mn DEPARTMENT OF HEALTH

Health Care Transaction Review Workbook: Instructions Manual

APRIL 2024

Table of Contents

Introduction

This document serves to provide instructions to health care entities with transactions subject to Minnesota Statutes, section 144.552 about how to complete the Health Care Transaction Workbook. It should be used by health care entities and their representatives together with the Form and Manner Guidance, a document with Frequently Asked Questions, workbook instructions for making data submissions, and the Health Care Transaction Workbook. All are available online at: https://www.health.state.mn.us/data/mrktoversight/notices.html.

The data submission process consists of:

- Registering with the data submission portal – this is where entities obtain a tracking ID
- Submitting the required information in the portal
- Completing the health care transaction workbook, and
- Uploading workbook and applicable documents through the portal.

Questions on the process and technical issues can be sent to health.hctransactions@state.mn.us.

In the following, this Instructions Manual provides an outline of the workbook and guidance for completing each section. Apart from the tabs for the Transaction Overview and Definitions, half of the tabs are designated for one entity involved in the transaction and the other half for the other entity. The parties involved in the transaction can determine which party is Entity 1 and Entity 2 between themselves, but the identification will need to remain consistent within the workbook.

Section 1, Tab: Transaction Overview

Start with entering the **Transaction ID** that was provided to you during the registration process with the MDH Health Care Transaction portal. If there is no transaction ID, or you are unable to locate a transaction ID, please leave that section blank.

The **Transaction Title** will contain the names of the entities and the type of transaction (merger, acquisition, sale of securities, etc.). For example, if First Clinic and Second Clinic are combining to create a new entity, the Transaction Title will be First and Second Clinic Merger.

The **Expected Completion Date** is the anticipated date when the transaction will be finalized. Select the Transaction Type that best describes your transaction from the dropdown menu.

In cases where the **Terms of the Transaction** and the **Impact Assessment** requires additional space or are contained in separate documents, they can be uploaded to the Health Care Transactions portal. Confirm the name(s) and format(s) of the document(s) as uploaded to the portal. Even when documents are updated, health care entities are asked to summarize their content in the workbook.

Section 2, Tabs: Entity 1 Ownership, Entity 2 Ownership

List the owners of the entities in their respective tabs. MDH recommends providing the ownership percentages as displayed on the most recent Schedule K-1 filed for the business, if applicable.

If the entity does not have owners (e.g., the business is a non-profit), entities are asked to note the reasons for not entering ownership detail.

Section 3, Tabs: Entity 1 Board of Directors, Entity 2 Board of Directors

If the entity has a current **Board of Directors**, list them in Board of Directors tab. If there is no Board of Directors, that tab can be left blank.

Section 4, Tabs: Entity 1 Operating Locations, Entity 2 Operating Locations

Entities are asked to list all locations owned or leased by the health care entity. Please indicate whether each location is in Minnesota in Section E of the workbook and whether patients are seen at the location in Section F.

If a service location has a common name that does not correspond with the city/town where the building resides, list the common location name in Section A of the workbook. For example, if First Clinic is in St Paul, list First Clinic in Section A of the workbook and Paul in Section C.

Include relevant information in the "Comment" section for the location.

Section 5, Tabs: Entity 1 Staff, Entity 2 Staff

Entities are asked to list the services provided at each individual location in Column C of the workbook. If you do not already have the Full-Time Equivalent calculated for each location, the Department of Health and Human Services has an online tool that will allow you to calculate the FTEs per location: https://www.healthcare.gov/shop-calculators-fte/. If the FTEs are expected to change at any location after the transaction is complete, you can use the calculator to determine the new estimated FTEs at that location.

Annual Hours can be calculated using the Bureau of Labor Statistics guidelines found at https://www.bls.gov/respondents/iif/totalhours.html. If the Annual Hours are expected to change at any location after the transaction is complete, you can use the calculator to determine the new estimated Annual Hours at that location.

Include relevant information in the "Explanation of Any Change" section for the location.

Section 6, Tabs: Entity 1 Services, Entity 2 Services

Entities are asked to list one service (e.g., adult mental health, labor and delivery, etc.) per row on the spreadsheet in Column C. Click on the link in Column C to go to a list of services that may be copied to Column C. Alternatively, entities may identify services through clinical codes or groupings of services. Entities must include in the comment section the classification method used.

Entities may use Indicate in Column D whether the service will be offered when the transaction is complete. If there are any new services that will be offered after the transaction is complete, list those new services in Column E.

Section 7, Tabs: Entity 1 Service Area, Entity 2 Service Area

The Center for Medicare and Medicaid Services defines Primary Service Area as "the smallest number of zip codes that when considered collectively are the source of at least 75% of the participants patients."[1] We suggest entities use the CMS calculator to identify the Primary

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[1] https://www.ftc.gov/advice-guidance/competition-guidance/industry-guidance/competition-health-care-marketplace/accountable-care-organizations/primary-service-area-questions-answers

Service Area for each location. If the service area is expected to change after the transaction is complete, entities can use the CMS calculator to identify the proposed service area.

Entities are asked to include relevant information in the "Reason for Change" section for the location.

Section 8, Tabs: Entity 1 Revenue, Entity 2 Revenue

Entities are asked to submit/upload three (3) years of financial reports for each location in addition to completing the respective cells in the workbook. Entities are not required to submit projections of future revenue once the transaction is complete.

Operating Revenue is the sum of net patient revenue and other income received as part of the normal day-to-day operation of the facility.

Total Revenue is all the revenue received by the facility, including revenue that is not associated with the normal day-to-day operation of the facility.

Operating Expenses are the expenses directly associated with providing patient care or other services that are part of the normal day-to-day operation of the facility.

Total Expenses are all the expenses incurred by the facility, including expenses that are not associated with the normal day-to-day operation of the facility.

Operating Income is the income generated from providing patient care or other services that are part of the normal day-to-day operation of the facility.

Total Income is all the income generated by the location, including income that is not associated with the normal day-to-day operation of the facility.

Once the workbook is complete, please log back into the Health Care Transaction Portal [https://hepdataportalui.web.health.state.mn.us/] and upload the completed workbook via the secure portal for review by the MDH team.

Data Submission Tips

- When registering a non-person email account that may be used by multiple staff or for multiple affiliated companies it is helpful to use generic registration information in lieu of one individual's information and document the login fields internally. For example:
  - First Name: *Example*
  - Last Name: *Clinic*
  - Email: *legal@exampleclinic.com*
  - Password: [document the password internally for access by multiple users]

- Forgotten passwords can be reset by following the prompts on the login in page.

- Files cannot be downloaded from this portal.

- For questions, please contact MDH staff at health.hctransactions@state.mn.us.

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