

Testimony to Minnesota House of Representatives
Michael Belzer, MD
Medical Director, Hennepin County Medical Center
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Good morning:

My name is Dr. Michael Belzer. I am the Medical Director at Hennepin County Medical Center and have been so for the past 20 years. We are celebrating our 121st birthday this year – serving citizens of the state of Minnesota. I appreciate the opportunity to testify before this committee today regarding the impact of the Governor’s revised budget upon HCMC and those patients we serve.

This morning I want to briefly address three important subjects.

First, I want to detail for you the consequences of the governor’s proposed cuts to HCMC. HCMC is the state’s oldest and largest safety net hospital with a clearly defined mission and commitment to provide care to the disadvantaged, vulnerable and uninsured.

For context, 47% of GAMC managed care enrollees reside in Hennepin County. HCMC has by far the largest proportion of the GAMC enrollees.

At Hennepin County Medical Center, we estimate that the Governor’s proposed cuts to GAMC PMAP specific to HCMC would reduce Hennepin County Medical Center’s operating margin by \$14 million per year.

These cuts are above and beyond the nearly \$25 million single-years impact of the Governor’s other proposed cuts (Medicaid and Minnesota Care), additive to the \$12 million unallotment “challenge” we received, and additive to the \$7 million rebasing reductions to HCMC from the 2007 legislative session.

Adding this proposed \$14 million single-year GAMC inpatient cut to the other mentioned reductions from the State, HCMC is looking to experience \$44-54 million per year reduced reimbursement from the State.

I can tell you frankly that our hospital is reaching a breaking point. **Given the magnitude of the Governor’s proposed cuts, and the very short time to manage them, this hospital is being forced to consider options that we have never contemplated during my 30 years at HCMC, including restricting access to services, cutting programs for the uninsured and underinsured, and re- evaluating exactly where to draw a geographic boundary for service delivery.**

Cutting \$40-50 million per year from our medical center, if even possible, would leave HCMC a **very, very different institution and possibly unrecognizable from what it is at present.**

Second, I want to talk about the ultimate consequences of those cuts to our patients.

Multiple lines of credible research and evidence outline clearly that uninsurance is not merely an inconvenience in the location of where patients receive care, but in fact, is a fatal disease.

Most studies demonstrate a 25-50 % increase in mortality and an estimated 30,000 deaths per year in the United States due solely to the lack of health insurance.

Therefore, in my opinion, there is no question that elimination of GAMC coverage for inpatients **will harm patients, worsens health status of this population, and will result in needless deaths; deaths due to poverty and policy change.**

Third and finally, I want to make you aware of the potential for a self-perpetuating, destructive cycle that literally threatens to destroy the safety-net of this state if cuts to our safety-net hospitals are too severe.

When cuts are made to hospital reimbursement are made, hospitals eliminate money-losing programs, or limit access to such programs for uninsured persons. Less access for the poor means that patients avoid care. These patients then present at the emergency room similarly uninsured, which generates far greater costs to the hospital. If the state continues to cut eligibility and reimbursement, the hospital subsequently has no choice but to further cut and or limit access to its programs, which again generates more people coming to the emergency room far later in the progression of their illness, generating more costs and so on and so forth.

Hennepin County Medical Center may very likely be launched on the path of this destructive downward spiral if the governor's proposed cuts are implemented.

I thank you for the opportunity to raise these important concerns with you today. I ask you to consider the profound human cost of your decisions in regards to safety-net hospital financing this year and to find a way of preserving the safety-net at a time in which it is more needed than ever.