

Fairview

March 18, 2024

Senate Health and Human Services Finance Committee

RE: Fairview Health Services Comment Letter – SF4699 – Senate HHS Omnibus Budget Bill

Dear Chair Wiklund and Committee Members:

On behalf of Fairview Health Services (“Fairview”), we appreciate the opportunity to comment on SF4699, the Senate HHS Omnibus Budget Bill. Fairview, like other non-profit hospitals and health systems across the state, continues to face systemic challenges that impact health care delivery including rising costs, supply chain challenges, persistent inflation, and lagging reimbursement rates not covering the cost of care. We are committed to continuing to push for positive change in the face of these challenges and solving for the barriers that too often get in the way of our patient’s health.

We understand the difficult budget targets and competing priorities you and your colleagues had in putting this budget bill together. We are very appreciative of many of the items that have been included that will have a direct impact on the patients we serve and the care our teams provide. Specifically, we wanted to highlight our support for the following items:

Mental Health Rates:

- Increasing Medicaid rates for mental health care is a critical step to helping improve access to mental health services across Minnesota. The current reimbursement rates in Medicaid for mental health services – inpatient and outpatient – are well below the cost of providing care. While we know more is needed to significantly invest in our state’s mental health system, we appreciate the funding that has been included in this bill as a key first step.

Health Care Workforce

- **Graduate Medical Education Supplemental Payments** We appreciate the inclusion of Sen. Wiklund’s legislation, SF4946, which creates a new supplemental payment program to support graduate medical education training at teaching hospitals across Minnesota. We currently support the training of almost 1050 medical residents and fellows across our health system, with the majority of those trained at the M Health Fairview University of Minnesota Medical Center. The supplemental payment program in this bill will help to offset the significant costs our teaching hospitals bear in training the state’s future physician workforce.
- **Nurse Loan Forgiveness Program** – We appreciate the inclusion of the hospital nurse loan forgiveness program in this bill. Across our 10 hospitals we employ over 7,800 registered nurses. Loan forgiveness programs have proven to be an effective tool in

Fairview

helping to recruit and retain health professionals, particularly in our rural locations. We are hopeful this program for hospital nurses will have a similar impact on our care teams.

- **Physician Wellness** – We appreciate the inclusion of Sen. Morrison’s legislation, SF3531, which includes several important provisions that help promote the health and wellbeing of our physicians.

Health Coverage Changes:

- **Coverage for Gene Therapy Products** – We appreciate the inclusion of Sen. Boldon’s legislation, SF4058, which creates a new payment methodology for gene and cell therapies delivered in inpatient hospital settings. These new curative therapies are a revolution for many patients impacted by rare diseases, including Sickle Cell disease. Given the high cost of both the therapy and the associated inpatient care for patients receiving these therapies, this is an important first step towards modernizing a reimbursement system that was not designed to meet the significant upfront costs for these treatments. We need to continue working towards a reimbursement structure that accounts for the lengthy multiple-week hospital stays for patients receiving these treatments.
- **Coverage for Scalp Prosthetics** – We appreciate the inclusion of Sen. Dziedzic’s legislation, SF4423, which provides insurance coverage for scalp prosthetics. This is an important way to support individuals and families throughout their healing journey by removing common barriers faced by patients after a cancer diagnosis.
- **Coverage for Gender-Affirming Care** – We appreciate the inclusion of Sen. Dibble’s legislation, SF2209, which provides equitable health plan access to medically necessary gender-affirming care.

Other Provisions:

- **Thrombectomy Capable Stroke Centers** – We appreciate the inclusion of Sen. Mann’s legislation, SF2508, which adds thrombectomy capable stroke centers to the current list of recognized stroke center designations with the Minnesota Department of Health.

We also wanted to acknowledge a few items that we are disappointed to not see included in the bill, but hopeful that we can continue to work on advancing as this bill moves forward in conference committee with the House.

Prior Authorization Legislation – We are hopeful that we can still find an opportunity to advance Sen. Morrison’s legislation, SF3532, which makes important changes to prior

Fairview

authorization processes. These processes often result in delays for our patients, including those navigating serious health issues like substance abuse disorder, mental health challenges and adult and pediatric cancers. They also lead to increased administrative burnout of our providers. We look forward to continuing to work with a broad coalition of providers to ensure we can advance this important bill in conference committee.

1115 Waiver for Health-Related Social Needs – We are also hopeful that we can continue to advance Sen. Mann’s legislation, SF3969, which directs the Department of Human Services to seek a waiver for Medical Assistance to cover health related social needs including nutrition, housing, and other supports. We have seen firsthand the impact that access to healthy foods can have on our patients and their health through our Food is Medicine programs. We look forward to continuing to advance this issue to bring Minnesota alongside several other states across the country working to address social determinants of health through our Medicaid Program.

Hospital Rebasing – We are disappointed to not have Sen. Mann’s legislation, SF4462, on hospital rebasing included in the budget this year. This bill would take important steps to update the inflation adjustment factors for Medicaid inpatient hospital reimbursement rates to better reflect the current economic environment we are in today.

Thank you again for all the work that went into putting this budget together. We know that many of the provisions highlighted above, and others that we did not include, will have a direct impact on the patients, families, and communities we serve across our health system.

Sincerely,



Nate Mussell

Vice President of Public Policy, Fairview Health Services