



May 2, 2023

Representative Tina Liebling
House of Representatives
477 State Office Building
St. Paul, MN 55155

Senator Melissa Wiklund
2107 Minnesota Senate Building
95 University Ave W,
St. Paul, MN 55103

RE: HF 2930/SF 2995 Health Omnibus bill

Dear Chairs Liebling and Wiklund and Health Conference Committee Members,

On behalf of Hennepin Healthcare, I write in support of several legislative proposals included in the omnibus bills that will help protect, maintain, and improve the health of the many Minnesotans we serve.

You have received weekly updates from our health system throughout the legislative session and we remain challenged by the inability to discharge patients, which exacerbates overcrowded emergency departments and places further pressure on our teams. In a year when our state has a \$17B surplus, and our workforce continues to recover from COVID, we sincerely request reconsideration of several proposals and mandates that would lead to further challenges and be difficult for our safety-net health system to absorb, especially as it relates to 340B and the Managed Care Opt-Out.

We support Increasing Access to Healthcare through Capacity and Workforce Investment

- **Recuperative Care for people who are unhoused** (SF1951/HF 2081) should be paid for by Medicaid so health systems and housing providers can establish the infrastructure needed to care for people who are unhoused after an acute or post-acute health care incident, preventing hospitalization and pivoting to longer term housing, and the funding included for **the follow-up homeless mortality study** helps us to understand the impact of these services.
- Restoration of matching funds for the **Medical Education and Research Costs (MERC)** is **not a new appropriation**, please include study group language to allow stakeholders to work with DHS and MDH to ensure Minnesota is maximizing federal funding for health care education and ensure consistent funding for clinical training sites into the future. Additionally, please accept the House investments in **expanded primary care rural training** and the **mental health grants for health care professionals** in both bills.
- Prevention of violence in health care is one of the best ways we can recruit and retain staff. **Health care worker safety grant** funding for providers will protect our health care workers. Please increase this grant amount, as violence against health care workers rises, more resources are needed.
- Our safety-net health system serves patients statewide - our **Medical Resource Control Centers (MRCC)** are major state assets used as “flight control centers” for local, regional, and state EMS agencies.
- Ensuring inpatient **hospital fee-for-service Medicaid rates are rebased** using current costs and inflationary trends. The Senate HHS bill funds a modest, but important update, to the inpatient Medical Assistance payment rates for hospitals.

We support Improving Health Care Disparities

- The House proposal to expand coverage options by making **MinnesotaCare available to all undocumented noncitizens and continuous eligibility for children.**



- **Investing in oral health** for individuals enrolled in MHCP, specifically, the **Senate provision reinstating the adult dental benefit** and **rebasng dental rates** to more accurately reflect the cost of providing dental care.
- The **Senate bill's investments to expand the community health worker (CHW) workforce** will significantly improve health outcomes by addressing the social conditions that impact health status, called social determinants of health (SDOH).
- Grants to **support capacity building to advance health equity and in organizations serving diverse communities** will support our patient population and the **Emmett Louis Till victims recovery program** will support persons who have experienced trauma and their families, all key to decreasing health disparities.
- Maternal health investments are critical to reducing disparities. Please include the **Senate's ongoing funding for Health Beginnings, Healthy Families** which focuses on perinatal quality and infant mortality, as well as the **Diaper Distribution Grant Program** for under-resourced families. **Medical Assistance (MA) coverage for long-acting reversible contraceptives (LARC)**, the **House bill's rate increase for reproductive health services** in MA and MNCare, and clarification about changes related to reproductive health statute following court rulings, all support improving maternal health. The **House bill's investment for the Task Force on Pregnancy Health and Substance Use Disorders** is necessary to ensure we are doing all we can to keep mothers and babies healthy, and establish uniform responses that are supportive and not punitive. We also support **removing the requirement of supervision by a licensed provider for doula services** in MHCP and **providing the proposed Senate rate increase for doula care**, both of which will increase access to services that help reduce maternal and infant health disparities.

We support investments in Substance Use Disorder and Mental Health Supports

- **The House bill's investment for the Comprehensive Drug Overdose and Morbidity Prevention Act** will help provide access to critical SUD treatment and address the drug epidemic our health care providers see every day, especially the harm reduction services for people experiencing homelessness and homeless overdose prevention hubs and **advancing access to evidence-based nonnarcotic pain management services**. We recommend including funding at the same level as the Governor's proposal.
- **House funding for the Adolescent Mental Health Promotion funding** for community and evidence-based, culturally informed mental health supports and programming for young people will better serve the young people that often end up in our ED due to mental health crises.
- Providing **investments and specialization in new Psychiatric Residential Treatment Facilities (PRTFs)**.
- Improving access to behavioral health services by **increasing the payment rate for Adult Day Treatment by 50%**, expanding access to **first episode psychosis teams**, and the increased **investments in the House bill for the Transition to Community initiative**.
- We support the **House bill's exclusion of hypodermic syringes or needles from the definition of drug paraphernalia**.

We have concerns regarding the following items in the bill.

We continue to have significant concerns about the MCO opt-out (~16M loss of annual revenue) and the pharmacy carve out (~24M loss of annual revenue) as these would result in problematic losses for HCMC. We appreciate your efforts to mitigate 340B losses for our health system and others, however, these will still result in millions of losses for HCMC. We sincerely request a pause until the



financial implications and solutions are fully understood and clearly defined, and there are assurances we will not lose this level of reimbursement. We encourage the inclusion of a study of how other states have designed their pharmacy services, any transparency reporting, and how they manage their drug discount programs, but these are losses we cannot sustain. We encourage legislators to address the challenges for independent pharmacies by providing a dispensing fee equal to fee for service, and to leave the existing pharmacy program as is in managed care.

- **340B/Pharmacy Carve Out** - **HCMC would lose \$24M** in savings annually. The intent of the bill is to help community pharmacies, but the current solution greatly undermines a 30-year-old federal program we rely on. *We can help community pharmacies and protect 340B, they do not need to be linked.* We sincerely **request** the carveout be paused until a study of how other states handle pharmacy and 340B reporting for 340B from covered entities.
- **Managed Care opt-out** – We anticipate about a **\$16M loss for HCMC** related to our Medicaid direct payments due to federal limitations (these are payments we receive from the federal government due to our safety-net status). We are working with DHS (with Senator Wiklund’s permission) to come up with language to address this for us and ensure we do not lose funding.
- **Nurse staffing** – We are working with other hospitals on compromise language that we think will meet the goals of the proposal, but is also workable by hospitals. Any mandates like this will be an outsized challenge to HCMC as we already struggle to find nurses. We are already -\$6M in the red in 2023 due to overtime, agency staffing and bonuses.

We sincerely appreciate the support you’ve provided in your proposal to many priority areas. We understand the difficult decisions you must make due to the many competing priorities to improve Minnesota for all of our residents.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jennifer DeCubellis".

Jennifer DeCubellis
Chief Executive Officer
Hennepin Healthcare System

Contact: Susie Emmert 651-278-5422 susie.emmert@hcmcd.org