

To Members of the House Taxes Committee:

I am writing in support of HF 363, which would remove the current ability of private nonprofit hospital corporations which rent buildings from public entities from using the state to collect patients' bills by means of seizing those patients' state tax refunds and other state payments. The bill would remove that same current ability for private ambulance services.

I am retired, but I had 40 years of Minnesota health care policy experience up until two years ago, as Staff Director of the MN Citizens Federation Northeast, and as Co-coordinator of Greater MN Health Care Coalition.

HF 363 is a very timely measure, given the COVID-19 pandemic and the economic recession caused by it. The lowest income people in our state are the ones most adversely affected by this double trauma. Many of them have inadequate access to health care services, and little ability to pay out of pocket costs – especially those who have lost income because of the pandemic.

There is no logic in equating the status of publicly owned and operated hospitals with that of private nonprofit hospitals in Minnesota -- most of which are parts of large, lucrative chains – simply because they rent hospital buildings that were once publicly operated in the past, and the physical building is now still publicly owned. In these cases, such as Regions Hospital and the Sandstone Hospital, the business operations of the hospital – income, expenses, profits, liabilities – are all part of the private corporate business, in these two cases HealthPartners and Essentia Health, respectively. The public entities which rent these facilities to these chains have absolutely no involvement in the expenses or bill collections of patient services. They are basically commercial landlords.

In some cases, if the revenue recapture is for a bill which the hospital has sent incorrectly, then the state is inadvertently complicit in overcharging the patient, because the state does not check these bills for accuracy.

An additional concern is whether the hospitals are making all possible efforts to make sure that patients are eligible for and enrolled in the hospitals' Financial Assistance Programs, and documenting this, before resorting to revenue recapture with the state. My experience as a consumer advocate is that many patients who qualify for a hospital's own Financial Assistance Program don't know about it, or face obstacles getting enrolled.

As an aside: In the case of Regions Hospital, the state makes the same mistake of grouping together publicly operated hospitals with a private hospital in 256B.196. This statute incorrectly asserts that Regions Hospital is a “nonstate government hospital” (i.e., publicly owned and operated), on a par with Hennepin County Medical Center..

Please pass HF 363. Thank you.

Buddy Robinson, Duluth

Members of the House Taxes Committee:

HF 363 deserves your support because it corrects an unseemly perversion of the revenue recapture act and restores it to its original purpose, which was to collect money from people who are required to pay debts and penalties to government agencies. Currently, the Department of Revenue is acting as a low-cost debt collection service for non-governmental entities, and I object to this abuse of state government subsidizing private financial interests. This bill does not prevent private health care providers from pursuing debt collection. It does level the playing field so that an unfair competitive advantage, now provided by state workers, is removed from some businesses while others in the same industry were not receiving that benefit.

Please pass HF 363.

Sincerely,

Diane J. Peterson