

1.1 ..... moves to amend the ..... amendment (H0533A1-1) to H.F. No. 533 as  
1.2 follows:

1.3 Page 2, after line 17, insert:

1.4 "Subd. 7. **Full and fair value.** "Full and fair value" means the amount that the public  
1.5 benefit assets of the nonprofit health care entity would be worth if the assets were equal to  
1.6 stock in the nonprofit health care entity, if the nonprofit health care entity was a for-profit  
1.7 corporation, and if the nonprofit health care entity had 100 percent of its stock authorized  
1.8 by the corporation and available for purchase without transfer restrictions. The valuation  
1.9 shall consider market value, investment or earning value, net asset value, good will, the  
1.10 amount of donations received, and a control premium, if any."

1.11 Renumber the subdivisions in sequence and correct the internal references

1.12 Page 5, line 29, delete "and"

1.13 Page 6, line 5, delete the period and insert a semicolon

1.14 Page 6, after line 5 insert:

1.15 "(3) operate to benefit the health of the people of this state; and

1.16 (4) have in place procedures and policies that prohibit:

1.17 (i) an officer, director, or key employee of the nonprofit health care entity from serving  
1.18 as an officer, director, or key employee of the conversion benefit entity for the five-year  
1.19 period following the conversion transaction;

1.20 (ii) an officer, director, or key employee of the nonprofit health care entity or of the  
1.21 conversion benefit entity from directly or indirectly benefitting from the conversion  
1.22 transaction; and

2.1 (iii) elected or appointed public officials from serving as an officer, director, or key  
2.2 employee of the conversion benefit entity."

2.3 Page 6, delete lines 12 and 13 and insert:

2.4 "(d) The attorney general must review and approve the governance structure of a  
2.5 conversion benefit entity before the conversion benefit entity receives the value of public  
2.6 benefit assets from a nonprofit health care entity. In order to be approved by the attorney  
2.7 general under this paragraph, the conversion benefit entity's governance must be broadly  
2.8 based in the community served by the nonprofit health care entity and must be independent  
2.9 of the new for-profit entity. As part of the review of the conversion benefit entity's  
2.10 governance, the attorney general shall hold a public hearing. If the attorney general finds  
2.11 it necessary, a portion of the value of the public benefit assets shall be used to develop a  
2.12 community-based plan for use by the conversion benefit entity.

2.13 (e) The attorney general shall establish a community advisory committee for a conversion  
2.14 benefit entity receiving the value of public benefit assets. The members of the community  
2.15 advisory committee must be selected to represent the diversity of the community previously  
2.16 served by the nonprofit health care entity. The community advisory committee shall:

2.17 (1) provide a slate of three nominees for each vacancy on the governing board of the  
2.18 conversion benefit entity, from which the remaining board members shall select new members  
2.19 to the board;

2.20 (2) provide the governing board with guidance on the health needs of the community  
2.21 previously served by the nonprofit health care entity; and

2.22 (3) promote dialogue and information-sharing between the conversion benefit entity and  
2.23 the community previously served by the nonprofit health care entity."

2.24 Page 6, delete lines 14 to 19 and insert:

2.25 "Subd. 5. **Hearing; public comment; maintenance of record.** (a) Before issuing a  
2.26 decision under subdivision 6, the attorney general shall hold one or more hearings and solicit  
2.27 public comments regarding the proposed conversion transaction. No later than 45 days after  
2.28 the attorney general receives notice of a proposed conversion transaction, the attorney  
2.29 general shall hold at least one public hearing in the area served by the nonprofit health care  
2.30 entity, and shall hold as many hearings as necessary in various parts of the state to ensure  
2.31 that each community in the nonprofit health care entity's service area has an opportunity to  
2.32 provide comments on the conversion transaction. Any person may appear and speak at the  
2.33 hearing, file written comments, or file exhibits for the hearing. At least 14 days before the

3.1 hearing, the attorney general shall provide written notice of the hearing through posting on  
3.2 the attorney general's website, publication in one or more newspapers of general circulation,  
3.3 and notice by means of a public listserv or through other means to all persons who request  
3.4 notice from the attorney general of such hearings. A public hearing is not required if the  
3.5 waiting period under subdivision 6 is waived or is shorter than 45 days in duration. The  
3.6 attorney general may also solicit public comments through other means.

3.7 (b) The attorney general shall develop and maintain a summary of written and oral public  
3.8 comments made at a hearing and otherwise received by the attorney general, shall record  
3.9 all questions posed during the public hearing or received by the attorney general, and shall  
3.10 require answers from the appropriate parties. The summary materials, questions, and answers  
3.11 shall be maintained on the attorney general's website, and the attorney general must provide  
3.12 a copy of these materials at no cost to any person who requests them."

3.13 Page 6, line 24, after "period" insert ". The attorney general shall establish guidelines  
3.14 for when the attorney general may waive all or part of the waiting period, and must provide  
3.15 public notice if the attorney general waives all or part of the waiting period;"