

Capital Expenditures

A Guide to Minnesota
Capital Expenditure Reporting

Minnesota Statute 62J.17

Health care providers in Minnesota are required to report all major capital spending commitments of one million dollars (\$1,000,000) or more to the Minnesota Department of Health.

Reporting Requirements

There are two separate reporting requirements for Capital Expenditures

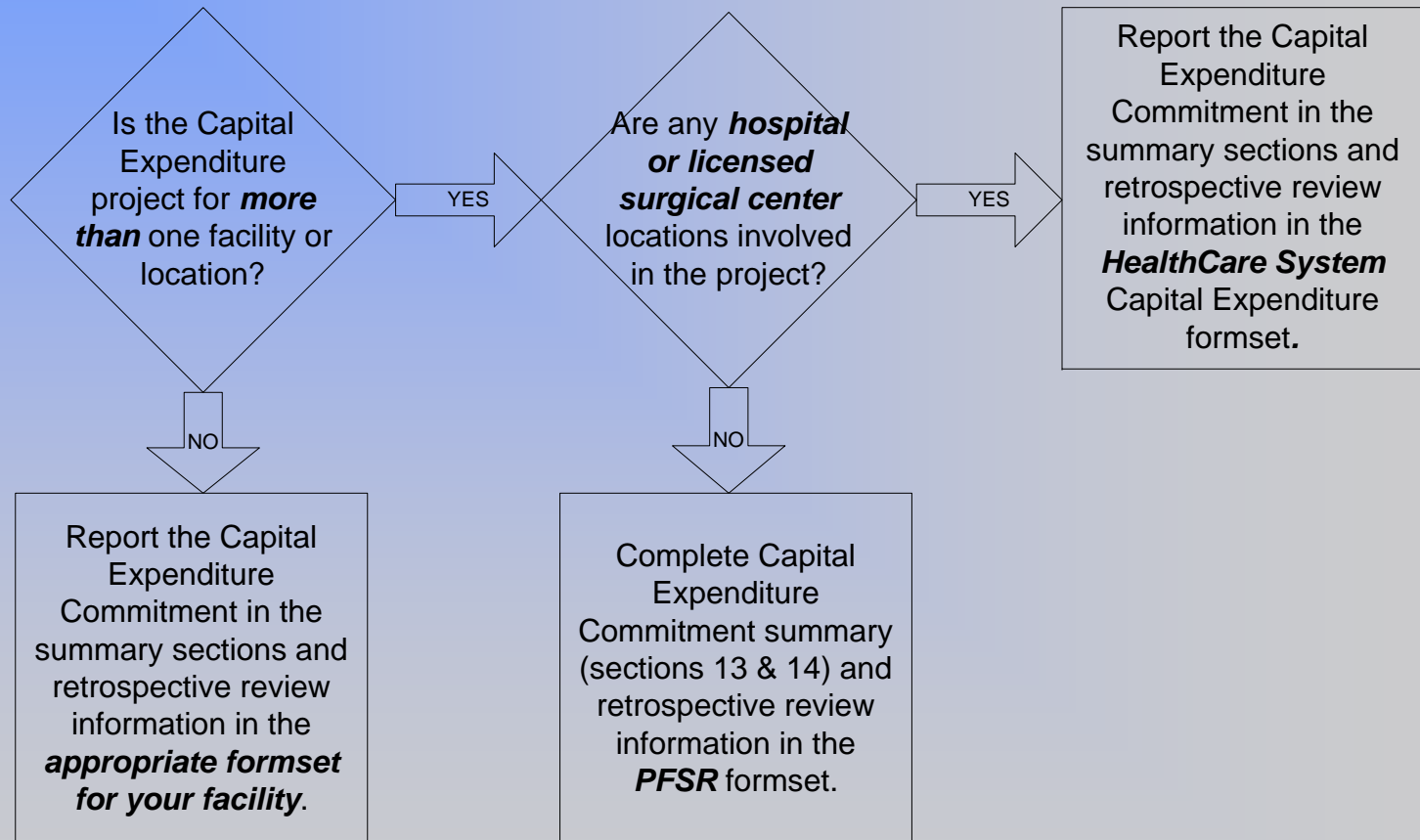
- Reporting of major capital expenditure commitments greater than one million dollars (see HAR sections 57 & 58).
- Providing sufficient project specific information about capital expenditure commitments for MDH to complete a retrospective review of each project greater than one million dollars (see capital expenditure project specific tab of the formset).

Reporting Forms

Providers submit capital expenditures on existing annual financial reports

- Hospitals - Hospital Annual Report (HAR)
- Surgical Centers – Freestanding Outpatient Surgical Center (FOSC) report
- Imaging Centers - Diagnostic Imaging Facility Report
- Physician Clinics or Clinic Systems - Provider Financial and Statistical Report (PFSR)
- Health Care Systems - Capital Expenditure report

Health Care Systems Decision Chart



Reporting Schedule

Provider Type	Report Due Date	Reporting Statute	Reporting Mechanism	Reporting Period
Diagnostic Imaging Centers	March 1	MN Statutes, section 144.565	Diagnostic Imaging Facility Utilization Report	Fiscal year
Freestanding Outpatient Surgical Centers	March 1	MN Statutes, sections 144.695 through 144.703	Freestanding Outpatient Surgical Center (FOSC) Utilization and Services Report	Fiscal year
Physician Clinics and Clinic Systems	April 1	MN Statutes, section 62J.41	Provider Financial and Statistical Report (PFSR)	Calendar year
Hospitals	180 days after the close of the fiscal year	MN Statutes, sections 144.695 through 144.703	Hospital Annual Report (HAR) Note: Data sent to the Minnesota Hospital Association for initial audit.	Fiscal year
Other Providers, as defined in MN Statutes, Section 62J.03, subd. 8	March 1	MN Statutes, section 62J.17	Capital Expenditure Report	Calendar year

Major Capital Spending Commitments Include:

- Acquisition of medical equipment
- Expenditure on a single project for the purposes of providing health care
- Offering a new specialized service
- Planning activities for a project that would qualify as a major spending commitment
- Any combination of these activities

Required Retrospective Review Project Information

- Detailed description of the project
- Date of the spending commitment
- Expected impact of the project
- Equivalent Services information
- Collaborative arrangements

Retrospective Review Reporting Exceptions

- Capital Projects:
 - **not** directly related to patient care;
 - medical education and research (research and teaching institutions only);
 - building maintenance and infrastructure;
 - related to change in ownership

Note: Exceptions to retrospective reporting are **still** subject to the capital expenditure commitment requirement

Additional Information

In order to complete the retrospective review on a particular project, MDH may request additional information about the project.

Providers that fail retrospective review may become subject to prospective review of major capital spending commitments.

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