transaction workbook, and uploading workbook and applicable documents through the portal. Questions can be sent to health.hctransactions@state.mn.us.

How will health care entities know where to provide notice?

Health care entities will need to submit information to the MDH when at least one health care entity involved in the transaction has average revenue between \$10,000,000 and \$80,000,000 per year or if the transaction will produce a final entity with an average revenue between \$10,000,000 and \$80,000,000 per year when operating at full capacity. For reporting transactions of this size, see guidance on [MDH Transaction Notices](#)⁹ webpage.

Reporting to the [Attorney General's Office \(AGO\)](#)¹⁰ as well as MDH via email is required when the final entity will have an average revenue over \$80,000,000. Requirements for transactions exceeding \$80,000,000 follow specifications for reporting per Minnesota Statutes, section

⁸ [MDH Transaction Notices \(https://www.health.state.mn.us/data/mrktoversight/notices.html\)](https://www.health.state.mn.us/data/mrktoversight/notices.html)

⁹ [MDH Transaction Notices \(https://www.health.state.mn.us/data/mrktoversight/notices.html\)](https://www.health.state.mn.us/data/mrktoversight/notices.html)

¹⁰ [Attorney General's Office \(http://www.ag.state.mn.us/Health-Care/Transactions/\)](http://www.ag.state.mn.us/Health-Care/Transactions/)

HEALTH CARE MARKET OVERSIGHT FAQ

145D.01. Questions regarding transaction exceeding \$80,000,000 may be directed to the AGO (health.notices@ag.state.mn.us) and MDH (health.hctransactions@state.mn.us).

There are two entities. Do both have to submit data to MDH?

The reporting application created by MDH contains sections for information for both entities involved in the transaction. Entities can work together or separately to complete and submit their information.

Are non-Minnesota companies buying a Minnesota health care entity subject to reporting requirements?

If one of the entities involved in the transaction is located in Minnesota or delivers services in Minnesota, the transaction is subject to reporting requirements as outlined in Minnesota Statutes 145D.01 and 145D.02.

Is reporting required when there is a change on the board of directors?

Minnesota Statutes, section 145D.01, subdivision (1)(j)(5) states that notice is required when there is an addition, removal, withdrawal, substitution, or other modification of one or more members of the health care entity's governing body that transfers control, responsibility for, or governance of the health care entity to another entity.

Minnesota Department of Health
625 Robert St
PO Box 64975
St. Paul, MN 55164-0975
health.hctransactions@state.mn.us
www.health.state.mn.us

04/25/24

To obtain this information in a different format, call: 651-201-4520.