



## 2023 State Legislative Session Comes to an End

The legislature wrapped up its 2023 legislative session a few hours before midnight on Monday, May 22. The last day was spent passing the final bills that will fund state government over the next two years. With strong member involvement in our advocacy efforts, MHA was successful in advancing several priorities as well as securing changes to bills that would have otherwise had a negative impact on hospitals and health systems ability to provide care and preserve access.

**See below for high-level details on many of the issues MHA has been working on this session and stay tuned for the annual comprehensive MHA State Legislative Report.**

### Nurse and Patient Safety Act

After several days of negotiations, the Nurse and Patient Safety Act, a replacement for the Keeping Nurses at the Bedside Act, passed into law without any of the proposed new staffing mandates. Three provisions of the original bill have now been included in the Nurse and Patient Safety Act:

- Workplace violence prevention plans, training requirements, and new reporting mandates.
- \$10 million in funding for nurse loan forgiveness.
- Funding for a Minnesota Department of Health (MDH) study on hospital nurse workforce.

### Health and Human Services Omnibus

The final omnibus bill contains over 800 pages, appropriating \$9.34 billion during the 2024-25 biennium, including \$1.78 billion of new spending. Highlights include:

- 340B Drug Pricing Program
  - The legislature considered changes to the Medicaid managed care pharmacy benefit that would have had major negative financial implications for Minnesota hospitals and health systems.



MHA successfully educated legislators and was able to stop those changes this session. However, 340B covered entities will now be subject to new state reporting requirements starting in 2024.

- Medical Assistance Payment Rate Rebasing
  - MHA fought all session for inflationary adjustments to hospital inpatient MA fee-for-service reimbursement rates and worked to educate legislators on the tight financial situation facing hospitals and health systems. While we were able to get this rebasing provision included in the Senate bill, the House ultimately rejected it. MHA will continue to work to educate legislators and pursue this important legislation in 2024.
- MinnesotaCare Public Option
  - MHA testified several times that allowing a public option without some type of upper income threshold and recognition of the imbalance of reimbursement between public and private insurance was ill advised. The legislature ultimately passed a provision to fund an actuarial study on allowing anyone to buy MinnesotaCare coverage, and based on the results, potentially making the public option available starting in 2027. The legislature also expanded MinnesotaCare eligibility to undocumented Minnesotans.
- Health Care Affordability Board
  - MHA raised concerns over this proposal which would have created a politically appointed Massachusetts-style affordability board with the authority to impose fines on health care entities that they deemed have too high of costs. MHA was successful in getting this proposal minimized and instead the Department of Health will create a Health Care Affordability Center which will study trends and make recommendations on health care costs.
- Mental Health
  - There will be a 3% rate increase for outpatient mental health services amounting to \$17.6 million for 2024-25 and \$48.5 million for 2026-27.
  - \$2 million in funding for start-up grants for Psychiatric Residential Treatment Facilities.
  - \$16.7 million to fund the extension of audio-only telehealth coverage until July 1, 2025. MHA will work next year to make this extension permanent.



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## Higher Education Omnibus

The final bill includes a new program that would provide free college tuition for Minnesota students whose families make less than \$80,000 per year. Due to that program, the MHA-led bill to create an Allied Health Scholarship program was not included. MHA supported provisions in the final bill include:

- \$6 million increase in funding for the Dual Training Competency Grant program.
- Minnesota State Learning Network of Minnesota Investments for equipment upgrades and industry sector programming improvements, specifically in health care.
- Addiction Medicine Graduate Medical Education Fellowship program at Hennepin County Medical Center.

## Human Services Omnibus

The final bill appropriates \$14.11 billion, including \$1.35 billion in new spending, to the Department of Human Services during the 2024-25 biennium. One notable provision includes the establishment of an Acute Care Transitions Advisory Council, including two representatives from MHA.

## Nursing Home Funding

In the final days of session, as a part of the negotiations for the bonding bill, the legislature passed a bill to provide \$300 million over four years in emergency funding for nursing homes. An amendment was also added to provide \$18 million to hospitals for qualifying avoidable patient days. While this is certainly a small amount of funding, it allows MHA to highlight for legislators the challenges hospitals and health systems face in discharging patients in a timely manner after their acute care needs are met.

## Health Care Transaction Regulation

The legislature approved HF 402, which is also been referred to as “the merger bill.” This bill would require health care entities to provide notice of financial transactions to the Attorney General and Commissioner of Health. MHA was successful in helping narrow the scope of the final bill and to some extent lessen the onerous regulations on hospitals and health systems.



## Survivorship

In the final Judiciary omnibus bill, a change was made regarding survival of civil causes of action. An injury action may now be commenced within three years after the date of death, and within six years after the act or omission. As a result of advocacy efforts, including by MHA, a statute of limitations was added to require an action that occurred during the COVID-19 emergency to be filed within one year from the date of death.

## Non-Compete Agreements

In the final Jobs, Economic Development, Labor, and Industry omnibus bill, a provision was included to make any non-compete agreements void and unenforceable. This change is effective July 1, 2023, and only applies to contracts and agreements on or after that date.

## Workers' Compensation

The legislature passed the recommendations of the Workers' Compensation Advisory Council which contains a study on presumptive eligibility for PTSD for hospital nurses. The original proposal by the MNA was to include presumptive eligibility, but the council thought more information was needed and opted for this study.

## Sexual Assault Exam Reimbursement

The final Judiciary omnibus bill contains funding for the state to pay for sexual assault examinations, rather than the county. This change was strongly supported by MHA and the Minnesota Coalition Against Sexual Assault.

## Final Bill Language

- [Paid Family and Medical Leave](#)
- [Health and Human Services](#)
- [Nurse and Patient Safety Act](#)
- [Human Services](#)
- [Higher Education](#)
  - [Bill Summary](#)
- [Health Care Transactions](#)



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- [Nursing Home and Avoidable Patient Day Funding](#)
- [Judiciary](#)
- [Jobs, Economic Development, Labor, and Industry](#)
- [Tax Finance and Policy](#)
- [Workers Compensation](#)