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Hennepin County Board split on hospital system budget, some frustrated over 'lack of transparency'

The board also approves \$2.6 billion county budget, including a 6.5% property tax increase for 2024.

By Christopher Magan (<https://www.startribune.com/christopher-magan/11216508/>) Star Tribune |

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The Hennepin County Board split Tuesday over the 2024 budget for the hospital system commissioners oversee, with several saying they were frustrated by a lack of transparency over how the spending plan will affect caregivers.

The \$1.5 billion budget for Hennepin Healthcare Services, which runs Hennepin County Medical Center (HCMC) and several clinics, was approved on a 4-2 vote, but only after some commissioners said they wanted more oversight of worker benefits and the pay of top leaders.

Caregivers at the county's safety-net hospital have repeatedly told commissioners that recent changes made by leadership to their health insurance will mean higher premiums and less comprehensive coverage. Workers say the changes will make it harder to attract new caregivers to HCMC (<https://www.startribune.com/hennepin-county-health-care-workers-insurance-changes-could-prompt-an-exodus-of-caregivers-hcmc/600322951/>), which is already understaffed and struggles to meet patients' needs.

Jeremy Olson-Ehlert, a registered nurse and union leader at HCMC, said he was glad to see the County Board push for more transparency from Hennepin Healthcare about its finances. He noted the County Board's actions Tuesday wouldn't fix the current benefit changes that workers were unhappy about.

"You gotta start somewhere," Olson-Ehlert said.

Commissioners Angela Conley and Jeffrey Lunde both voted against approving Hennepin Healthcare's budget, saying they wanted more information about the health care system's financial situation.

"I don't know how you can cut benefits and recruit staff," Lunde said.

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The County Board has oversight of Hennepin Healthcare and approves its annual budget. The county also provides about \$28 million in annual funding for uncompensated care.

Jennifer DeCubellis, Hennepin Healthcare CEO, has told the County Board the hospital system faced a \$127 million budget gap and had to make changes to benefits rather than cut elsewhere. Employee benefits remain among the best in the region, she said.

The spending plan was approved after a majority of commissioners backed changes from Board Chair Irene Fernando that stipulated Hennepin Healthcare provide more information about benefit changes and the impact on employees. The County Board also needs to be told before top leaders receive pay increases.

In a statement, DeCubellis thanked the County Board for approving the 2024 budget and its partnership with Hennepin Healthcare. She emphasized the serious financial challenges of the health care sector and the ongoing struggle to attract and retain caregivers.

"Health care financing is broken. The funding it takes to deliver the provision of care doesn't adequately make it to provider organizations as it should," DeCubellis' statement said. "This is not sustainable."

Marion Greene was the only commissioner to vote against the increased oversight, saying the changes were unnecessary because the county is already responsible for overseeing Hennepin Healthcare.

"We need to exercise the powers we already have," she said.

Caregivers in several unions who work at HCMC were critical of DeCubellis recently receiving a 15% pay raise. She will earn roughly \$1 million in 2023. The health system's board has said DeCubellis' pay is competitive.

Board OK's 2024 county budget

The County Board also approved a \$2.6 billion [tax and spending plan for 2024](https://www.startribune.com/hennepin-county-is-set-to-approve-2-6-billion-budget-heres-what-it-pays-for/600325280/?refresh=true) (<https://www.startribune.com/hennepin-county-is-set-to-approve-2-6-billion-budget-heres-what-it-pays-for/600325280/?refresh=true>) that includes the biggest hike in property taxes in more than a decade.

The 6.5% increase in the property tax levy will raise about \$60 million in new revenue that will primarily go to workers' wages and benefit costs. Property taxes are the county's biggest source of revenue and will raise about \$991 million next year.

The impact on homeowners depends on where they live, the makeup of the local tax base and other levies on the books. The owner of a median value home, which is \$391,600, will see an increase of about \$38 annually.

Christopher Magan covers Hennepin County. .

