



LORI SWANSON
ATTORNEY GENERAL

STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

August 16, 2017

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VIA Email, Fax, and U.S. Mail

Mr. Joshua Murphy, Chief Legal Officer
Mayo Clinic – Legal Department
200 1st Street SW
Rochester, MN 55902

Dear Mr. Murphy:

As you may know, the County of Freeborn and the City of Albert Lea recently asked this Office to review the announcement that Mayo Clinic will stop providing intensive care, inpatient care, and labor and delivery services at its Albert Lea hospital facility. In conjunction with this review, I ask that Mayo Clinic provide the following information and documents:

I. QUESTIONS REGARDING GOVERNANCE AND DECISION-MAKING PROCESS.

- (1) It has been publicly reported that Mayo Clinic Health System-Albert Lea and Austin (“MCHSAA”) will stop providing certain health care services at its Albert Lea hospital facility, and that Albert Lea patients will instead be referred to its Austin hospital facility for those services (“Termination of Services”). Please provide:
 - (a) A detailed description of the services that will no longer be provided in Austin as a result of the Termination of Services and, for each such service, the date on which the service will no longer be provided in Austin.
 - (b) A detailed description of the purpose and rationale for the Termination of Services.
 - (c) A copy of any agreements, memoranda of understanding, or similar documents memorializing the Termination of Services, along with all appendices, exhibits, attachments, and other associated documents.
 - (d) Mayo has reportedly indicated that it followed a “patient-centered evaluation process” to evaluate the feasibility of the Termination of Services. Please provide a copy of the process and the documents that memorialize the results of this review.
 - (e) Mayo has reportedly indicated that it followed a “detailed facilities analysis” of the Austin campus prior to its decision to stop providing certain services at its Albert Lea campus. Please provide a copy of this analysis.



- (f) Please provide a copy of all evaluations, analyses, memoranda, or similar documents that describe Mayo's rationale for the Termination of Services. To the extent that all or part of Mayo's rationale for the Termination of Services relates to the alleged cost of providing health care services in Albert Lea, please provide documents that Mayo believes justify its financial decisions and how much money Mayo believes it will save as a result of the Termination in Services. To the extent that all or part of Mayo's rationale for the Termination of Services relates to Mayo's alleged difficulty in recruiting physicians to serve at the Albert Lea hospital, please provide documents that substantiate such alleged recruiting difficulties and whether such alleged recruiting difficulties also exist at its Austin campus.
 - (g) If Mayo contends that the Termination of Services will enhance its ability to further its charitable mission in a way that would not exist absent the termination, please describe this claim in detail.
 - (h) For each hospital campus that comprises MCHSAA, please provide financial statements for the last three calendar years. The financial statements should itemize the sources from which each hospital campus draws its revenue (i.e., private pay, Medicare, Medical Assistance, etc.)
- (2) It has been publicly reported that MCHSAA will provide certain services at its Albert Lea campus that were previously provided at its Austin campus. Please describe all services that MCHSAA or Mayo plan to provide at the Albert Lea campus that were previously provided at the Austin campus.
 - (3) Please provide copies of any materials submitted to the boards of directors of Mayo or any Mayo affiliate relating to the Termination of Services and any meeting minutes from any meeting at which such presentation occurred.
 - (4) Please identify by name, title, address, phone number, and dates of tenure all current and former board members, directors, and officers of MCHSAA since January 1, 2016, and specify each director who is a Community Director or a Community Physician Director and which area each represents (e.g., Austin or Albert Lea).
 - (5) Please indicate whether the Mayo Clinic, as the sole member of MCHSAA, recommended the Termination of Services to the MCHSAA board of directors, and if so, please provide all communications from Mayo Clinic to the MCHSAA board of directors reflecting any such recommendation.
 - (6) Please indicate whether the board of directors of MCHSAA reviewed, deliberated, or voted on the Termination of Services in advance of the decision and, if so, provide copies of the meeting minutes, resolutions, and documentation reflecting the review, deliberation, or vote.

- (7) Please indicate whether MCHSAA voted to approve the Termination of Services pursuant to the super majority provisions of Section 3.08 (i) and (ii) of its bylaws, and if not, provide a detailed explanation and analysis regarding why Mayo does not believe these provisions apply to the Termination of Services.
- (8) Identify whether there is or was a subcommittee, select committee, or other group of MCHSAA or other Mayo representatives whose task it was to analyze, evaluate, make recommendations, or otherwise review the Termination of Services, and if so, please provide all meeting minutes from this group and all materials provided to this group.
- (9) Please identify any local, state, or federal regulatory agencies from which Mayo received approval for the Termination of Services or to which it gave advance notice of the Termination of Services, and provide copies of all notifications to or approvals from any such agency.
- (10) Please provide any documents discussing or referencing the The Hormel Foundation as it relates to the Termination of Services.

II. QUESTIONS REGARDING USE OF RESTRICTED ASSETS.

- (11) Please identify any source of funding received by MCHSAA or its predecessors, including the former Mayo Clinic Health System-Albert Lea, which was restricted, either temporarily or permanently, to the support a hospital in Albert Lea. For each such source of funding, identify the donor, the amount of the donation, the date of the donation, provide a summary of the restriction(s) placed on the donation, and whether the donation was spent or continues to exist as a restricted asset.
- (12) For all restricted assets identified in response to question 11, please provide all documents associated with each such restricted asset, including but not limited to agreements, gift instruments or other donative documents, and any related correspondence.
- (13) Please identify all donations received from MCHSAA by the Naeve Health Care Foundation, and specify the amount of any such donations, the date of any such donations, and summarize any restrictions placed on any such donations.
- (14) For all donations identified in response to question 13, please provide all documents associated with each such donation, including but not limited to agreements, gift instruments or other donative documents, and any related correspondence.
- (15) Please identify all donations received from The Hormel Foundation and specify the amount of any such donations, the date of any such donations, and summarize any restrictions placed on any such donations.

- (16) For all donations identified in response to question 15, please provide all documents associated with each such donation, including but not limited to agreements, gift instruments or other donative documents, and any related correspondence.

I ask that you provide the information requested in this letter by August 30, 2017. If you have any questions, please feel free to give me a call.

Sincerely,



BENJAMIN VELZEN
Manager, Charities Division
Assistant Attorney General

(651) 757-1235 (Voice)

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cc: The Honorable David J. Walker, Freeborn County Attorney
The Honorable Jim Nelson, Chair, Freeborn County Board of Commissioners
The Honorable Vern Rasmussen Jr., Mayor, Albert Lea
Mr. Chad Adams, City Manager, Albert Lea