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LOCAL

Two Hennepin Healthcare leaders quit after County Board implements new budget oversight

The new limits on the board overseeing HCMC came after a budget deficit prompted insurance changes.

By Christopher Magan (<https://www.startribune.com/christopher-magan/11216508/>) Star Tribune |

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Two Hennepin Healthcare System leaders quit unexpectedly in December, just days after county commissioners put new limits on the board of directors as part of the approval of the organization's annual budget.

Steven Thompson, the incoming board chair, and Diana Vance-Bryan, a past chair, both resigned during a closed portion of a Dec. 15 meeting. The board called the emergency meeting to discuss the implications of the added oversight with its attorney.

Thompson and Vance-Bryan did not respond to a request for comment. The County Board oversees the budget of Hennepin Healthcare Systems, which operates HCMC and several clinics.

In a statement, Hennepin Healthcare leaders said more than a dozen members of its board of directors are experienced volunteers from the community, and the resignations shouldn't affect hospital operations. "We are grateful for their time and their expertise," the statement said.

Before the board approved Hennepin Healthcare's \$1.5 billion budget in December, it stipulated that the organization could not lay off employees or change top leaders' salaries without first consulting county leaders. The board also asked hospital officials to create a report outlining the anticipated impact of recent health insurance changes on employees.

Hennepin County Board Chair Irene Fernando, who proposed the new oversight of the health care system, noted in a statement the "intensifying challenges facing public health care providers." She said county leaders were committed to making sure residents' health care needs are met.

Insurance changes for workers were a driving force behind the added County Board oversight. Last fall, caregivers from HCMC repeatedly urged county commissioners to intervene in changes to their health plans approved by Hennepin Healthcare leadership.

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Nurses, EMTs and other workers said the insurance changes would mean higher out-of-pocket costs for less comprehensive care and would make it harder to recruit and retain staff. Hospital leaders said modest changes were needed to help close a \$127 million budget gap and that benefits were still among the best in the region.

Jeremy Olson-Ehlert, a registered nurse who is co-chair of the Minnesota Nurses Association local union at HCMC, said he was frustrated by what he called an ongoing lack of transparency from the board. He questioned why the resigning board members didn't speak publicly about their decisions to quit.

"That should have been done in public," Olson-Ehlert said. "What do (they) have to hide from?"

Caregivers also were critical of a recent 15 % pay raise given to Hennepin Healthcare CEO Jennifer DeCubellis that bumped her salary to about \$1 million in 2023. Hospital officials said DeCubellis' pay is competitive.

Commissioner Marion Greene was the lone vote against the new limits, saying at the time that the county already has adequate oversight of Hennepin Healthcare. She referred back to that statement when asked to comment on the board resignations.

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