



Minnesota Hospital Association

Official Statement

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Statement from Lawrence Massa, CEO and President Minnesota Hospital Association

Governor Pawlenty's proposed budget will unravel the state's health care safety net

ST. PAUL, Minn. — Governor Tim Pawlenty's budget proposal announced today will severely hurt Minnesota's hospitals and the citizens they serve. His proposed budget would reduce payment rates for patients in state health programs, cut spending on medical education and put adults without children now covered by MinnesotaCare into the growing ranks of the uninsured. The current budget proposal would only make things worse in both the short term and the long term. If the governor's budget is adopted, hospitals will more than likely need to layoff more skilled workers and cut much-needed services.

In addition to cutting \$347 million from Health and Human Services, his budget increases the number of people in Minnesota without health insurance by kicking an estimated 21,500 people out of MinnesotaCare. As more and more Minnesotans become unemployed, the need for these programs is increasing.

Without insurance, these people are likely to rely on hospitals' emergency rooms as their sole source of health care, thereby increasing hospitals' growing uncompensated care costs and further straining our fragile health care system's ability to deliver quality, timely care. **Cutting health care coverage is the worse thing you can do in the middle of a recession.** People will still get sick and will be forced to access care in the ER, which is the most expensive place to get care.

Patient care and accessibility to health care are bound to suffer if the governor's budget goes into effect. The price businesses and individuals pay for health insurance is likely to increase as health care providers are forced to increase their prices for private payers to make up for the state's underpayments.

And, long term, Minnesota's physician shortage will worsen because of the proposed cuts to medical education. We've already seen caregivers and other staff lose their jobs because of the economic downturn and the state's previous cuts to hospitals. The governor's proposed budget will lead to more layoffs, fewer physicians in our work force and elimination of vital hospital community services. When the governor talks about jobs, he should consider that hospitals are one of biggest employers in the state. Those jobs will be in jeopardy if the legislature adopts the governor's budget.

There are four clear things that need to be done as the legislature begins to create budget alternatives in response to the governor's proposal:

- First and foremost, we need to protect our most vulnerable and low-income residents' eligibility for health care coverage. Simply, this means keeping coverage available for these populations.

- Maximize the state's share of available federal funds, including those from the economic stimulus package, preserving Medicaid dollars leveraging more federal money to Minnesota.
- The budget cuts must be shared and proportionate. A balanced approach, with cuts in all areas of state spending, needs to be considered.
- New revenues are necessary to resolve the budget problem and to protect the integrity and viability of the safety net services that all hospitals provide.

The recession requires a shared responsibility approach, which this budget lacks.

The Minnesota Hospital Association is a trade association representing Minnesota's hospitals and health systems.

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