

2023 STATE LEGISLATIVE FOCUS AREAS



Minnesota Hospital Association

Hospitals and health systems in Minnesota continue to struggle with the long-term impact of the COVID-19 pandemic, an increase in seasonal respiratory and influenza cases, and an exponential rise in labor and supply costs. Not only are they facing challenges with care capacity, but a recent finance analysis of acute care hospitals within Minnesota found a 172% decline in year-over-year financials.

In this legislative session, the Minnesota Hospital Association is advocating for policy solutions to address the unprecedented workforce and care capacity challenges at our hospitals and health systems.

Increase Medicaid reimbursement to better support patient care

Despite significant federal and state investments that previously provided financial stability to Minnesota's hospitals and health systems during the COVID-19 pandemic, ongoing challenges in the workforce and below-cost reimbursement rates will increasingly stress consistent access to patient care for years to come. The number of patients on government insurance programs continues to grow, now amounting to 61% of the average hospital's payer mix. However, on average Medicaid reimburses hospitals at 27% below cost, leaving a \$868 million gap statewide. MHA urges the legislature to increase Medicaid reimbursement rates to accurately reflect the current cost of care.

Medicaid reimburses
hospitals at 27%
below the actual cost
of care.

-Department of Human Services (DHS)

Invest in the mental health continuum of care

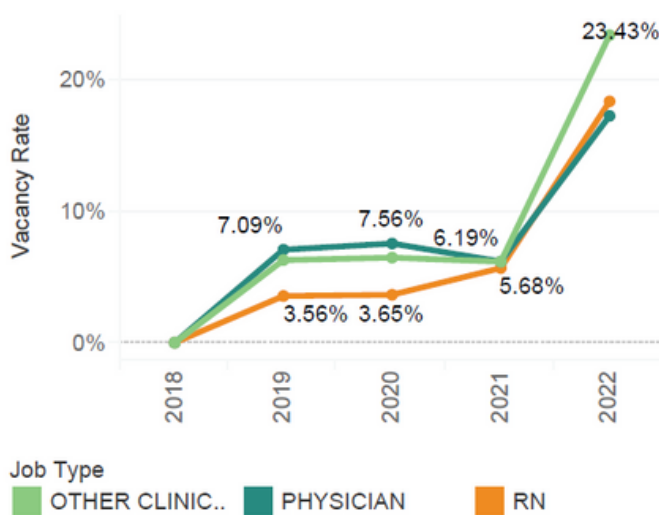
There is strong bipartisan recognition that mental health services are at a breaking point from unyielding demand for services and workforce shortages. One area of highest concern is the need to strengthen the continuum of care for adolescent mental health services that require residential treatment and home-based care. Specifically, the legislature needs to increase the availability of Psychiatric Residential Treatment Facilities (PRTFs) that offer residential mental health services for adolescents who do not require inpatient services but still need a high level of care.

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Sustain and develop Minnesota’s health care workforce



With an almost 250% one-year increase in job vacancy rates, the intense strain on our health care workforce continues. **The overall vacancy rate for hospitals and health systems in 2022 is about 21%, compared to only about 6% in 2021.**

Additionally, more professionals within health care are opting for a part-time work schedule, making it increasingly difficult for hospitals and health systems to meet operational needs. MHA urges the legislature to consider strategies to retain and recruit health care workers in Minnesota, such as expanding current programs including Health Care Loan Forgiveness, Dual-Training Pipeline, and the Summer Health Care Internship Program. The state also needs to make new investments by establishing a one-time program for students newly enrolled in an accredited allied health technician program, which would support students pursuing a career as a medical laboratory professional, respiratory therapist, radiology technician, or surgical technician.

Overall Vacancy Rate

2019	5.20%
2020	5.38%
2021	5.97%
2022	20.77%

Ease the capacity crisis across the health care system

Persistent workforce shortages at post-acute care and mental health care facilities in Minnesota contribute to a significant number of patients with discharge delays from acute care hospitals. Hospitals are not reimbursed for the ongoing “boarding” of patients and cannot use those beds for new patients in need of acute care. Not only are boarded patients experiencing significant care delays, but the backlog is creating additional delays and wait times for other patients who need emergency medical care. These patients include those being transferred from other hospitals to urban medical centers in need of higher levels of care. MHA supports additional resources and incentives for hospital decompression sites.

