

# Maple Grove Hospital Public Interest Reviews

## Background

Since 1984, Minnesota law has prohibited the construction of new hospitals or expansion of bed capacity of existing hospitals without specific authorization from the Minnesota Legislature (Minnesota Statutes 144.551). A number of exceptions to this hospital construction moratorium have been enacted over time, and there are currently 18 exceptions to the moratorium listed in the law.

Under a new law enacted in 2004 (Minnesota Statutes 144.552), a hospital seeking to increase its number of licensed beds, or an organization seeking to obtain a hospital license, must submit a plan to the Commissioner of Health for review. The Commissioner of Health reviews each plan and issues a finding to the Legislature as to whether the plan is in the public interest. The decision as to whether to grant an exception to the hospital moratorium is still made by the Legislature.

## Factors to be considered in review of plans

Under the law, the Minnesota Department of Health (MDH) is required to consider five specific factors in its review of a plan submitted for public interest review. These factors include:

- Whether the new hospital or hospital beds are needed to provide timely access to care or access to new or improved services;
- The financial impact of the new hospital or hospital beds on existing acute-care hospitals that have emergency departments in the region;

- How the new hospital or hospital beds will affect the ability of existing hospitals in the region to maintain existing staff;
- The extent to which the new hospital or hospital beds will provide services to nonpaying or low-income patients relative to the level of services provided to these groups by existing hospitals in the region; and
- The views of affected parties.

## Proposals to build a hospital in Maple Grove

In November 2004, MDH received three separate filings for public interest review of proposals to build a new hospital in Maple Grove, Minnesota, located in northwest Hennepin County. The parties proposing to build a hospital in Maple Grove are:

- North Memorial Health Care
- Fairview Health Services
- Allina Hospitals and Clinics, Park Nicollet Health Services, and Children's Hospitals and Clinics, through a collaborative effort known as the "Maple Grove Tri-Care Partnership"

***In accordance with the statute, MDH reviewed each plan separately and has issued a separate finding for each plan.***

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### MDH Findings

All three of the reports on proposals to build a hospital in Maple Grove find that it is in the public interest to build a hospital in Maple Grove.

From a local perspective, the MDH concurs that the community can support a hospital of the size and scope proposed, and that a new facility would provide more convenient access to services for residents in the community.

From a statewide perspective, MDH finds that existing inpatient hospital capacity is likely to experience increasing strains over the next decade, and that construction of some new capacity may be necessary to relieve those strains. Because hospitals that currently serve the Maple Grove area collectively account for about one third of total hospital admissions in Minnesota, this issue is of statewide concern.

MDH also finds that the Legislature should consider whether to require the inclusion of certain services, such as inpatient behavioral health services, as a condition of granting any exception to the hospital moratorium.

While the MDH finds that it is in the public interest to construct a new hospital in Maple Grove, it is unlikely that the construction of three new inpatient facilities in Maple Grove would be in the public interest.

The legislation that established the public interest review process did not contemplate a situation in which there would be simultaneous proposals to expand hospital capacity in the same geographic area. As such, a direct comparison of the three proposals and recommendation as to which proposal is best is beyond the scope of the department's authority under the law.

### For more information

For more information about the public interest review process or the specific reports, contact Scott Leitz, MDH Health Economics Program, 651-282-6361; [scott.leitz@health.state.mn.us](mailto:scott.leitz@health.state.mn.us).