Minnesota Hospital Association

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Sent Electronically

Sen. Jim Abeler
Sen. Paul Utke
Sen. Michelle Benson
Sen. Mark Koran
Sen. John Hoffman

Rep. Tina Liebling
Rep. Jennifer Schultz
Rep. Dave Pinto
Rep. Aisha Gomez
Rep. Tony Albright

Dear Members of the Health and Human Services Conference Committee:

On behalf of the Minnesota Hospital Association (MHA) and our member hospitals and health systems, we respectfully submit to you the following comments on the Omnibus Health & Human Services finance and policy bills (SF 4410/HF 4706). While many provisions would impact hospitals and health systems and the patients and communities we serve, our comments are focused on the issues of highest priority in support and in opposition.

Minnesota like many other states is experiencing a health care workforce crisis. Further, the Minnesota Department of Health and MHA have both recently reported that without the infusion of federal COVID relief funding in 2020 the median operating margin for most hospitals in Minnesota would have been negative. The Department of Employment and Economic Development reports 40,000 open health care positions in our state resulting from a wide range of circumstances including increased demand for certain services, resignations, retirement, and burnout. It is across numerous occupations. Minnesota needs multiple approaches to bolster the health care workforce, support our state's hospitals and health systems, and ensure we continue to provide high-quality patient care. Given this our comments reflect prioritization of workforce issues.

MHA is strongly opposed to the mandate requiring hospital nurse staffing committees. ***(HF 4706, Article 1, Sections 26-30, 95, 102 para. (c))***

This provision mandates every hospital in Minnesota must have a nurse staffing committee, and the staffing committee must be comprised of 35% Registered Nurses (RNs) from their collective bargaining organization, and 15% from other frontline workers selected from their collective bargaining organizations. If there are no collective bargaining organizations in that hospital, an election of these employees is to be held. The staffing committee is given the authority to develop the staffing plans for the hospital and to establish a nurse-to-patient staffing ratio for every hospital unit. This is not advisory. The language states that the hospital must implement the core staffing plan. The language also has many other regulatory and burdensome requirements on hospitals.

This language does not reflect that inpatient hospital care is being delivered in a care team model and would take away flexibility that is critical in helping Minnesota hospitals and health systems address fluctuating changes in patient care needs. Of course RNs are important, but so is the work of nursing assistants, physicians, respiratory therapists, laboratory professionals and pharmacists. Each of these health care professionals is critical in delivering the best care possible. Scheduling which staff, both the number and the category of health care professionals, that will produce the BEST patient outcomes is what hospital and nurse leadership are constantly evaluating. This is at the heart of who ultimately decides how a hospital should be staffed and the hospital is responsible for those decisions. This involves looking at patient acuity and the availability and skill set of the entire care team, not just one profession of the care team. Violations of staffing

plans would occur if a new patient needed to be admitted above the staffing plan, or if a nurse called in sick, etc. Patients would inevitably back-up in emergency departments if additional patients could not be admitted if it violated the core staffing plan.

MHA strongly supports the provisions to improve health care licensing by streamlining the duplicative background check and fingerprinting process. ***(SF 4410, Article 13, Section 5)***

As a result of a two-year collaborative process between stakeholders, the Senate's language eliminates the burden of a duplicative fingerprinting and background studies process for health care professionals. This much needed improvement will allow the fingerprinting and background check process to remain with the health licensing boards. The Department of Human Services would then be provided with a roster of license holders and continue to do a maltreatment report without requiring a second set of fingerprints. This language has been fully negotiated with multiple stakeholders including DHS and the Board of Nursing and the Board of Medical Practice. The original bill (SF 1257/HF 1512) was first introduced in 2021 and at numerous Senate hearings has received no opposition. Passage of this bill would help reduce some of the overwhelming number of DHS background checks that must be completed and help recruit and retain valuable health care professionals in Minnesota. While it is unfortunate that this language is not included in the House position, the House does include an MHA supported provision that delays the implementation of fully compliant fingerprint-based DHS background studies from July 2, 2022 to January 1, 2023 (HF 4706, Article 19, Section 26).

MHA strongly supports the creation of temporary permits for select health care professionals. ***(SF 4410, Article 14, Sections 4-12)***

This language creates a 90-day temporary permit for physicians, physician assistants, and respiratory therapists and extends the current 60-day temporary permit for nurses to 90 days, for individuals who are duly licensed in good standing in another state while they are seeking licensure in Minnesota. This will allow health care professionals to fulfill workforce needs more quickly at hospitals and health systems and eliminate employment gaps while waiting for a permanent license. The vast majority of states around the country allow for temporary health care permits/licenses. For example, most states have either a 90 day or 180 day temporary license for nurses and some other categories of health care professionals. The original bill (SF 3071/HF 3388) was broader in scope. After discussions with the Board of Nursing and Board of Medical Practice, there was an agreement that establishing a consistent policy for these four occupations would provide the Boards with additional time to complete their respective licensing requirements while recognizing the workforce needs of health care employers in Minnesota.

As amended with the agreement from the Board of Nursing and the Board of Medical Practice, the bill was non-controversial and approved unanimously by the Senate Health and Human Services Finance & Policy Committee.

MHA strongly supports the workforce revitalization provisions ***(HF 4076 Article 9, Sections 3, 21 & 29)*** **and investments in mental health care providers** ***(HF 4706, Article 1, Sections 13, 20-21, 90)***

These sections provide significant and much needed investments in the health care workforce. The increased support for the existing successful state loan forgiveness program will be a valuable tool to retain vital health care professionals. In particular, MHA supports the expansion of the loan forgiveness program to mental health professionals with $20 million in additional funding over three years. We also support the $18 million for nurse loan forgiveness over three years.

MHA also appreciates the new grant programs to support primary care rural residency training and clinical rotations for other health care professionals in rural and underserved areas *(HF 4706, Article 1, Sections 18-*

19, 22). As many of our rural hospitals across Minnesota face significant shortages of health care providers, we are hopeful these new programs will help build a training pipeline so that access to care can be maintained.

<u>Other items of support in the Senate's HHS bill</u>:

MHA supports the adoption of the Nurse Licensure Compact (NLC) ***(SF 4410, Article 14, Sections 13-14)***

There are currently 37 member states and 2 territories participating in the NLC, which allows registered nurses and licensed practical nurses in good standing to practice in other member states without having to obtain an additional license. The Minnesota Board of Nursing supports the compact and would still maintain the authority to regulate nursing within the state. Joining the compact would streamline recruiting processes, increase access to care, reduce costs while protecting patient safety, and support flexible care models and modern health care delivery.

MHA supports the fuel cost adjuster for non-emergency medical transportation and ambulance services ***(This provision is in both the Senate and House HHS bills: SF 4410, Article 3, Section 4 and HF 4706, Article 3, Sections 20-22)***

Ambulance services and non-emergency medical transportation are vital to ensuring timely patient care and should be appropriately reimbursed for significant market fuel changes. These payment adjustments will support health care access in rural areas and allow communities to be safer and healthier.

<u>Other items of support and concern in the House's HHS bill</u>:

MHA supports the various mental health provisions, specifically those pertaining to policy changes and appropriations to expand children's residential treatment and psychiatric residential treatment facilities, mobile crisis services for children, expanding intensive treatment for children in foster care, and children's residential crisis stabilization. ***(HF 4706, Article 10, Sections 68, 90)***

MHA has been advocating that there needs to be additional mental health services for adolescents that have a housing component --- including psychiatric residential treatment facilities (PRTF) for adolescents who do not require inpatient hospital services but still need a high level of care. Recently hospitals and health systems are experiencing ongoing challenges with the timely discharge of mental health patients to residential care facilities and other care provider locations, but the problem is particularly acute for adolescents.

MHA supports the provisions to make changes in processes and procedures for Medical Assistance eligibility as related to the transition from the public health emergency. ***(HF 4706, Article 3, Sections 16, 49, 50)***

Due to the COVID-19 pandemic, state Medicaid agencies across the country suspended eligibility redeterminations to allow individuals to maintain health care coverage. Once the federal public health emergency expires, DHS will be required to review MA eligibility for all enrollees and without flexibility this process may result in Minnesotans needlessly losing coverage. To better support patients seeking care at hospitals and health systems, we support the provisions to ease this transition and help ensure continuous coverage for eligible enrollees.

MHA supports the provision to prohibit a pharmacy benefit manager or health carrier from requiring a clinician-administered drug be covered as a pharmacy benefit. ***(HF 4706, Article 6, Sections 45)***

This provision addresses the practice of "white bagging," when insurance companies require drugs to be purchased through their third-party specialty pharmacy of choice instead of allowing providers to purchase,

store, and administer their own drugs. This unnecessary multi-step process can delay or jeopardize the safety of patient care in a hospital or health system due to delivery issues, dosage errors, damaged shipments, and administrative barriers.

MHA opposes the creation of a Health Care Affordability Board. ***(HF 4706, Article 3, Sections 1-8, 56)***

This provision establishes a politically appointed board and advisory council to develop technical recommendations on large scale health care transformation. In addition to unilaterally establishing health care spending growth targets, the political appointees would also be tasked with ruling on the broad concepts of payment reform, innovating delivery models, and Minnesota's response to market trends. These broad responsibilities and any directive from the Board would be subject to limited legislative oversight and approval and offers few opportunities for partnership with the significant work already being done by state agencies and private health care organizations. Rather than creating an entire new entity, existing efforts at the Minnesota Department of Health could be leveraged to accomplish similar goals within existing and transparent partnerships between the state and provider organizations.

Over the past two years many people delayed care, which is now resulting in more demand for health care services and higher patient acuity. In addition, a growing number of Minnesotans are developing chronic health care conditions that require additional care and increased spending relative to their peers. Health care needs are often unpredictable, and MHA is concerned with any effort to establish arbitrary health care spending growth targets that will likely fall short of accounting for the entirety of market pressures and demands and create negative impacts for our patients. MHA is opposed to giving this appointed Board the power to impose civil penalties on providers.

MHA opposes the provisions to create a MinnesotaCare public option. ***(HF 4706, Article 3, Sections 42-47, 52-54)***

While MHA has long supported the MinnesotaCare program for low-income individuals, MHA is opposed to allowing anyone the ability to buy into MinnesotaCare coverage regardless of the individual's income. Health care providers accept lower payment rates when serving low-income individuals and if enrollment is allowed to be broader without an income ceiling, current payment rates would not allow for a sustainable health care system.

Given the growing and urgent need for mental health services, MHA also strongly supports many of the provisions in the Senate's mental health bill (SF 3249) and hope there will be consensus on advancing many mental health initiatives and funding this year in service of Minnesotans suffering with mental and behavioral health illnesses.

Thank you for your consideration of our comments. Please do not hesitate to call if we can provide information on these issues or other provisions of the Health & Human Services Bills.

Sincerely,

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