

adding a subdivision to read:

Subd. 3. No such bank shall act as paying agent of any municipality or other public issuer of obligations, other than an issuer within whose corporate limits the principal office of the bank is situated, unless the bank is authorized to execute the powers conferred in section 48.38.

Sec. 26. INSTRUCTION TO REVISOR. In the next edition of Minnesota Statutes the revisor of statutes is directed to delete the words "sinking fund" wherever they appear in chapter 475 and in sections referring to that chapter and to substitute in lieu thereof the words "debt service fund".

Sec. 27. Minnesota Statutes 1974, Section 475.553, Subdivision 4, and Minnesota Statutes, 1975 Supplement, Section 471.561, are repealed.

Sec. 28. This act is effective the day following final enactment.

Approved April 20, 1976.

CHAPTER 325—S.F.No.1959

[Coded in Part]

An act relating to health; establishing an office of nursing home complaints; requiring the establishment of health care facility grievance procedures; providing for the reporting of malpractice claims to the state board of health; authorizing studies of in-service training for health care facility personnel; appropriating money.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[144A.51] HEALTH; NURSING HOMES; OFFICE OF HEALTH FACILITY COMPLAINTS; DEFINITIONS.** Subdivision 1. For the purposes of sections 1 to 6 of this act, the terms defined in this section have the meanings given them.

Subd. 2. "Administrative agency" or "agency" means any division, official, or employee of a state or local governmental agency, but does not include:

- (a) Any member of the senate or house of representatives;
- (b) The governor or his personal staff;

(c) Any instrumentality of the federal government of the United States; or

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(d) Any court or judge.

Subd. 3. "Director" means the director of the office of health facility complaints.

Subd. 4. "Health care provider" means any professional licensed by the state to provide medical or health care services who does provide the services to a resident of a health facility.

Subd. 5. "Health facility" means a facility or that part of a facility which is required to be licensed pursuant to Minnesota Statutes, Sections 144.50 to 144.58, and a facility or that part of a facility which is required to be licensed under any law of this state which provides for the licensure of nursing homes.

Subd. 6. "Resident" means any resident or patient of a health facility, or the guardian or conservator of a resident or patient of a health facility, if one has been appointed.

Sec. 2. **[144A.52] CREATION.** Subdivision 1. The office of health facility complaints is hereby created in the department of health. The office shall be headed by a director appointed by the state board of health. The director shall report to and serve at the pleasure of the state board of health.

The commissioner of health shall provide the office of health facility complaints with office space, administrative services and secretarial and clerical assistance.

Subd. 2. The director may appoint a deputy director and one personal secretary to discharge the responsibilities of his office. Any deputy director or personal secretary shall serve at the director's pleasure and shall be in the unclassified service. All other employees of the office shall be classified employees of the state board of health.

Subd. 3. The director may delegate to members of his staff any of his authority or duties except the duty of formally making recommendations to the legislature, administrative agencies, health facilities, health care providers, and the state board of health.

Subd. 4. The director shall attempt to include on his staff persons with expertise in areas such as law, health care, social work, dietary needs, sanitation, financial audits, health-safety requirements as they apply to health facilities, and any other relevant fields. To the extent possible, employees of the office shall meet federal training requirements for health facility surveyors.

Sec. 3. **[144A.53] POWERS AND DUTIES OF DIRECTOR.** Subdivision 1. **POWERS.** The director may:

(a) Promulgate by rule, pursuant to Minnesota Statutes, Chapter

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15, and within the limits set forth in subdivision 2, the methods by which complaints against health facilities, health care providers or administrative agencies are to be made, reviewed, investigated, and acted upon; provided, however, that he may not charge a fee for filing a complaint;

(b) Recommend legislation and changes in rules to the state board of health, legislature, governor, administrative agencies or the federal government;

(c) Investigate, upon a complaint or upon his own initiative, any action or failure to act by a health care provider or a health facility;

(d) Request and receive access to relevant information, records, or documents in the possession of an administrative agency, a health care provider, or a health facility which he deems necessary for the discharge of his responsibilities;

(e) Enter and inspect, at any time, a health facility; provided that the director shall not unduly interfere with or disturb the activities of a resident unless the resident consents;

(f) Issue a correction order pursuant to Minnesota Statutes, Section 144.653 or any other law which provides for the issuance of correction orders to health care facilities;

(g) Recommend the certification or decertification of health facilities pursuant to Title XVIII or Title XIX of the United States Social Security Act;

(h) Assist residents of health facilities in the enforcement of their rights under Minnesota law; and

(i) Work with administrative agencies, health facilities, health care providers and organizations representing consumers on programs designed to provide information about health facilities to the public and to health facility residents.

Subd. 2. **COMPLAINTS.** The director may receive a complaint from any source concerning an action of an administrative agency, a health care provider, or a health facility. He may require a complainant to pursue other remedies or channels of complaint open to the complainant before accepting or investigating the complaint.

The director shall keep written records of all complaints and his action upon them. After completing his investigation of a complaint, he shall inform the complainant, the administrative agency having jurisdiction over the subject matter, the health care provider and the health facility of the action taken.

Subd. 3. **RECOMMENDATIONS.** If, after duly considering a com-
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plaint and whatever material he deems pertinent, the director determines that the complaint is valid, he may recommend that an administrative agency, a health care provider or a health facility should:

- (a) Modify or cancel the actions which gave rise to the complaint;
- (b) Alter the practice, rule or decision which gave rise to the complaint;
- (c) Provide more information about the action under investigation; or
- (d) Take any other step which the director considers appropriate.

If the director requests, the administrative agency, a health care provider or health facility shall, within the time specified, inform the director about the action taken on his recommendation.

Subd. 4. REFERRAL OF COMPLAINTS. If a complaint received by the director relates to a matter more properly within the jurisdiction of an occupational licensing board, the office of consumer services or any other governmental agency, the director shall forward the complaint to that agency and shall inform the complaining party of the forwarding. The agency shall promptly act in respect to the complaint, and shall inform the complaining party and the director of its disposition. If a governmental agency receives a complaint which is more properly within the jurisdiction of the director, it shall promptly forward the complaint to the director, and shall inform the complaining party of the forwarding. If the director has reason to believe that any official or employee of an administrative agency or health facility has acted in a manner warranting criminal or disciplinary proceedings, he shall refer the matter to the state board of health, the commissioner of public welfare, an appropriate prosecuting authority, or any other appropriate agency.

Sec. 4. [144A.54] PUBLICATION OF RECOMMENDATIONS; REPORTS. Subdivision 1. Except as otherwise provided by this section, the director may determine the form, frequency, and distribution of his conclusions and recommendations. The director shall transmit his conclusions and recommendations to the state board of health and the legislature. Before announcing a conclusion or recommendation that expressly or by implication criticizes an administrative agency, a health care provider or a health facility, the director shall consult with that agency, health care provider or facility. When publishing an opinion adverse to an administrative agency, a health care provider or a health facility, he shall include in the publication any statement of reasonable length made to him by that agency, health care provider or health facility in defense or explanation of the action.

Subd. 2. In addition to whatever other reports the director may make, he shall, at the end of each year, report to the state board of

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health and the legislature concerning the exercise of his functions during the preceding year. The state board of health may, at any time, request and receive information, other than resident records, from the director.

Subd. 3. In performing his duties under this act, the director shall preserve the confidentiality of resident records. He may release a resident's records with the written approval of the resident who is the subject of the records.

Sec. 5. **HEALTH DEPARTMENT COMPLAINT TEAM.** It is the intent of the legislature that the complaint team of the department of health be superseded by the office of health facility complaints and that funds currently allocated to the complaint team by the state board of health be allocated to the office of health facility complaints.

Sec. 6. **[144A.55] ADVISORY TASK FORCE.** The director of the office of health facility complaints shall appoint a 15 member task force to advise him in the establishment of the office under this act. The appointment, compensation and term of office of the members of the task force shall be governed by the provisions of Minnesota Statutes, Section 15.059, Subdivision 6.

Sec. 7. **APPROPRIATION.** The sum of \$67,000 is hereby appropriated from the general fund to the state board of health for the biennium ending June 30, 1977 for the purposes of sections 1 to 6 of this act.

Sec. 8. **[144.691] GRIEVANCE PROCEDURES.** Subdivision 1. **FACILITIES.** Every hospital licensed as such pursuant to Minnesota Statutes, Sections 144.50 to 144.56, and every outpatient surgery center shall establish a grievance or complaint mechanism designed to process and resolve promptly and effectively grievances by patients or their representatives related to billing, inadequacies of treatment, and other factors which may have an impact on the incidence of malpractice claims and suits.

For the purposes of sections 8 to 10 of this act, "outpatient surgery center" shall mean a free standing facility organized for the specific purpose of providing elective outpatient surgery for preexamined prediagnosed low risk patients. Services provided at an outpatient surgery center shall be limited to surgical procedures which utilize local or general anesthesia and which do not require overnight inpatient care. "Outpatient surgery center" does not mean emergency medical services, or physician or dentist offices.

Subd. 2. **PATIENT NOTICE.** Each patient receiving treatment at a hospital or an outpatient surgery center shall be notified of the grievance or complaint mechanism which is available to him.

Subd. 3. **RULES.** The state board of health shall, by January 1,

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1977, establish by rule promulgated pursuant to Minnesota Statutes, Chapter 15:

(a) Minimum standards and procedural requirements for grievance and complaint mechanism;

(b) A list of patient complaints which may be processed through a complaint or grievance mechanism;

(c) The form and manner in which patient notices shall be made; and

(d) A schedule of fines, not to exceed \$200 per offense, for the failure of a hospital or outpatient surgery center to comply with the provisions of this section.

Subd. 4. REPORTS. Each hospital and outpatient surgery center, and every health maintenance organization required under Minnesota Statutes, Section 62D.11 to implement a complaint system, shall at least annually submit to the state board of health a report on the operation of its complaint or grievance mechanism. The frequency, form, and content of each report shall be as prescribed by rule of the state board of health. Data relating to patient records collected by the state board of health pursuant to this section shall be summary data within the meaning of Minnesota Statutes, Section 15.162, Subdivision 9. The state board of health shall collect, analyze and evaluate the data submitted by the hospitals, health maintenance organizations, and outpatient surgery centers; and shall periodically publish reports and studies designed to improve patient complaint and grievance mechanisms.

Sec. 9. [144.692] IN-SERVICE TRAINING. The state board of health shall study and publish recommendations for in-service personnel training programs designed to reduce the incidence of malpractice claims and suits against hospitals, outpatient surgery centers and health maintenance organizations regulated under Minnesota Statutes, Chapter 62D.

Sec. 10. [144.693] INSURER REPORTS OF MEDICAL MALPRACTICE CLAIMS. Subdivision 1. On or before September 1, 1976, and on or before March 1 and September 1 of each year thereafter, each insurer providing professional liability insurance to one or more hospitals, outpatient surgery centers, or health maintenance organizations, shall submit to the state board of health a report listing by facility or organization all claims which have been closed by or filed with the insurer during the period ending December 31 of the previous year or June 30 of the current year. The report shall contain, but not be limited to, the following information:

(a) The total number of claims made against each facility or organization which were filed or closed during the reporting period;

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(b) The date each new claim was filed with the insurer;

(c) The allegations contained in each claim filed during the reporting period;

(d) The disposition and closing date of each claim closed during the reporting period;

(e) The dollar amount of the award or settlement for each claim closed during the reporting period; and

(f) Any other information the board of health may, by rule, require.

Any hospital, outpatient surgery center, or health maintenance organization which is self insured shall be considered to be an insurer for the purposes of this section and shall comply with the reporting provisions of this section.

A report from an insurer submitted pursuant to this section is private data, as defined in Minnesota Statutes, Section 15.162, Subdivision 5a, accessible to the facility or organization which is the subject of the data, and to its authorized agents. Any data relating to patient records which is reported to the state board of health pursuant to this section shall be reported in the form of summary data, as defined in Minnesota Statutes, Section 15.162, Subdivision 9.

Subd. 2. The state board of health shall collect and review the data reported pursuant to subdivision 1. On December 1, 1976, and on January 2 of each year thereafter, the state board of health shall report to the legislature its findings related to the incidence and size of malpractice claims against hospitals, outpatient surgery centers, and health maintenance organizations, and shall make any appropriate recommendations to reduce the incidence and size of the claims. Data published by the state board of health pursuant to this subdivision with respect to malpractice claims information shall be summary data within the meaning of Minnesota Statutes, Section 15.162, Subdivision 9.

Subd. 3. The state board of health shall have access to the records of any insurer relating to malpractice claims made against hospitals, outpatient surgery centers, and health maintenance organizations in years prior to 1976 if it determines the records are necessary to fulfill its duties under this act.

Sec. 11. **EFFECTIVE DATE.** Section 2, subdivision 1, and section 10 are effective the day following final enactment. The remainder of sections 1 to 7 is effective upon appointment of the director of the office of health facility complaints. Sections 8 and 9 are effective on January 1, 1977 or upon the promulgation of rules pursuant to section 8, subdivision 3, whichever occurs first.

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Approved April 20, 1976.

CHAPTER 326—S.F.No.2014

[Coded in Part]

An act relating to retirement; increasing certain benefits and annuities; appropriating money.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [356.35] RETIREMENT; BENEFIT AND ANNUITY INCREASES; DEFINITIONS. Subdivision 1. Unless the language or context clearly indicates that a different meaning is intended, the following terms, for the purpose of this act, shall have the meanings subjoined to them.

Subd. 2. "Determinant date" means June 1, 1973, with respect to the highway patrolmen's retirement fund; June 27, 1973, with respect to permanent disability benefits, retirement annuities, and retirement allowance options II, III and IV paid to surviving spouses pursuant to Minnesota Statutes 1971, Section 422.08 provided by the Minneapolis municipal employees retirement fund; April 25, 1959, with respect to survivor benefits paid to surviving spouses of contributing members provided by the Minneapolis municipal employees retirement fund; January 1, 1970, with respect to the St. Paul teachers retirement fund; July 1, 1971, with respect to the Duluth teachers retirement fund; and July 1, 1973, with respect to all other covered retirement funds.

Subd. 3. "Plan participant" means the person receiving the permanent disability benefit or retirement annuity with respect to disabled and retired members of a covered fund; and the deceased member or deceased retired member on behalf of whom the survivor benefit or annuity is being paid with respect to surviving beneficiaries of a covered fund.

Subd. 4. "Years of retirement" means the number of years which have elapsed between:

(1) June 30 of the calendar year in which the earliest applicable event among the following occurred;

(a) the commencement of the plan participant's permanent disability benefit,

(b) the commencement of the plan participant's retirement annuity, or

(c) the death of the plan participant, and

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