



Minnesota Hospital Association

Top Policy Issues Facing Health Care Systems 2024

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About MHA

The Minnesota Hospital Association (MHA) serves Minnesota's hospitals and health systems as they provide quality care throughout the state.



Mission

Advance the health of individuals and communities through leadership, advocacy, and collaboration on behalf of Minnesota hospitals and health systems.



Vision

Minnesotans are healthy and have access to the right care at the right time in the right place.

MHA core competencies

- Policy and advocacy
- Communications and public relations
- Quality and safety
- Data and reporting
- Endorsed partners

Hospitals in Minnesota

140 hospitals

106 are part of a health system

34 are independent

- 28 CAH
- 6 PPS
- 19 District, county or city owned

109 (78%) hospitals are classified as rural

Current Situation

Hurricane Helene: Offline North Carolina Baxter plant implications

- Supply 60% of the IV solutions to hospitals
- MHA held daily huddles since Oct 4
- Contacted Congressional delegation with AHA letter
- Contacted HHS and CMS
- Discussed with several State legislators
- Contacted Governor's Office
- Coordination with Emergency Management groups

UHG/Change Healthcare cyber breach

- Monitored ChangeHC update calls
- Outreach to UHG to advocate for mitigation to providers
- Regular contact with members to understand impacts
- Outreach to Congressional delegation, Governor's office and Attorney General's offices
- Outreach to MN payer community for financial relief
- Media briefings to provide context and impact on providers and patients

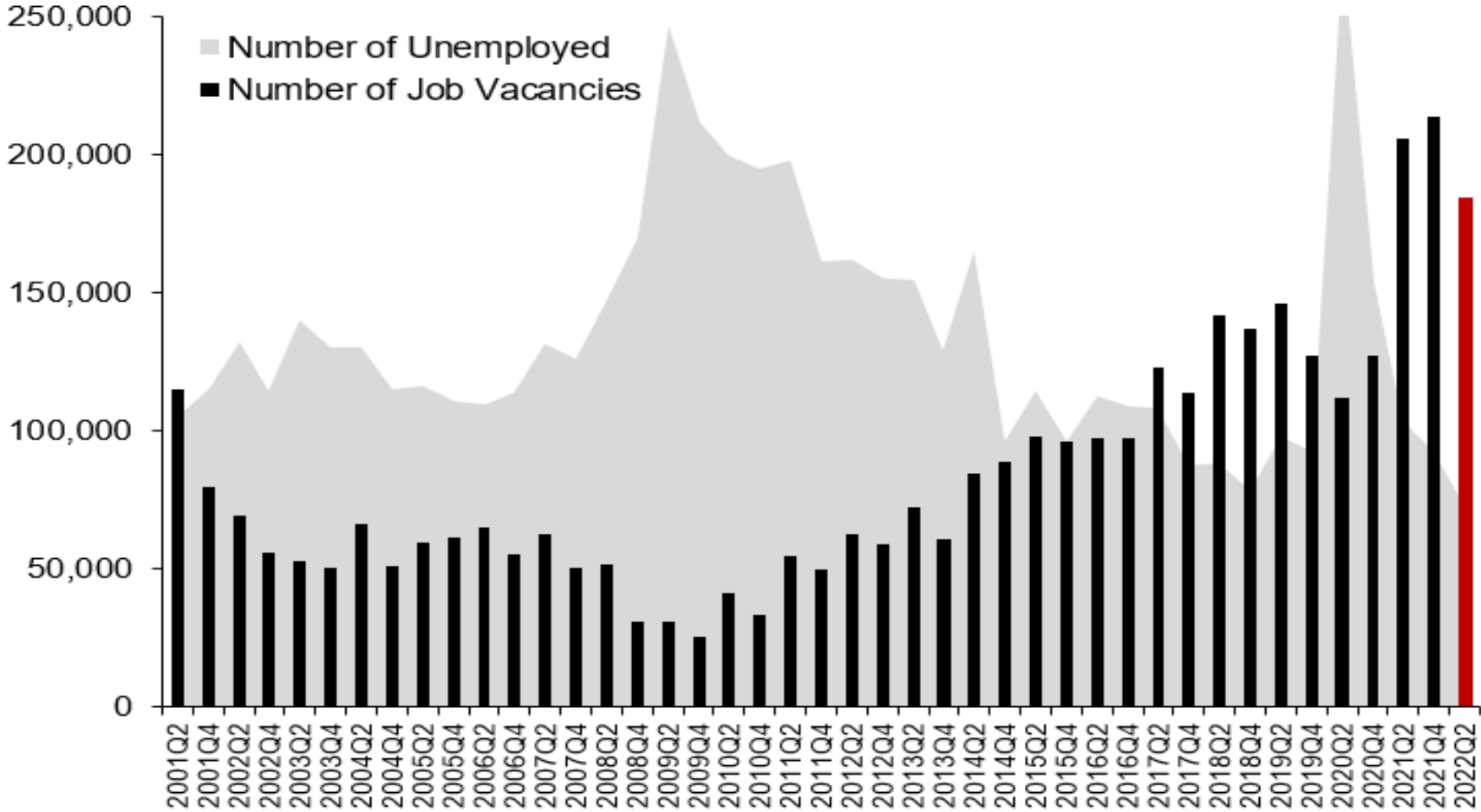
New York Times article on MultiPlan

- Exposes contracting terms that serve to reduce health insurance plan liabilities
- Shows how patients are being exposed to higher out-of-pocket costs
- Demonstrates how Private Equity firms that get involved with health care prioritizes profit motives over patient care

Job Vacancies and Unemployed, 2001 –2022



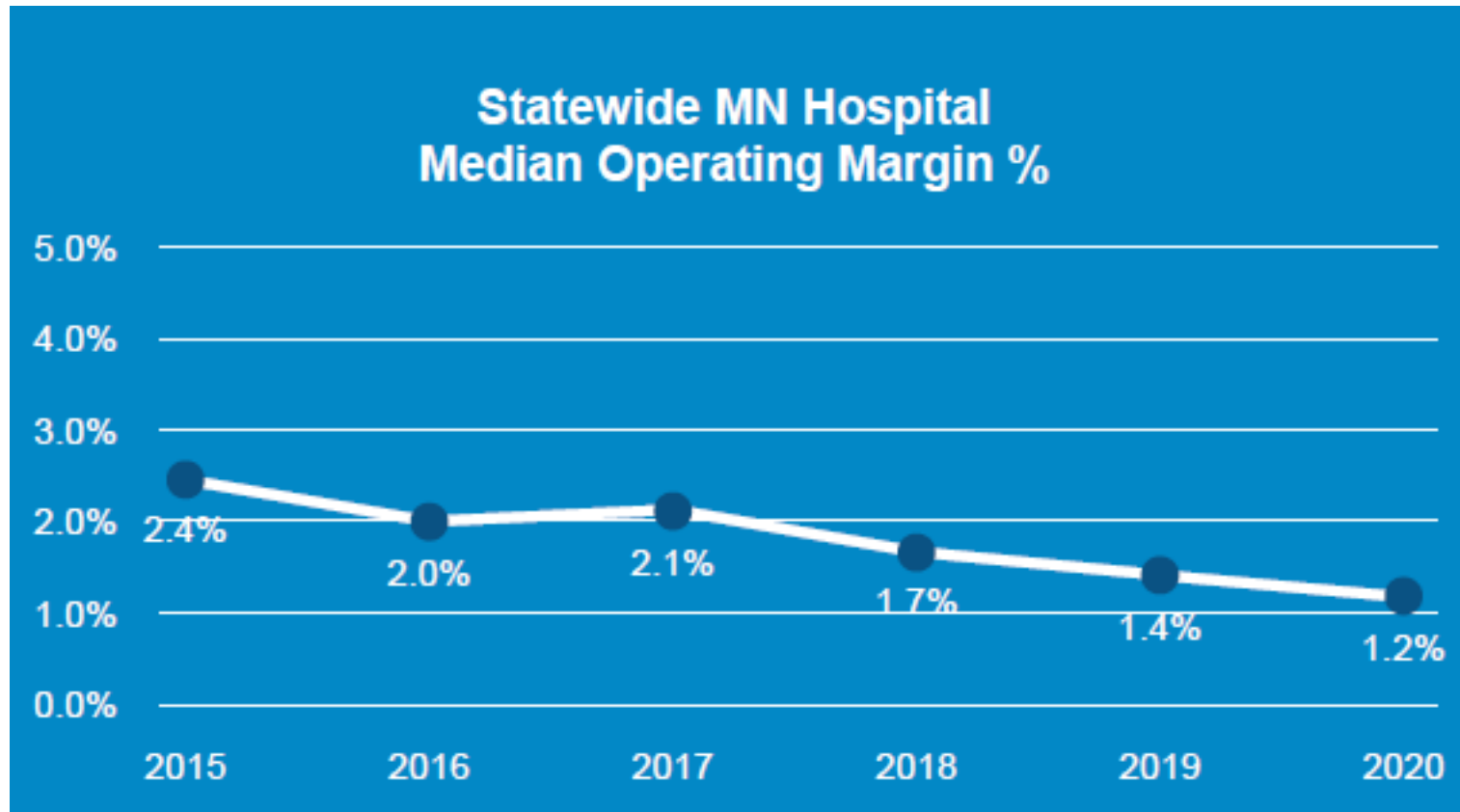
Figure 1. Minnesota Job Vacancies and Unemployed, Second Quarter 2001 to Second Quarter 2022



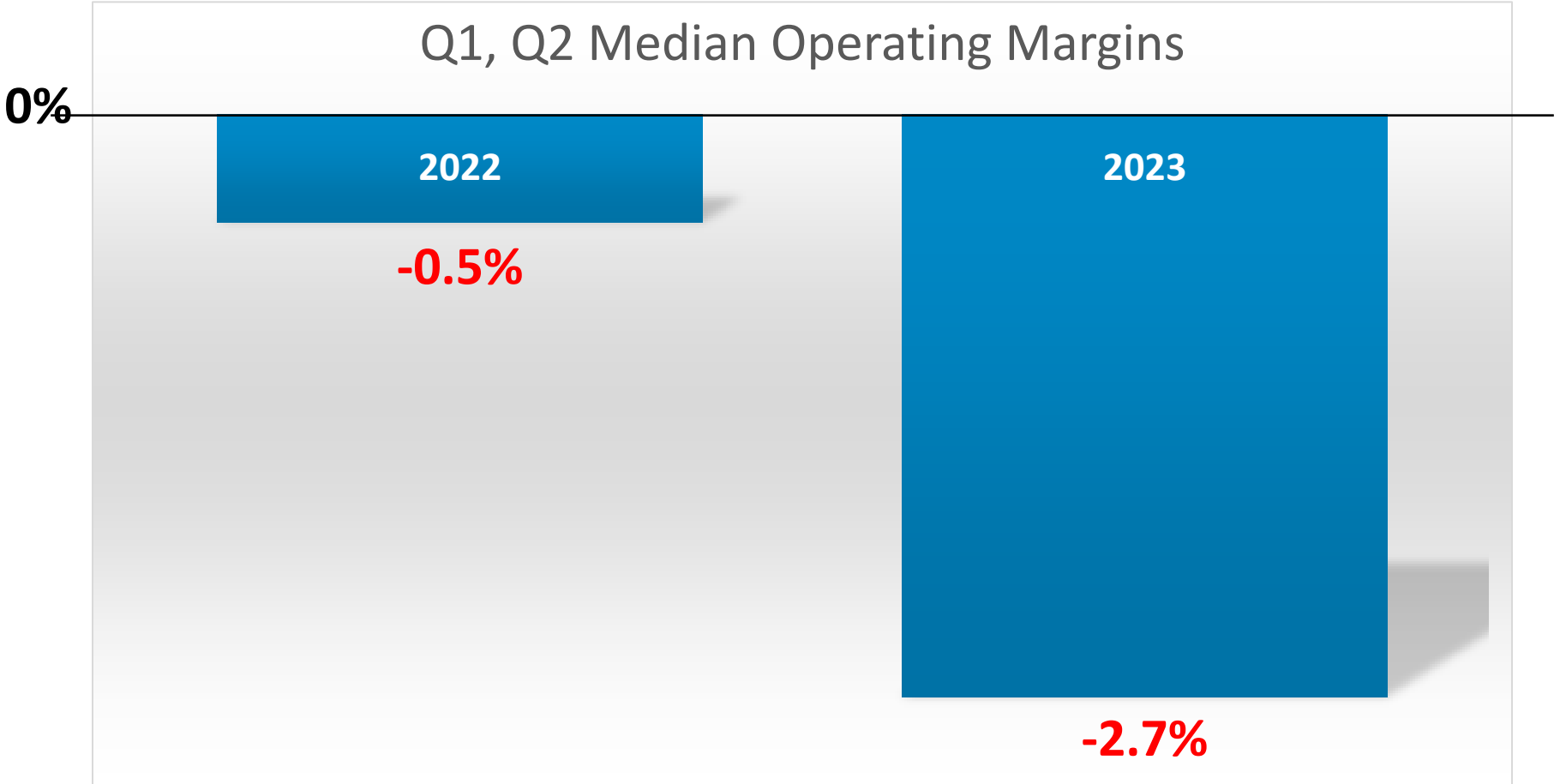
Four major concerns with future workforce

- More workers are preferring to work part-time
- Retirement rates will sharpen as the end of the Baby Boom ages out of the workforce
- Low wage workers provide valuable supports for hospitals in the areas of registration, food service and environmental services, but are finding alternative work environments more desirable.
- Fewer students are choosing health care careers

Statewide Hospital Operating Margin Trend



2023 vs 2022 margins



Negative margin drivers

1. Gov't payer mix increased from 62% to 64%
 - Medicare (est. 20% below cost)
 - Medicaid (est 27% below cost)
2. Math problem: 2023 revenues grew 5.3%, while labor costs grew 7.0% and supply costs grew 6.1%
3. Uncompensated discharge delays & ED boarding

Discharge delays data for 2023

- 170,160 inpatient delayed days
- 24,739 ED boarding days

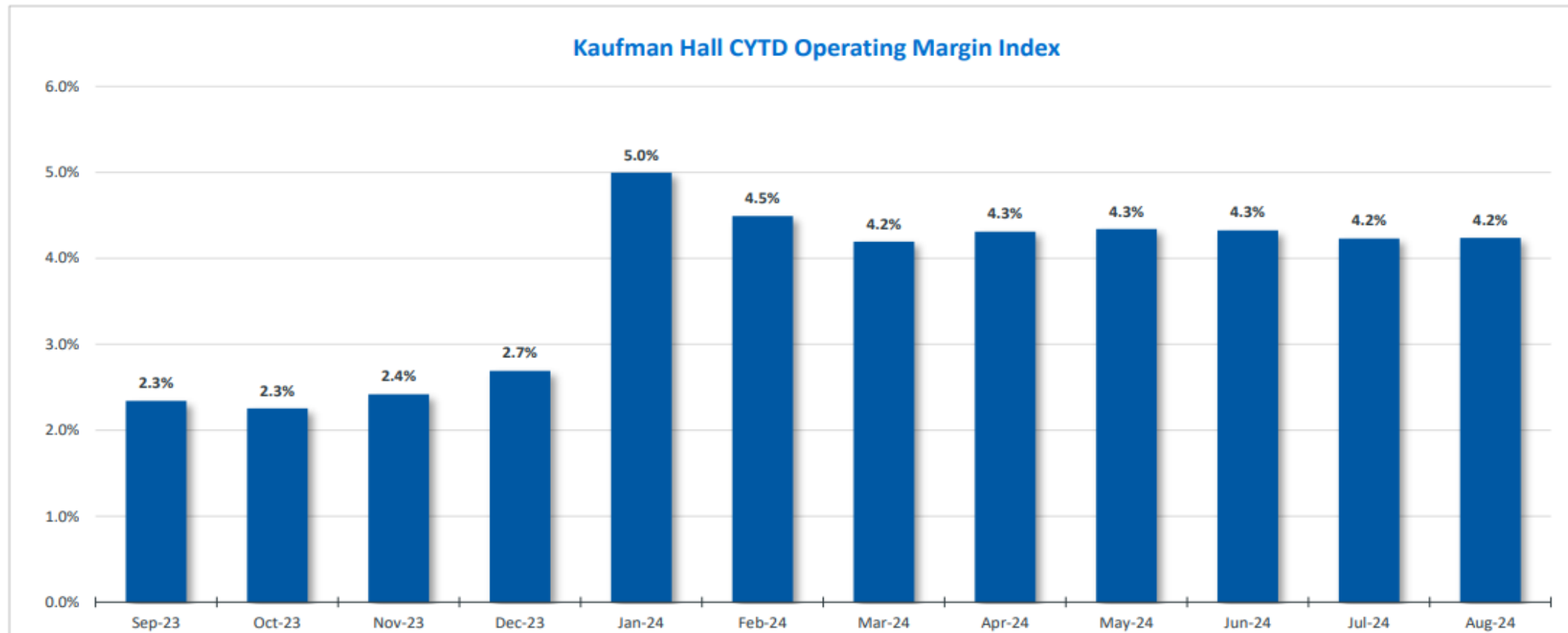
Total = 194,899 DC delayed days

Statewide estimated uncompensated cost:

\$487 million

National YTD Operating margin index

Operating Margin



Federal Advocacy

Current State of Washington, DC

- Elections Nov. 6
- Congress in recess until Nov. 12
- Recent congressional letter on the 340B Drug Pricing Program
 - In response to Johnson & Johnson's proposed rebate policy for 340B discounts to DSH hospitals for two drugs
 - 188 House members signed on including Reps. Craig, Finstad, McCollum, Omar, Phillips, Stauber
 - **Advocacy win:** Johnson & Johnson announced they will not be implementing the rebate policy due to opposition from HRSA and Congress

End of Year MHA Congressional Priorities

- Pass annual government funding – current continuing resolution through Dec. 20, 2024.
- Extend health care policies that expire Dec. 31, 2024
 - **Medicare telehealth flexibilities**
 - Hospital at Home waiver program
 - Medicare Low Volume hospital payment adjustment
 - Delay of Medicaid DSH cuts
 - Pandemic and All Hazards Preparedness Act (PAHPA) reauthorization
 - Children’s GME reauthorization
 - National Health Service Corps reauthorization
- Prevent site neutral payment cuts
- Pass the Improving Seniors’ Timely Access to Care Act (S. 4532/H.R. 8702) – streamlines prior authorization in Medicare Advantage

Final Rule FY2025 OPPTS & ASC

- 2.9% payment increase -- disappointing
- Separate payments for radiopharmaceuticals w/ per day cost over \$630
- Exclude qualifying cell and gene therapies from comprehensive ambulatory payment classification (C-APC) packaging.
- As required by law, implement temporary additional payments for certain nonopioid treatments for pain relief dispensed in the hospital outpatient department (HOPD) and ASC settings.
- Adopt three measures related to health equity for the Outpatient, ASC and Rural Emergency Hospital (REH) Quality Reporting Programs (QRP) and extend voluntary data reporting for two hybrid measures in the Inpatient Quality Reporting Program.
- Establish a new Condition of Participation (CoP) for hospitals and critical access hospitals (CAHs) offering obstetrical services, and update quality assessment performance improvement (QAPI), emergency services and discharge planning CoPs.
- Cover and pay for HIV Pre-Exposure Prophylaxis (PrEP) drugs and related services in HOPDs as additional preventive services under the OPPTS.

Recent Hospital Visits



Sen. Klobuchar, Rep. Omar, Sen. Smith at Hennepin Healthcare

Recent Hospital Visits



Sen. Smith at Lakewood Health System

Recent Hospital Visits



Rep. Emmer staff at Ridgeview Medical Center



Rep. Stauber at Mahnom Health

State Advocacy

Debt Fairness Act – Oct 1 effective date

- **Policy for collection of medical debt:** Health care providers must publish their medical debt collections policy on their website, and on paper upon request. Several specific items need to be included.
- **Denial of health treatment or services due to outstanding medical debt:** Prohibits denying medically-necessary services or treatments due to outstanding medical debt. Enrollment of patient into a payment plan is allowed and the patient needs to affirmatively communicate if they cannot pay the debt.

Debt Fairness Act

- **Billing errors:** If a health plan or provider receives notice of a billing error, there must be a review and communication with the patient or other person the outcome of the review. Any overpayments received must be refunded within 30 days after completing a review.
- **Prohibited practices:** Threats of garnishment or lawsuit in collections letters, use of sheriffs or other unauthorized legal papers, threats of other collections methods that violate MN law, furnishing of legal advice to debtors, misleading or deceptive communications tools, among a total of 21 prohibited practices.

Debt Fairness Act

- **Medical debt reporting prohibited:** Prohibits reporting of medical debt to consumer reporting agency.
- **Defending medical debt costs:** A debtor who successfully defends against a claim of medical debt is entitled to awards for costs, including attorney fees.
- **Liability of spouses:** Eliminates medical debt for spouses, but does not prevent a creditor's claim against a decedent's estate.
- **Limitations on garnishments:** Establishes levels of 10%, 15% and 25% of weekly income for lower income, employed individuals. Also directs AG to update garnishment forms.

Debt Fairness Act

What DIDN'T get implemented:

A proposal to **eliminate interest expense** on medical debt.

A proposal to **eliminate revenue recapture** as a tool for collections for government-owned hospitals.

In the billing errors section, MHA successfully **negotiated more acceptable language** to address process and timing concerns.

In the denial of health treatments section, MHA **negotiated medical-necessity language and affirmative patient interaction** to show they intend to successfully pay/or at least try to pay a medical debt.

Community benefits reporting

- Community Health Needs Assessments due to MDH by Jan. 15, 2026
 - Subsequent updates within 15 days
 - Include description of the community and health needs (separately if not included in CHNA)
- Addendum requirement: Annually submit community health improvement services outlining services w/ costs > \$5,000
- Community Benefits implementation strategy
 - Due 1-year after CHNA
 - Identify top 3 health priorities
 - Jan. 1, 2026 implementation

Medical records copying fees

Legislation from Sen. Judy Seeberger (DFL-Afton) The proposal was pushed by the trial lawyers and sets maximum copying fees for numerous patient records.

The new maximums are:

- \$1 per page, with a maximum cap of \$30 for up to 25 pages; cap of \$50 for up to 100 pages; and cap of \$50 plus \$0.20 per page for over 100 pages.
- \$10 for time spent retrieving paper records.
- \$20 for time spent retrieving electronic records.
- \$30 for x-rays.
- Maximum of \$500 for any request.
- Free copies for lawyers representing patients appealing a Social Security disability denial when the patient is represented by a volunteer lawyer or on public assistance.

Prior Authorization changes to 62M

- Prohibits retrospective denials for lack of Prior Authorization (PA) where a PA was not required
- Prohibits denials of services where PA was required based solely on lack of PA if the service would have normally been covered
- Includes PMAP and county-based purchasing

Prior auth prohibitions

- Expands prohibition of PAs for “certain” services beyond emergency services: SUD, generic drugs (Orange and Purple Books), OP Mental Health & CD, chemotherapy cancer treatments, immunizations, preventative services, Gold card providers, VBC terms of quality, efficiency and effectiveness, pediatric hospice, NAS treatments.
- PAs do not expire after one year for treatment of chronic conditions unless standards of care change

Prior Auth annual reports

Requires an annual reporting by health plans to MDH outlining the uses of Prior Authorization including:

- # of PAs received
- # of PAs authorized vs. adverse determination
- # of adverse determinations reversed on appeal
- ...and more

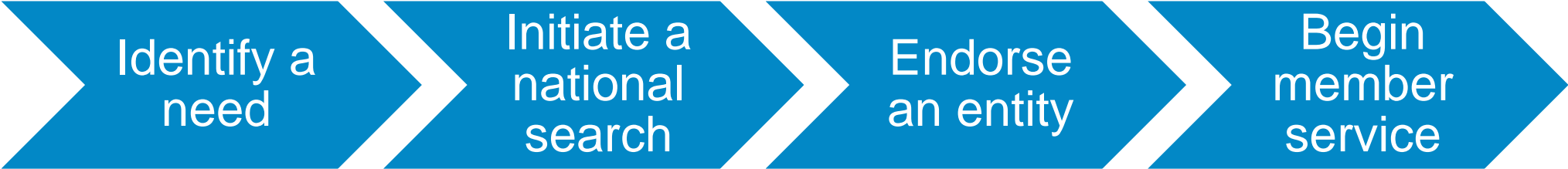
Medicaid Directed Payments Program

- CFOs discussed the need to improve Medicaid reimbursements
- MHA engaged HMA to help evaluate
- Advocated to get a GME DPP passed in '24 Legislature
- Finance subcommittee worked on over the summer

MHA's Five Advocacy Focus Area, state work

1. Finance and Reimbursement
2. Workforce
3. Mental Health
4. Protecting 340B outpatient drug program
5. Stopping bad mandates

MHA's Endorsed Business Partner Program



What is the value of an Endorsed Business Partner?

- For the hospital:
 - A starting point to avoid 140 hospitals doing 140 RFIs for the same topic
 - An established process to vet and ultimately trust best-in-class leaders
 - Referral network
- For the Endorsed Business Partner:
 - Visibility and access to hospitals and decision makers
 - Opportunities to share their subject matter expertise (conferences, webinars, etc.)

MHA Endorsed Business Partners

Cyber Solutions



Staffing Solutions



Revenue Cycle Solutions



Business and Operations Solutions



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