



Uncompensated Care at Minnesota Community Hospitals

Stefan Gildemeister | Health Economics Program
House Taxes Committee, March 18, 2026

The Health Economics Program at MDH

- The Health Economics Program (HEP) conducts research and applied policy analysis to:
 - Monitor changes in the health care market
 - Understand factors influencing health care cost, quality and access
 - Provide objective, technical assistance to policymakers
- Our work is data-driven
- It is available through reports, issue briefs, data dashboards, presentation slides & testimony



- Data on Minnesota hospitals
- Uncompensated care
 - Definitions
 - Trends
 - Distribution

Minnesota Hospitals

- Minnesota has 125 acute care, non-federal community hospitals, organized across 14 multi-hospital health systems and 38 independent facilities
- Hospitals play a critical, often life-saving, role in providing advanced care across the spectrum of therapies
- Oftentimes, hospitals act as hubs to their affiliated clinical systems than span pharmacies, hospice, home health, skilled nursing care and other vertically integrated service lines
- Spending on hospital care (inpatient & outpatient) accounts for about one-third of Minnesota estimated \$70B health care system

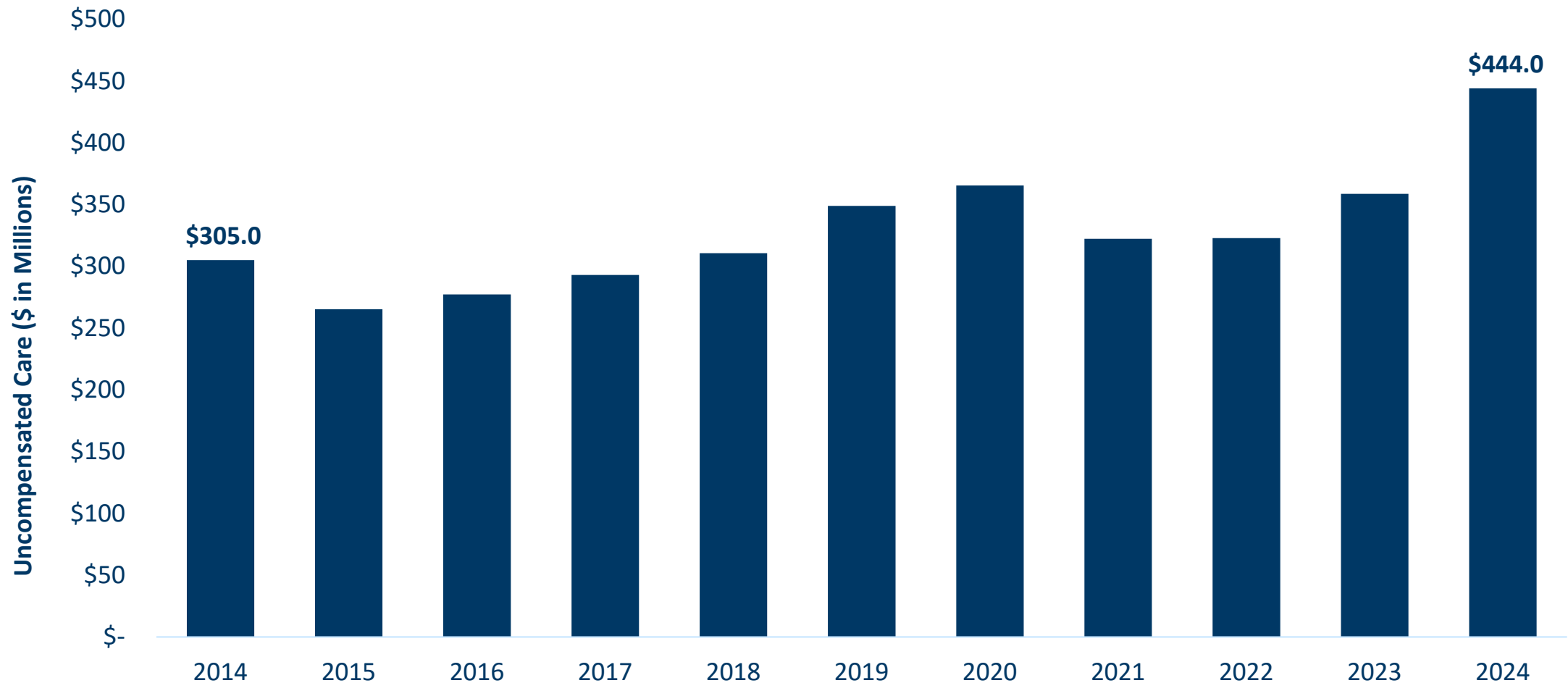
Hospital Data

- Because of the unique role hospitals play in the infrastructure of care in MN, Legislature requires annual submission of data:
 - Organizational structure & affiliated health care businesses
 - Utilization (admissions, days, surgeries, ED visits, etc.)
 - Financing (revenue, expenses, charity care, bad debt, community benefit, etc.)
 - Services profile (type of service lines and staffing, etc.)
- Hospitals also submit Annual Financial Statements, Balance Sheet data, encounter data, and (soon) data related to community health needs assessment
- Generally, data are lagged by 8+ months
- Other resources to analyze hospital trends in MN include IRS forms 990, the Medicare Cost Reports, and the Minnesota All Payer Claims Data

Uncompensated Care

- Care for which hospitals are not compensated comprises two components:
 - Charity Care
 - Bad Debt
- Charity care is spending on care for individuals who are eligible under the facility's charity care or community care policy for free or discounted care
- Bad debt is spending on care for which the patient (who was determined not to be eligible for charity care) was expected to pay
- MDH reports both components on a cost basis

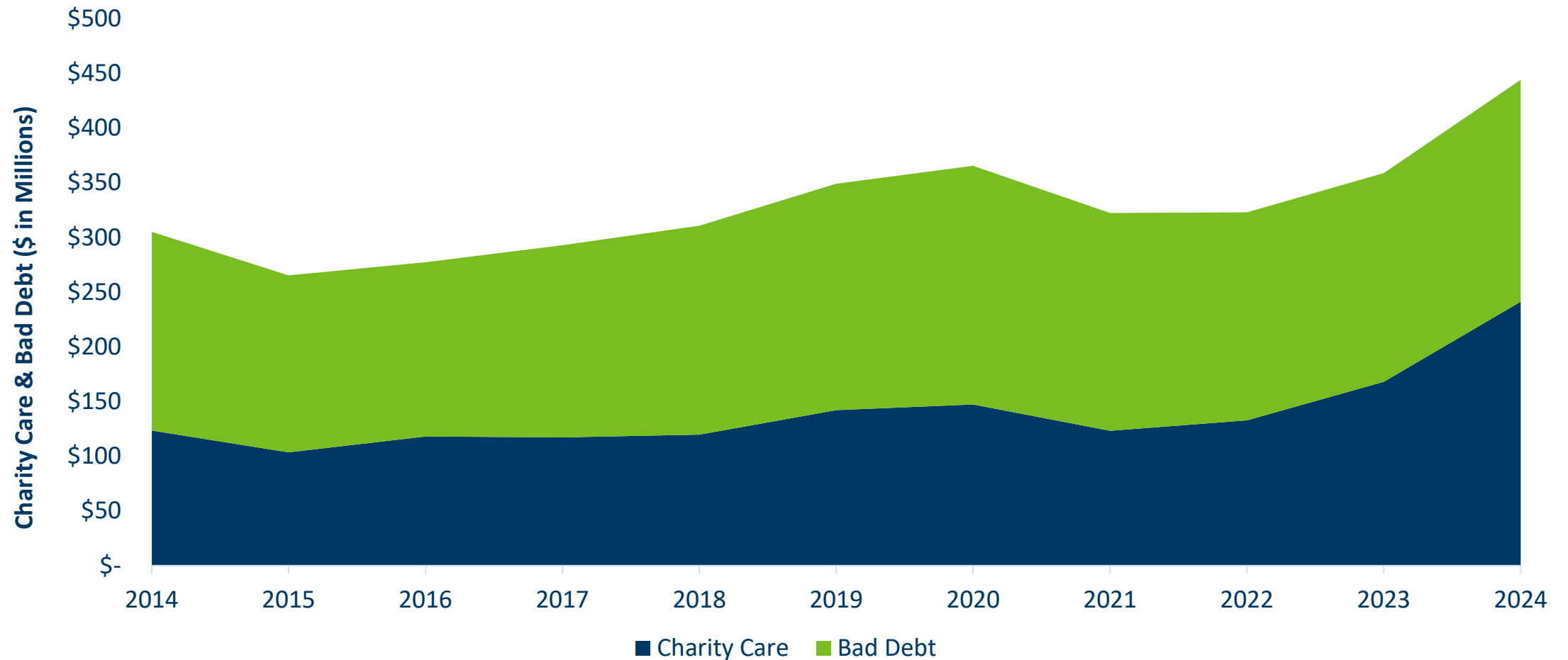
Trend in Uncompensated Care



Note: Uncompensated care figures are adjusted to reflect costs of providing services. Regions Hospital changed the classification of bad debt for patients in 2023, resulting in an increase in uncompensated care compared to prior years. 2024 data is preliminary.

Source: MDH Health Economics Program analysis of hospital annual reports, March 2026.

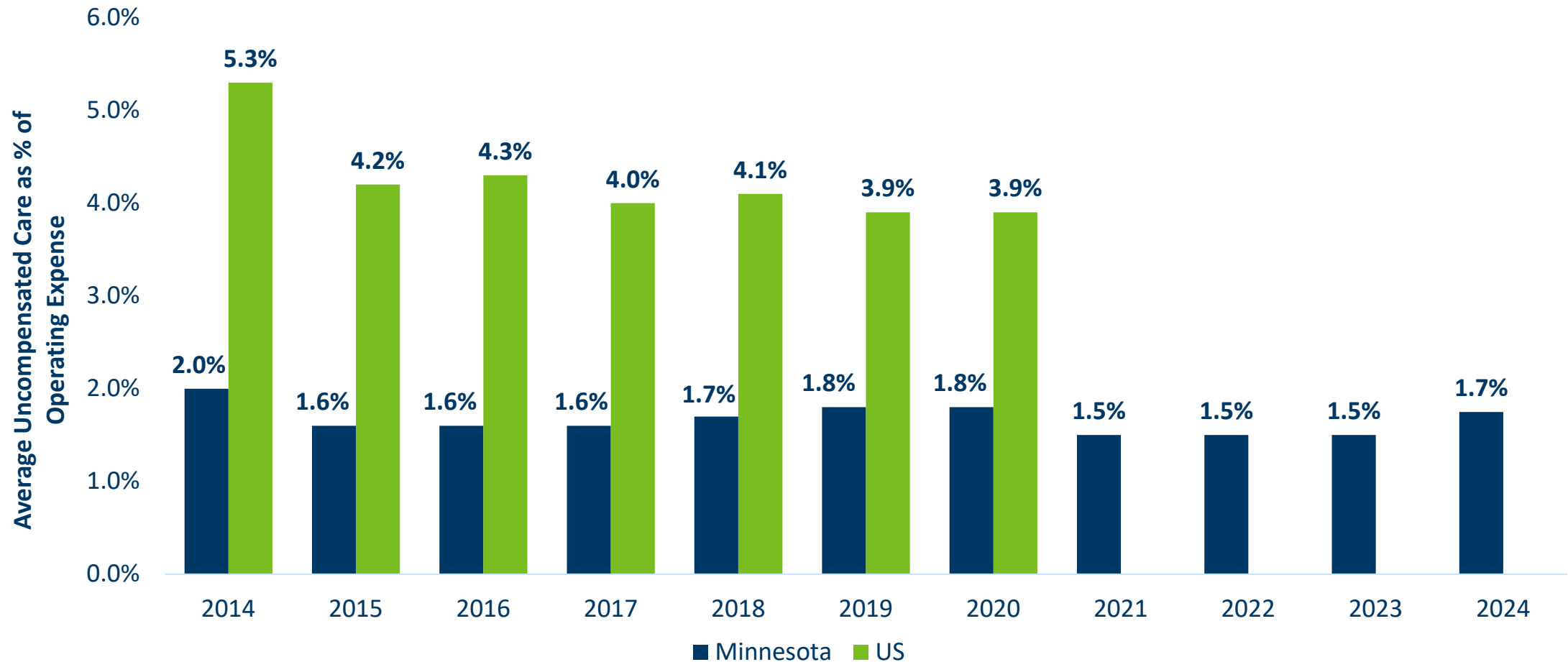
Components of Uncompensated Care



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Source: MDH/18/2026 Economics Program analysis of hospital annual reports, March 2026.

Avg. Uncompensated Care as % of Operating Expenses



Note: Uncompensated care figures are adjusted to reflect costs of providing services. Regions Hospital changed the classification of bad debt for patients in 2023 (and has been re-stated for 2022 in this specific slide). 2024 data is preliminary. U.S. data is no longer publicly available after 2020.

Source: MDH 3/18/2026 Economics Program analysis of hospital annual reports, March 2026. American Hospital Association Uncompensated Hospital Care Cost Fact Sheet, February 2022.

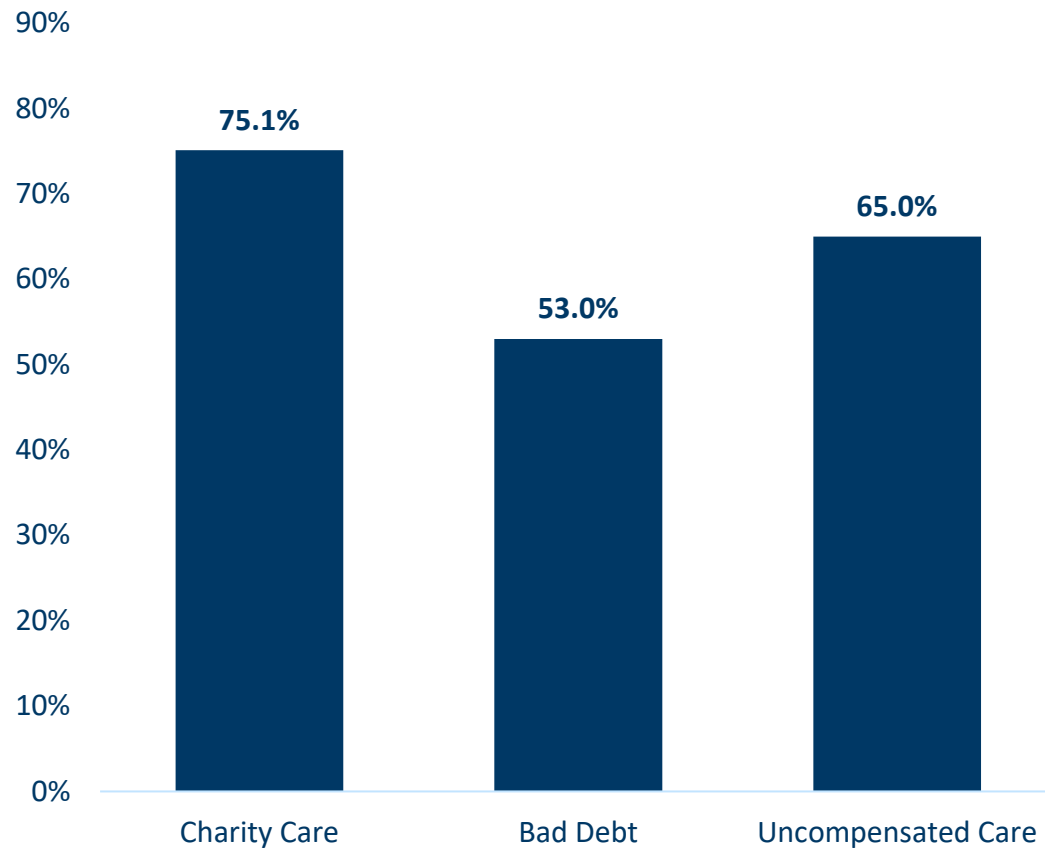
Top Ten Providers of Hospital Uncompensated Care (2024)

	Uncompensated Care (\$ in Millions)	Percent Change from 2023	Percent of Operating Expenses	Share of Statewide
Hennepin Healthcare	\$90.4	40.8%	6.7%	20.4%
Regions Hospital	\$55.1	14.5%	5.1%	12.4%
Mayo Clinic Hospital - Rochester	\$31.0	43.0%	1.2%	7.0%
M Health Fairview University of Minnesota Medical Center	\$16.1	24.2%	0.7%	3.6%
Children's Minnesota	\$14.8	32.2%	1.4%	3.3%
Park Nicollet Methodist Hospital	\$12.6	40.1%	1.9%	2.8%
North Memorial Health Hospital	\$12.1	17.8%	1.9%	2.7%
Mayo Clinic Health System - Albert Lea and Austin	\$10.3	27.2%	3.3%	2.3%
Mayo Clinic Health System in Mankato	\$9.7	29.8%	2.1%	2.2%
Essentia Health St. Mary's Medical Center	\$8.1	38.0%	1.4%	1.8%
All Other Hospitals (115 Hospitals)	\$183.9	15.0%	1.3%	41.4%
All Minnesota Hospitals	\$444.0	23.8%	1.7%	100.0%

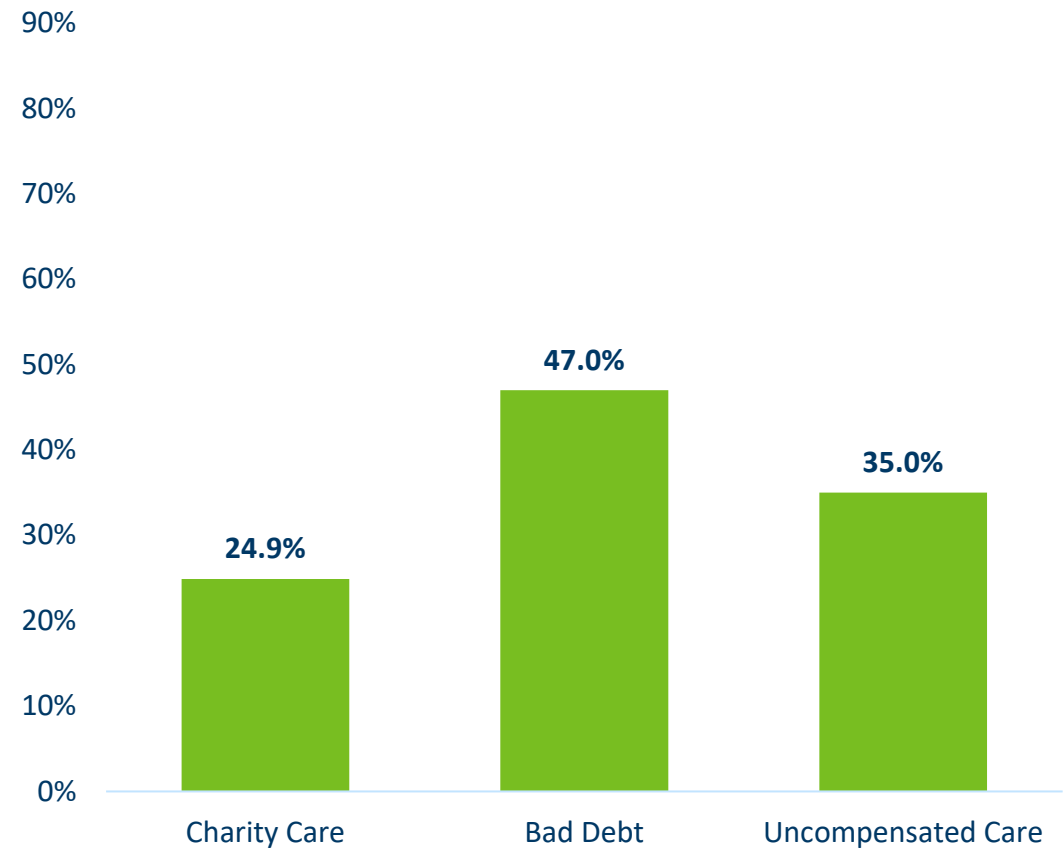
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Components of Uncompensated Care, by Insurance Status (2024)

Uninsured, Share of Uncompensated Care



Insured, Share of Uncompensated Care



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3/18/2026
Source: MDH Health Economics Program analysis of hospital annual reports, March 2026.

- In absolute & as a percent of operations, **hospital uncompensated care in Minnesota has been substantial & rising**
- Compared to pre-ACA and national trends, uncompensated care as percent of operations **appears favorable**; there is considerable **variability across facilities**
- **Hospital uncompensated care is highly concentrated**; Hennepin Healthcare alone accounts for 20% of statewide uncompensated care
- **Minnesotans with insurance coverage** account for more than one-third of uncompensated care
- The volume of **uncompensated is affected by a range of factors**: access to insurance, cost of care, the economy, and legislative requirements around debt collection

Thank You! -- Additional Resources

Health Economics Program homepage: MDH, [Health Economics Program](#)

Health Care Market Slides: [Chartbooks](#)

MN APCD homepage/dashboard: [Minnesota All Payer Claims Database \(MN APCD\)](#)

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