

April 18, 2023

Honorable Aisha Gomez, Chair
House Tax Committee
453 State Office Building
Saint Paul, MN 55155

Dear Chair Gomez and Tax Committee Members:

We appreciate the opportunity to comment on HF:1938 as hospitals who provide critically needed emergency services for patients across the state of Minnesota. We understand concerns about patients' medical debt and want to work with you to find a balanced solution that ensures sustainable access to emergency health care. We request that before the committee repeal revenue recapture authority, these funds are replaced with other state funding.

The health care system continues to be under great financial stress from the pandemic. A report issued in 2022 by the Minnesota Hospital Association on hospital finances noted that "hospital and health system operating margins were already faltering prior to 2020 however, the effects of the pandemic accelerated that declining trend and are predicted to last for many years to come."

The prohibition included in this bill only impacts former county hospitals that were expressly granted the authority to use revenue recapture because we provide care for a disproportionate share of patients insured by state public programs as well as uncompensated care.

We work very hard to ensure we are using the tool of revenue recapture in a responsible way, with protections for low-income patients above and beyond what is called for in statute. Furthermore there is language in the House Health omnibus bill (see HF:2599) requiring hospitals to screen patients for eligibility for health coverage or assistance that would put more comprehensive protection in statute as well.

Thank you for your consideration of these concerns. We look forward to more conversations with you about how to support safety net access to care in a sustainable way.

Sincerely,

Andy Askey, Essentia

Barbara Cox, HealthPartners

