



Minnesota
Hospital
Association

MN State Bar Association Health Law Section

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Accentuate the Positive: Early Medicaid enrollment

- Gov. Dayton signed executive order authorizing early Medicaid enrollment
- Original omnibus bill called for repealing and replacing early Medicaid; vetoed
- Final omnibus bill preserved early Medicaid enrollment
 - 100,000+ people eligible for Medicaid coverage
 - Decrease uninsured population by 28,000; decrease underinsured population by 75,000
 - Medicaid is more meaningful coverage with statewide access to providers

Accentuate the Positive: Electronic Medical Record Incentives

- Omnibus HHS bill included \$400,000 required as state match for EMR incentives payments
- Appropriation allows MN to draw down \$4.5 million of federal funding to help hospitals and eligible providers purchase and install EMR technology
- In 2015 incentive payments turn to financial penalties, so access to federal funds is crucial



Can't Avoid the Negative:

New community benefit language

- Appropriated some money to MDH for smoking and obesity reduction efforts
- Required development of a plan to continue efforts with hospitals and health plans without state funding
- Authorized MDH to “review and approve” hospitals’ and health plans’ community benefit plans
- Concerns
 - Community benefit activities are locally driven
 - Federal law requires hospital-specific plans tailored to individual community needs, not state’s priorities
 - Approval authority seen as leading to future fees, assessments, etc.

Can't Avoid the Negative:

Of course, more spending cuts

- Delay and then eliminate rebasing = **\$213 million**
- Cut fee-for-service rates by another 10% = **\$85 million**

**Current hospital payment formula:
2002 costs – 26%**

- 5% withhold to health plans tied to hospital measures = approx. **\$46 million**
- Hospitals' share of other cuts/reforms to health plans (e.g., competitive bidding) = **\$183 million**



Cuts to our future: \$44 million for medical education

Cut support for medical education

**Less money available for
medical education**

**Train fewer
providers in MN**

**Higher costs for
health care**

**Shortage of providers
and/or higher costs of
recruiting and retention**

In addition to cuts to physicians and other health care providers, the HHS bill effectively cuts **more than \$600 million** from Minnesota's hospitals, including **\$300 million** of federal funds.

Questions & Discussion

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