

May 3, 2023

*Via Electronic Delivery*

Chair Melissa Wiklund  
Senator Kelly Morrison  
Senator Liz Bolden  
Senator Rob Kupec  
Senator Jim Abeler

Chair Tina Liebling  
Representative Robert Bierman  
Representative Dave Pinto  
Representative Heather Keeler  
Representative Joe Schomacker

**Re: North Memorial Health Comments on HHS Conference Committee Provisions**

North Memorial Health (NMH) is a health system with 2 hospitals in Robbinsdale and Maple Grove, over 25 associated clinics including primary, specialty, and urgent care, and an expansive statewide medical transportation division. North Memorial Health employs over 6,000 team members, serving over 55,000 patients each month.

We strive to deliver exceptional customer service to our diverse population, of which a disproportionate share relies on government sponsored insurance for coverage. Overall NMH serves around 43% Medicare and 22% Medical Assistance enrollees, with the remainder commercial or self-pay patients. In addition to continued trends with year-over-year increases in government program enrollees and self-pay patients, increases in supplies, equipment and labor costs and revenues that have not recovered from the pandemic, leave current trends and financial realities unsustainable.

Because of the financially fragile nature of the health care system, we strongly support the inclusion and funding to update the inpatient fee-for-service rates in the Senate Omnibus bill. While this will not solve the funding challenges we are currently facing, it will increase a portion of the Medicaid rates to better reflect inflationary increases. We urge you to also consider reimbursements for avoidable hospital days – a short-term solution for an increasing problem of continuing to care for patients who no longer need hospital-level of care but do not have a safe place to discharge.

We have significant continued concerns with the following provisions:

- **Keeping the Nurses at the Bedside Act.** We continue to have significant concerns with some of the provisions in this article, primarily mandating staffing levels set by committees, using the blunt tool of arbitration, creating multiple, cumbersome committees with various tasks, and eliminating responsibilities and accountabilities that are currently expected of our chief nursing officers. Please consider alternative solutions to the current workforce shortage.
- **Medicaid Pharmacy Benefit Carve Out.** Moving the Pharmacy Medicaid Benefit Administration from managed care to fee-for-service puts safety net provider savings from purchasing drugs through the 340B program at risk. This change could cost our system as

much as \$5M, and these savings are reinvested into necessary services that are currently not reimbursed, like medication therapy management, prescription assistance programs, among other valuable programs and services specifically targeted toward low-income and complex patients. Please consider an analysis of how other states have changed their pharmacy benefit while maintaining the benefits of the 340B program.

- **MinnesotaCare Public Option.** While we support access to afford health care coverage, eliminating the income threshold in the MinnesotaCare program could significantly shift Minnesotans from other insurance products into the MinnesotaCare Program. Without significant increases in reimbursement rates in the MinnesotaCare Program, this will increase the existing trend shifting to government sponsored insurance which pays providers below the cost to deliver care, an unsustainable shift, especially with the current financially fragile health care industry. Please consider alternatives that would preserve the current commercial market or significant increases in MinnesotaCare reimbursement rates.
- **Healthcare Affordability Commission.** While we do support a comprehensive approach to understanding the rising costs of health care, creating a new advisory council and board that is parallel to existing work at state agencies may be redundant. Additionally, allowing the commission to require corrective action plans and impose extensive civil penalties is affording a significant amount of authority to a newly created, politically appointed board.
- **Additional Regulations on Healthcare Transactions.** We have concerns with the provisions included in the omnibus bills that increase authority at the Minnesota Department of Health and the Attorney General's Office, limiting the necessary flexibility in health care transactions. The broad scope of transactions that would be included and the depth and authority that will be granted to MDH and the AG could slow, stall or undo existing partnerships that are needed to continue to serve our communities.

We look forward to continued work with you on these provisions of interest and concern. While we have articulated individual concerns with each provision, we have significant concerns with the compounding impact these policy changes would have on the healthcare industry and viability, should they all continue in their current form.

Without addressing some of the provisions included in the omnibus bills and the financial and workforce crises in the healthcare industry, we will be faced with more of the difficult decisions in the distribution of resources and services we provide, resulting in changes to the access to care for Minnesotans.

Please do not hesitate to reach out with any questions.

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