March 3, 2021

Professional Distinction

Personal Dignity

Patient Advocacy

Representative Liebling
Members of the Health Finance and Policy Committee
Minnesota State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

Representative Liebling and Members of the Health Finance and Policy Committee:

With 22,000 members, the Minnesota Nurses Association (MNA) is the largest voice for professional nursing in the State of Minnesota. We are a leader in both the labor and health care communities and a voice for our members on issues relating to the professional, economic, and general well-being of nurses and in promoting the health and well-being of the public. We write to express neither support nor opposition to HF 834, a bill to allow Regions Hospital to add another 45 licensed beds to their hospital, but to comment on the inequities and inefficiencies in the hospital bed moratorium process itself.

MNA recognizes there will be a need for additional hospital beds in downtown St. Paul after M-Health Fairview determined many of their beds were unprofitable and in response, shuttering Bethesda Hospital and continuing to close numerous units at St. Joe's. However, a continued approach of exceptions to the bed moratorium process has had unintended effects on significantly reduced access to safe care for patients across Minnesota.

When the hospital bed moratorium process was first put into place in 1984, the goal of the legislature was to "fix" what they saw as an issue of the previous "Certificate of Need" laws, namely that they did not appear control growth in medical facilities and health care investments. According to the Minnesota Department of Health (MDH), the moratorium was seen as a more effective way of limiting investments in excess hospital capacity. It was viewed as a temporary solution to the broader health policy issue concerning health care costs and investments in medical facilities.

While legislation such as this allows systems to ask for an exception to the moratorium, the number of beds that a hospital has now is the same number they had when the moratorium was enacted in 1984. Again, according to MDH, by fixing in place historic capacity, the moratorium effectively freezes in place market share and geographic distribution of beds. However, because the beds belong to the system, there are few to no restrictions on the type of care they must be used for or where that particular system places the beds. This gives competitive advantage to large systems with "spare" licensed bed capacity and allows them to add beds without having to go through the legislative process. The moratorium promotes a proposal/site-specific, one-off approach, rather than systematic consideration for how capacity aligns with inpatient needs and public policy goals.

We recognize that this committee hearing today is not the place for a much needed larger discussion about the bed moratorium. However, the Minnesota Nurses

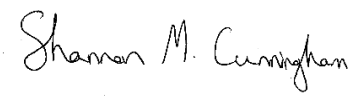
345 Randolph Avenue
Suite 200
St. Paul, MN 55102
Tel: 651.414.2800
800.536.4662
Fax: 651.695.7000
Email: mnnurses@mnnurses.org
Web: www.mnnurses.org

AFL-CIO

Association implores you to take the time soon to thoroughly review and restructure the way that Minnesota hospital beds are allowed to shift based on profit versus access to safe, needed care. If a change does not come soon, we will continue to see larger hospital systems taking over community hospitals, beds being shifted within systems based on the bottom-line and too many patients left without access. We need a healthcare system that puts patients before profits and ensures that people have access to quality, affordable care in the community in which they live. We need a system that puts patients first.

We look forward to being part of this important discussion.

Thank you,



Shannon M. Cunningham
Direction of Community and Government Relations
Minnesota Nurses Association