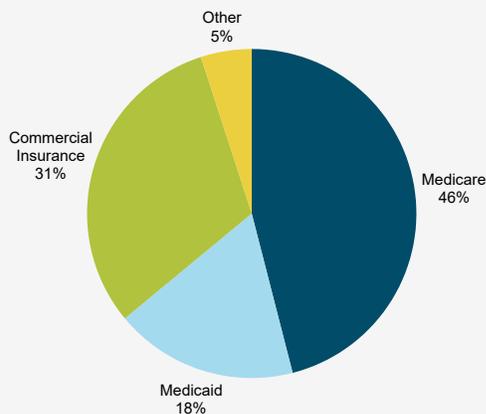


## Over 30% of Minnesota's hospitals are operating in the red.

Hospitals face rising costs: drug prices, skilled workforce, supplies, and the cost of employer mandates. Yet government programs **don't cover the full cost of care** and charity care is growing. As a result, over 30% of Minnesota hospitals are losing money.

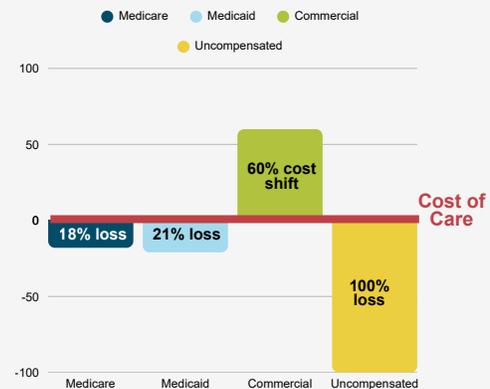
### How are Minnesota hospital patients insured?

Percent based on patient volume



### How much do insurers pay?

Percent paid of cost of care by payer



In 2024, hospitals invested **\$2.6 billion** to cover losses from Medicare underpayments and other uncompensated care.

## And things are about to get worse.



Last year's bipartisan hospital Statewide Directed Payment Program that would have brought approximately one billion dollars to Minnesota hospitals may not be approved by CMS. **If it is approved, the program will be significantly scaled back** as a result of federal law changes passed as a part of H.R. 1, the One Big Beautiful Bill Act.



Medical Assistance (MA) redetermination and work reporting requirements may lead to more than 140,000 Minnesotans without coverage, increasing the likelihood that hospitals will serve **more Minnesotans without coverage**.



Increasing out-of-pocket insurance costs may lead to more Minnesotans being uninsured or underinsured meaning **more Minnesotans in need of debt forgiveness or charity care**.



The 340B Drug Pricing Program redirects resources from **multi-billion-dollar pharmaceutical companies** to provide medications at reduced cost for patients and to support community-based care. This essential program keeps the lights on, and in many cases **keeps hospitals out of the red**.



Federal Rural Health Transformation Program funding must be used entirely for new programs that have the potential to improve rural health access. BUT the funds cannot be used for direct patient care or to backfill likely MA losses, **leaving hospitals across the state without a guaranteed lifeline**.

## Legislators must:

- **Protect existing hospital funding.** Our statewide nonprofit system of care cannot afford additional cuts to existing funding streams.
- **Commit to no new burdensome mandates.**
- **Invest** in nonprofit hospitals and health systems to deliver the highest impact for Minnesotans who need care.

### Contact:

Michelle Benson  
763-443-5690  
mbenson@mnhospitals.org

Danny Ackert  
616-901-7500  
dackert@mnhospitals.org

[www.mnhospitals.org](http://www.mnhospitals.org)