



Professional Distinction

Personal Dignity

Patient Advocacy

May 1, 2024

Senator John Marty, Chair  
Senate Finance Committee Committee  
95 University Avenue West  
St. Paul, MN 55155

Chair Marty and Members of the Finance Committee,

On behalf of the Minnesota Nurses Association (MNA), I write to you today to express MNA's strong support for several provisions included in the amended Health Budget Bill, SF4699, specifically provisions included that would increase access and affordability of patient care, as well as language that supports registered nurses. MNA's 22,000+ members represent 4 out of 5 nurses who work at the bedside in hospitals across the state, and as such, are directly connected to these issues and are committed to fighting for equity, accessibility, transparency, and accountability across our healthcare delivery system. Collectively, many parts of this bill align with our mission and vision for a better healthcare system, and we hope that this committee will support the following statutory changes:

**Hospital Registered Nurse Student Loan Forgiveness (from S.F. 4101):**

As bedside direct care staff continue to face a deep crisis in hospitals due to unsustainable working conditions, unsafe staffing ratios, rising adverse health events, and increased violence there needs to be direct invention to retain workers and improve patient care. In lieu of that invention, we appreciate the investment in registered student loan forgiveness. Many more nurses applied for the program than grants that were available thus demonstrating the deep need for this support. Student loans create financial stress for nurses and add to the large burdens they face in their employment. This loan forgiveness provides an opportunity to decrease that stress and MNA appreciates the investment to keep nurses at the bedside.

**Banning For-Profit Health Maintenance Organizations (HMOs) and Regulating Nonprofit to For-Profit HMO Conversions (from S.F. 3543 and S.F. 4837):**

MNA believes that healthcare is a right, not a privilege, and so we must enact large-scale healthcare reform to remove profit motives from our healthcare system to ensure that healthcare is affordable and accessible to every Minnesotan. SF 3543, which bans for-profit companies from participating as Health Maintenance Organization (HMO) plans in Minnesota, is a necessary step in this reform work. The step to allow for-profit HMO plans was the wrong choice for Minnesota. Data shows that HMO plans profit by reducing access to providers, increasing denials for medically necessary services, and removing

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individuals' ability to make their own healthcare decisions.

For-profit health insurance further removes transparency from the process and requires public funding to pay private insurance companies to manage these important benefits without ensuring they are improving the quality of patient care and healthcare access. Nurses are concerned about the additional harms that may be brought by for-profit HMOs, especially since HMO's currently manage coverage for the lowest income Minnesotans, who have little choice and power over the healthcare sectors that serve them.

Though we think SF 3543 is an important step to reform, returning to only nonprofit HMOs does not eliminate the need to pass further regulations to protect non-profit health insurance. A moratorium or a non-profit requirement is easy to strike down in the dark of night, as happened in 2017. Until the MN Legislature takes the additional steps laid out in SF4837 to prohibit for-profit entities from accessing public assets when converting to for-profits, this problem will continue to come before this committee and the risk and harm to patients will remain. Notably, there is little stopping the private health insurance companies – who are currently sitting on almost \$6 billion in assets, including many charitable assets they acquired from nonprofit entities at a fraction of their actual value through mergers and acquisitions – from further consolidating and monopolizing our state healthcare delivery system. This legislation takes us forward by protecting taxpayer-funded state assets, and preventing harmful profit-based decisions that current law leaves open for exploitation.

**Increased Transparency Around Hospital Closures, Service Reductions or Relocations, and Other Healthcare Consolidations (from S.F. 4382):**

Over recent decades, massive health systems have taken over most of Minnesota's community hospitals. These health systems – which are exempt from most local, state, and federal taxes – continue to function and operate more and more like profit-driven corporations. Often, local governments and community-based organizations accepted offers from these health systems to run their hospitals based on promises about services they would provide to the community. Sadly, these promises continue to be broken time and time again.

Due to this, MNA asks that you please continue to include the language from SF 4382 to provide more transparency and accountability when communities lose access to healthcare. Two of the biggest casualties of corporatized healthcare, led by executives making millions, have been mental health and OB/labor and delivery services. Despite the ongoing mental health crisis, the largest healthcare systems in our state have reduced beds, closed units, and even closed hospitals that deliver vital mental health services – always justifying their decisions based on profits and their bottom lines. These same justifications are being used to justify closing birth units across the state, forcing residents in Greater Minnesota to drive hours to give birth. Often, staffing issues are cited as an additional reason for closure, and yet in none of

these cases have health systems deployed comprehensive employee retention strategies to address these issues. Instead, executives turn to more “churn and burn” recruitment strategies that do not solve the issues. Patients, communities, local governments, workers, and the public deserve more transparency than the current law provides when a hospital chooses to consolidate services.

**MinnesotaCare Expansion (Public Option) (from S.F. 4778):**

MNA also applauds the inclusion of language that supports the creation of a Minnesota Public Option by expanding MNCare for those who currently do not have access to affordable and accessible healthcare insurance. Having access to affordable healthcare improves health outcomes and quality of life. Nurses see the challenges that patients face when they cannot access preventable healthcare as patients come with higher acuity and intensity with their healthcare needs. This creates systemic issues across our healthcare system and increases costs. We appreciate the work to build stronger public infrastructure to improve the health of Minnesotans in need and decrease costs across the state.

MNA asks members of the committee to support these provisions today, and to continue to advocate for these changes as we move forward this session.

Thank you for all of your work this session to improve healthcare access and affordability.

Sincerely,

A handwritten signature in cursive script that reads "Shannon M. Cunningham".

Shannon Cunningham  
Director of Governmental and Community Relations  
Minnesota Nurses Association