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## Hospitals in Minnesota

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139 hospitals

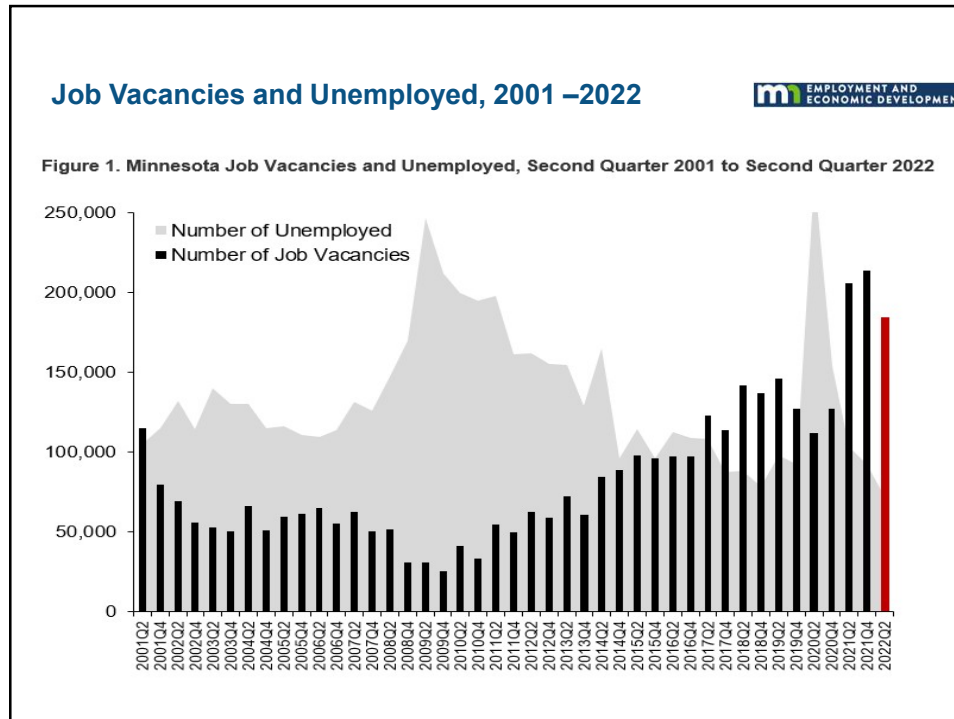
105 are part of a health system

34 are independent

- 28 CAH
- 6 PPS
- 19 District, county or city owned

109 (78%) hospitals are classified as rural

2



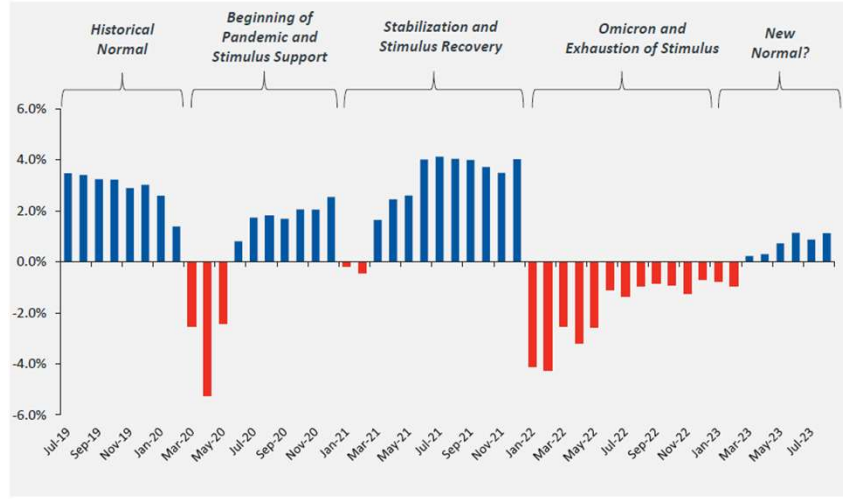
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## Four major concerns with future workforce

- More workers are preferring to work part-time
- Retirement rates will sharpen as the end of the Baby Boom ages out of the workforce
- Low wage workers provide valuable supports for hospitals in the areas of registration, food service and environmental services, but are finding alternative work environments more desirable.
- Fewer students are choosing health care careers

4

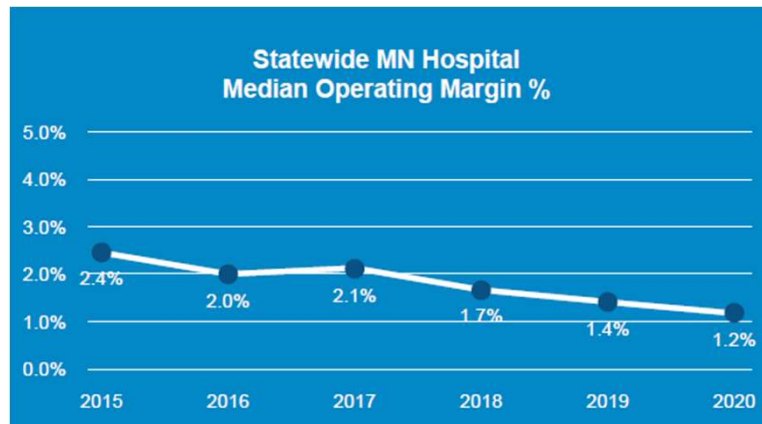
## Nationally: Operating margin recovery is improving



Source: Data sourced from the September 2023 issue of the Kaufman Hall National Hospital Flash Report

5

## Statewide Hospital Operating Margin Trend



6

## 2023 MN operating margins

### Preliminary results

- 2022 median operating margin: **-0.6%**
- 2023 median operating margin: **-2.7%**
  - 24 out of 37, 65% of hospitals/health systems had negative operating margins.

### **Negative margin drivers:**

- Medicare/Medicaid mix increased from 62.0% to 64.7%
- 2023 revenues grew 5.3% (median), while labor costs grew 7.0% and supply costs grew 6.1%

7

## UHG/Change Healthcare cyber breach

- Feb. 21, 2024 – a day that changed health care
- Monitoring Change Healthcare update calls
- Outreach to UHG to advocate for mitigation to providers
- Regular contact with members to understand impacts
- Outreach to Congressional delegation, Governor's office and Attorney General's offices
- Outreach to MN payer community for financial relief
- Media briefings to provide context and impact on providers and patients

8

## 2024 Legislature

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### MHA State Advocacy

9

## Bad bills that were stopped

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- Legislation that would allow nurses to set their own **staffing ratios by refusing patient assignments**.
- A bill mandating the creation of a 24-hour a day, four-person **Behavioral Health Crisis Intervention Team** – to respond to acts of violence
- A **moratorium on hospital closures** and a requirement that all closures and service line changes go through the onerous Public Interest Review process, which would then give the Minnesota Department of Health (MDH) the final authority on these changes.

10

## Bad bills that were stopped

- Legislation that would have led to **implementation steps of the public option**, which currently is based on Medicare payment rates, and with no upper income threshold for enrollment.
- Problematic language that called for **reporting requirements on nurse staffing, temporary staffing, advertising, and business contracts.**
- Confusing and burdensome **new requirements on tracking and eliminating food waste.**

11

## 2024 Legislation that passed

### \$30 million for Emergency Medical Services

- \$6m devoted to a pilot programs in Otter Tail and St. Louis counties to create alternative EMS model

### GME directed payments program

- \$100 million surcharge on teaching hospitals
- \$200 million reimbursements to support resident training programs

### Prior Authorization improvements

- Applies to PMAP and MNCare
- Chronic conditions need only one PA
- No PAs for Mental Health and Cancer
- Reporting by MCOs to MDH

12

## Mental Health provisions

- \$5.8 million one-time inpatient rate increase
- \$3.0 million for school-based mental health
- 10 priority admissions slots for hospitals to Anoka Regional Treatment Center for civilly-committed patients from hospitals.
- MNChoices county assessment process is now good for 365 days (previously 60 days)
- Commissioner of Human Services to develop a state plan for Medical Assistance reimbursement for home and community-based services in acute care hospital settings.

13

## 340B provisions

- Passed legislation that allows the extension of 340B discounts to contract pharmacy connections
  - Big Pharma fought this one hard
  - Proposal was tucked into cannabis bill
  - July 1, 2027 sunset
- Updated 340B reporting requirements to include “administered” drugs

14

## Workforce provision

7 new interstate compacts were approved

- Physician assistants
- Occupational therapists
- Physical therapists
- Dentists & dental hygienists
- Social workers
- Licensed professional counselors
- Audiologists

What profession is missing?? RNs!

15

## Debt Fairness Act

- **Policy for collection of medical debt:** Health care providers must publish their medical debt collections policy on their website, and on paper upon request. Several specific items need to be included.
- **Denial of health treatment or services due to outstanding medical debt:** Prohibits denying medically-necessary services or treatments due to outstanding medical debt. Enrollment of patient into a payment plan is allowed and the patient needs to affirmatively communicate if they cannot pay the debt.

16



## Debt Fairness Act

- **Billing errors:** If a health plan or provider receives notice of a billing error, there must be a review and communication with the patient or other person the outcome of the review. Any overpayments received must be refunded within 30 days after completing a review.
- **Prohibited practices:** Threats of garnishment or lawsuit in collections letters, use of sheriffs or other authorized legal papers, threats of other collections methods that violate MN law, furnishing of legal advice to debtors, misleading or deceptive communications tools, among a total of 21 prohibited practices.

17

## Debt Fairness Act

- **Medical debt reporting prohibited:** Prohibits reporting of medical debt to consumer reporting agency.
- **Defending medical debt costs:** A debtor who successfully defends against a claim of medical debt is entitled to awards for costs, including attorney fees.
- **Liability of spouses:** Eliminates medical debt for spouses, but does not prevent a creditor's claim against a decedent's estate.
- **Limitations on garnishments:** Establishes levels of 10%, 15% and 25% of weekly income for lower income, employed individuals. Also directs AG to update garnishment forms.

18

## Debt Fairness Act

### What DIDN'T get implemented:

A proposal to **eliminate interest expense** on medical debt.

A proposal to **eliminate revenue recapture** as a tool for collections for government-owned hospitals.

In the billing errors section, MHA successfully **negotiated more acceptable language** to address process and timing concerns.

In the denial of health treatments section, MHA **negotiated medical-necessity language and affirmative patient interaction** to show they intend to successfully pay/or at least try to pay a medical debt.

19

## Medical records copying fees

Legislation from Sen. Judy Seeberger (DFL-Afton) The proposal was pushed by the trial lawyers and sets maximum copying fees for numerous patient records. The new maximums are:

- \$1 per page, with a maximum cap of \$30 for up to 25 pages; cap of \$50 for up to 100 pages; and cap of \$50 plus \$0.20 per page for over 100 pages.
- \$10 for time spent retrieving paper records.
- \$20 for time spent retrieving electronic records.
- \$30 for x-rays.
- Maximum of \$500 for any request.
- Free copies for lawyers representing patients appealing a Social Security disability denial when the patient is represented by a volunteer lawyer or on public assistance.

20

**Let's GO!**

