

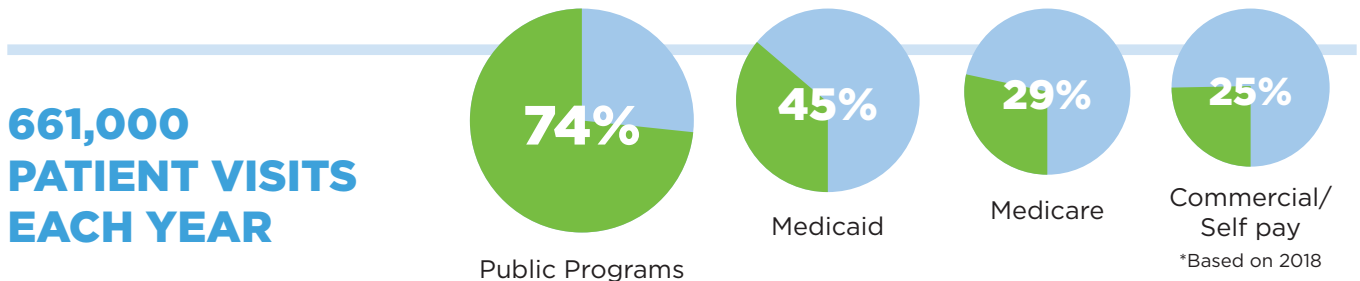
# WE NEED TO STABILIZE THE STATE SAFETY-NET

## Hennepin Healthcare System (HHS)

HHS is the state's largest Medicaid provider system and safety-net trauma hospital in Minnesota, proudly serving the most complex populations from throughout the state. We combine research and innovation, teaching the future workforce, and investing in wellness with the unique populations we serve.

## Our reality

Many of our patients experience barriers limiting their ability to be healthy, especially during an infectious disease outbreak. We primarily serve communities of color, adult and pediatric populations that are experiencing significant social and medical complexities, are low-income and have unstable housing, transportation, food insecurity and language barriers.



## Problem

There is a higher cost of care associated with serving a disproportionate number of Medicaid patients with complex needs, at lower reimbursement than commercial payments.

Health care systems address fiscal pressures through consolidation, cuts and reducing services. When Hennepin Healthcare must make difficult financial choices, there is a disproportionate impact to people of color and people with low incomes. COVID-19 has proved that our safety-net system has never

been more critical. We have met the challenge of COVID-19 by testing thousands of Minnesotans in community settings, and organizing critical care in congregate living settings and homeless shelters. We have continued to be the level-1 trauma center Minnesotans expect.

## HF1609 Liebling/SF1372 Benson

At a projected **NO NET COST TO THE STATE**, the Minnesota legislature can stabilize the state's largest Medicaid provider by authorizing an available federal funding mechanism that over 30 states access.

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**The needed and unique role Hennepin Healthcare System plays in the health of many Minnesotans will be jeopardized without this legislative action.**

Some current federal supplemental payments used to help safety-net hospitals, like HHS, are set to expire and others are decreasing due to the change in program coverage for some populations. In 2016, the Centers for Medicare and Medicaid Services (CMS) authorized a new funding mechanism to alleviate financial strain on safety-net providers. Minnesota can access these supplemental directed payments on behalf of HHS at a projected **NO NET COST TO THE STATE.**



## HHS Supplemental Medicaid Revenue is Declining

- Medicaid fee-for-service supplemental payments have trended downward as enrollment and services shift from fee-for-service to managed care.
- Medicaid managed care pass-through payments are being phased out and will be eliminated by 2025.