

**Subject** Exception to moratorium on hospital construction or modification;  
certain critical access hospitals

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**Date** February 18, 2022

## Overview

Current law prohibits the establishment of a new hospital or a hospital construction project that increases hospital bed capacity, relocates beds from one site to another, or otherwise results in an increase in or redistribution of hospital beds within the state. If a hospital wishes to increase its number of licensed beds or if an organization is seeking a license for a new hospital, the hospital or organization must submit a plan to the commissioner, and the commissioner must conduct a public interest review of the plan. This bill allows a critical access hospital with fewer than 25 licensed beds and an attached nursing home to add licensed beds, as long as the hospital does not have more than 25 licensed beds after the addition.

To be designated as a critical access hospital, a hospital must be nonprofit, participating in Medicare, located in a rural area, and located at least 35 miles from another hospital (or 15 miles if certain conditions are met). A critical access hospital must agree to meet specific federal requirements, including limiting inpatient acute care beds to 25 or fewer.

## Summary

Section	Description
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| 1 | <p><b>Restricted construction or modification.</b></p> <p>Amends § 144.551, subd. 1. Adds an exception to the moratorium on hospital construction or modification, to allow a hospital to add licensed beds if the hospital is designated as a critical access hospital, has fewer than 25 beds, and has an attached nursing home. The total number of licensed beds after the addition of beds cannot exceed 25 beds, and a public interest review is not required for projects authorized under this clause.</p> |
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