



Minnesota Hospital Association

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Sent Electronically

Representative Jennifer Schultz
Chair, Human Services Finance and Policy

Re: HF41 - Essential Workers Emergency Leave Act

Madame Chair and members of the Committee,

We write today on behalf of the Minnesota Hospital Association regarding the Essential Workers Emergency Leave Act (HF41). MHA opposes this bill in its current form. The bill would be overly burdensome for MHA members to administer and incredibly costly for hospitals and health systems which are already struggling with the significant negative financial impact of the COVID-19 pandemic.

This bill would impose significant administrative costs on Minnesota's hospitals and health systems. In particular, the retroactive application of the bill will require substantial re-work by hospital and health system personnel to accurately implement. Hospitals and health systems will need to review all time off and match to infection control and personnel records to attempt to determine if time off already granted somehow meets the requirements imposed by this legislation. These additional benefits may also require substantial re-work of tax reporting and publicly required reporting as expenses applied retroactively are likely to require modification of information already submitted.

In addition to the 80 hours of retrospective paid emergency leave back to March 2020, the bill now calls for another 80 hours going forward, beginning on April 1, 2021. This additional leave is likely to result in substantial staffing shortages as personnel seek to use this time before the end of the pandemic. Hospitals and health systems are already stretched thin on staff. Setting up a program that will take many doctors, nurses, health care providers, and support staff out of the hospital and health system environment for two full weeks is likely to result in delays in services for patients.

Finally, this bill would impose an incredible financial burden on hospitals and health systems that are currently struggling financially as a result of the COVID-19 pandemic. Recently, the American Hospital Association released an economic analysis estimating that for 2021, hospital revenues will go down between \$53 billion on the optimistic side to \$122 billion with a more pessimistic outlook. Minnesota is usually about 2% of national numbers – which would put Minnesota hospital revenue falling by \$1 billion to \$2.4 billion. This financial decline is expected as a result of a combination of higher expenses for labor, technology, supplies, and drugs, at the same time patient volumes will be down substantially. HF 41 would exacerbate the already dire financial situation of many hospitals and health systems in Minnesota.

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Given the financial fragility of the health care system, the additional costs imposed by HF 41 will result in reduced resources for hospitals and health systems to provide services – especially uncompensated services – to their communities. As a result, while some select few employees may benefit from enactment of HF 41, this additional benefit will have a negative impact on entire communities.

Again, the Minnesota Hospital Association strongly supports the caregivers and support staff who have for more than a year been on the front lines of dealing with the COVID-19 pandemic. For more than a year they have adopted policies and programs to support front-line heroes and allow them to provide services needed in their communities. Many hospitals and health systems have already provided additional benefits over and above contractually obligated amounts. While MHA understands the desire to recognize those who have worked so hard during the COVID pandemic, this proposed legislation has substantial negative consequences for health care providers and their patients.

Sincerely,



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