Senator Matt Klein

Senate Commerce and Consumer Protection Committee

75 Rev. Dr. Martin Luther King Jr. Blvd.

St. Paul, MN 55155

Chair Klein,

Children's Respiratory and Critical Care Specialists, P.A. (CRCCS) is the group that manages many of Minnesota's most medically complex children after discharge from the NICU and PICU. Roughly 80-90 percent of Minnesota children with critical medical complexity are overseen/managed by CRCCS physicians in the hospital and post-discharge, although the patient's primary pediatrician may sign the homecare orders in some cases. We are gravely concerned that the state is allowing the pediatric home-based care system to be destabilized by the erosion of home care nursing (HCN) coverage.

We know this system from the clinical side. For this population, HCN is not elective, ancillary, or substitutable. It is the medically appropriate alternative to prolonged hospitalization or institutional placement for children with ventilators, tracheostomies, severe seizure disorders, and other profound medical needs. Even when the system is functioning, discharge is often delayed for weeks while safe home staffing is arranged. Families may wait months to achieve stable nursing teams at home. In other words, home care is already the bottleneck. Defunding it without an immediate replacement plan is dangerous.

Our concerns are:

1. Insurance companies are now advancing an interpretation of Minn. Stat. § 62Q.545 that is inconsistent with the statute's text, history, and longstanding practical operation. In effect, they are trying to reduce or cap HCN coverage and shift responsibility to Medicaid.
2. That shift is not financially viable for the agencies that provide this care. You cannot reduce reimbursement for ICU-level pediatric nursing from market-sustaining commercial rates to Medicaid rates and expect agencies to preserve the same workforce, staffing depth, and clinical capacity.
3. Families will try to fill the gap themselves in order to keep their children at home. Many will do so heroically, and many will ultimately fail through no fault of their own because fatigue, burnout, and the absence of skilled backup make that burden impossible to carry indefinitely. **This will result in more frequent hospitalizations,**

substantial injury, and increased mortality. As has occurred elsewhere, institutional and step-down placements will emerge as the default for children who should be at home. **Data overwhelmingly supports the superiority of home-based care to institutional care when it comes to patient and family well-being.**

4. Some children will remain in hospitals long after they are medically ready for discharge because safe home care cannot be funded. This will stall NICU and PICU discharges, reduce capacity for acutely ill children, and drive costs sharply upward for both public and private payers.

5. Minnesota's home-based model for children with medical complexity has been **unusually strong**. It has produced outcomes superior to what is commonly seen in systems that rely more heavily on chronic hospitalization, inadequate home support, or institutional placement. If the state allows HCN to be defunded through arbitrary insurer-imposed limits without ensuring an adequate replacement funding structure, Minnesota will devolve into a markedly inferior system with higher morbidity, more complications, more readmissions, more institutionalization, and preventable deaths.

6. **We are at risk of taking a system that functions well and replacing it with a second-tier system that is less humane, less efficient, and more expensive.**

7. We therefore ask legislators and regulators not to allow short-term insurer decisions to destroy a system that is clinically effective, operationally functional, and far more appropriate than the alternatives for these children and their families.

We ask for three immediate actions which are the only realistic actions to stop the harm being done to patients now and in the near-term future.

First, support the pending clarifying legislation intended to preserve the meaning and integrity of § 62Q.545 and prevent insurer-imposed quantity limits from nullifying mandated HCN coverage in practice.

Second, enforce existing law now. If § 62Q.545 continues to mean what it has meant for roughly fifteen years, then it should be enforced as written and as historically applied.

Third, if the state is going to allow a change in who pays for this care, then it must immediately ensure an adequate funding structure to preserve it. If Medical Assistance is expected to absorb these cases, reimbursement must be raised to levels that can sustain ICU-level pediatric home nursing teams. Anything less is managed collapse.

We write in support of the families and provider partners who have raised these concerns, and in defense of the home-based system on which our discharge plans depend. Further

drift is not a neutral choice. If nothing is done, NICU and PICU discharges will stall, intensive-care capacity will be strained, hospitalizations will rise, providers will retreat, families will destabilize, and children who could and should live at home will be pushed back toward institutions.

That outcome is foreseeable, unnecessary, and unacceptable. We urge immediate action. Although we rely on our provider partners to deliver the message, we invite constructive, solutions-oriented and patient-centered conversation in regard to this matter. Please reach out to Mike Foley (mike.foley@crccs.com) to speak with a pulmonologist managing this population of pediatric patients.

Respectfully,

Michael Shreve, MD

Pediatric Pulmonologist

Childrens' Respiratory and Critical Care Specialists

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