

MNASCA Member Forum: 2025 State and Federal Legislative Update

March 14, 2025

Update on Proposed Healthcare Transparency Legislation – Rep. Liz Reyer

Rep. Liz Reyer plans to introduce healthcare transparency legislation in the Minnesota House this year, focusing on three key areas:

Transparency in Ownership: Rep. Reyer aims to address the opacity in healthcare ownership structures, particularly concerning private equity and corporate entities. Her proposed bill would require detailed disclosures about ownership chains to understand how money flows within the healthcare system and whether it benefits community health. Key points include:

- Revealing connections between different entities in the healthcare system
- Understanding how money flows through the system
- Determining if ownership structures benefit community health
- Balancing transparency with protecting sensitive business information

Corporate Practice of Medicine: Reyer seeks to refine statutes governing corporate involvement in medical practice. She is collaborating with Senator Dr. Alice Mann on this initiative. The legislation will:

- Allow business relationships for administrative support
- Prohibit non-medical entities from interfering with medical decisions, such as appointment durations, coding practices, or referrals
- Focus on problematic behaviors rather than specific organizational structures

Assisted Living Protections: Reyer plans legislation addressing issues in assisted living facilities. This proposal aims to:

- Protect residents and their families while being fair to businesses operating in good faith
- Address abrupt evictions when funding sources change from private to public
- Regulate dramatic cost increases following for-profit acquisitions

Rep. Reyer believes these bills collectively will enhance transparency, safeguard medical practice integrity, and protect vulnerable populations in Minnesota's healthcare system.

Discussion on ESST and FPML Implementation

Rep. Liz Reyer responded to concerns raised by participants about implementation of the Earned Sick and Safe Time (ESST) and Paid Family Medical Leave (PFML) laws. The conversation highlighted several key concerns from ASC leaders, including

- **Staffing challenges:** Difficulty in managing last-minute call-outs, particularly when they impact scheduled procedures.
- **Potential for misuse:** Apprehension about potential abuse of the system by some employees.
- **Increased workload:** The added burden on existing staff who must cover for absent colleagues.
- **Redundancy:** Some employers who already provide robust PTO benefits feel the new laws are redundant and create unnecessary administrative overhead.
- **Workforce environment:** The difficulty of implementing both laws simultaneously within an already challenging healthcare workforce environment.

Rep. Reyer emphasized her commitment to prioritizing employees' needs based on her personal experiences and believes these laws will ultimately lead to improved productivity, health, and loyalty. She expressed openness to adjusting the laws as they are implemented to address emerging issues.

The discussion also touched on potential exemptions for employers who already offer equal or better benefits and the need to balance employee needs with operational requirements. It's currently unclear whether existing employer leave plans will meet the standards of the new PFML law, as the threshold for compliance is still being determined.

Tom Poul referenced the February 2025 MNASCA Member Forum, which provided valuable information on these laws. The forum, led by attorney Caitlin Gehlen from Lathrop GPM, covered various employment issues including PFML, ESST, and other recent changes to Minnesota employment law. Here are the resources from that forum:

- [February Member Forum recording](#)
- [February Member Forum presentation slides](#)
- [Dept. of Employment & Economic Development \(DEED\) PFML Employer Resource Toolkit](#)
- [Dept. of Labor & Industry \(DOLI\) ESST resources](#)
- [Lathrop: The Modern Workplace Blog](#)

General State Legislative Session Update

Tom Poul provided an update on the current Minnesota legislative session, highlighting the unique political landscape and budget challenges. The House is tied 67-67, requiring bipartisan cooperation, while the Senate has a narrow Democratic majority. This political balance makes it unlikely for extreme provisions to pass. The budget forecast predicts a short-term surplus of \$400+ million for the first year of the biennium, but a significant \$6 billion shortfall is projected for the second year. Unlike the federal government, Minnesota must pass a balanced budget, which will be challenging given the current political climate.

Key dates include:

- April 4th: Committee deadline for most bills
- April 11th: Deadline for tax and finance bills
- May 19th: Constitutional adjournment date
- June 30th: End of fiscal year; potential government shutdown if no budget is passed

Poul discussed several bills of interest to ASCs that have been introduced in the 2025 legislative session, including:

1. **Price transparency:** This bill seeks to introduce penalties for non-compliance with existing healthcare price transparency requirements and broaden the scope to include all providers over three years, potentially prohibiting medical debt collection for those who fail to comply. It's been introduced in both chambers but hasn't received a hearing yet.
2. **Facility fees:** This proposal aims to prohibit charging facility fees, initially targeting hospitals and provider-based clinics but potentially impacting ASCs due to unclear language that could grant the Department of Health authority to expand the ban. The bill was heard in the Senate but has not yet been heard in the House.
3. **Medical Assistance reimbursement rate increase:** This bill proposes to increase rates for outpatient healthcare providers to 100% of Medicare rates based on the recommendations from the [Minnesota Health Care Programs Outpatient Services Rates Study](#). It is currently estimated to cost \$400 million annually, with funding options including a general fund allocation with 3-year phase-in or a surcharge on health insurers with upfront funding. The bill was heard in the House Human Services Committee and was laid over for possible inclusion in the omnibus bill.
4. **Patient Compensation Fund for Medical Malpractice:** Senator Mann has proposed a patient compensation fund for medical malpractice, which would assess annual fees on healthcare providers and add a premium surcharge on

insurance to compensate individuals for medical malpractice, raising concerns about additional financial burdens on providers. The bill hasn't had a hearing.

These bills are at various stages in the legislative process, with some facing challenges due to the tied House and potential fiscal impacts.

Poul also mentioned ongoing discussions about the Paid Family Medical Leave and Earned Sick and Safe Time programs, with Republicans pushing for changes while Democrats resist major alterations. Given the current political dynamics, Poul anticipates the need for a special session to complete the budget and warns of a potential government shutdown if an agreement isn't reached by June 30th.

Federal Legislative and Regulatory Update

Stephen Abresch from ASCA characterized the situation in Washington, D.C. as chaotic and provided updates on several key issues:

- **Potential government shutdown:** A shutdown remains a threat, though the likelihood has decreased. Minority Leader Schumer's possible support for a spending patch has shifted the landscape.
- **Search for federal savings:** The administration is seeking savings to fund its agenda, potentially impacting healthcare through HHS, Medicaid, and Medicare. Site-neutral reimbursements in Medicare are being considered, with a potential \$146 billion reduction over 10 years. Senators Cassidy and Hassan are expected to reintroduce proposals on site-neutral payments.
- **ASCA legislative priorities:** ASCA is splitting its legislative efforts into two bills. One bill aims to eliminate the co-pay penalty for Medicare beneficiaries at ASCs, addressing the higher out-of-pocket expenses for certain procedures compared to HOPDs. Representatives Mike Kelly (R-PA) and Rob Menendez (D-NJ) are expected to sponsor the bill in the House.
- **Potential Medicaid reforms:** The House Budget Resolution instructs the Energy and Commerce Committee to find \$880 billion in savings over 10 years, likely leading to significant Medicaid changes. Specific reforms are unclear but could include work requirements or lowering the federal share.
- **CMS leadership and priorities:** The nominee for CMS Administrator, is undergoing a confirmation hearing. ASCA submitted a letter to the acting administrator outlining key priorities:
 - Continue using the hospital market basket for ASC payment updates.

- Add procedures to the ASC Covered Procedure List (CPL) based on clinician data.
- Remove ASC-20 quality measure and suspend ASC-22 through 24.
- Address mission drift in the quality reporting program.
- **ASC Covered Procedure List:** ASCA submitted nominations for new procedures on February 28th, focusing on cardiovascular, spine, and vascular procedures. ASCA is advocating for greater transparency in CMS feedback on rejected nominations.
- **CMS Staffing Cuts:** Initial cuts have impacted roughly 5% of the CMS workforce. The March 13th deadline required agencies to submit reduction in force (RIF) plans, potentially impacting Medicare operations and beneficiary care. Feedback is requested on any issues arising from these staffing changes.

MNASCA Association Update

Laura Harris announced MNASCA's Day at the Capitol event on April 3rd from 1:00 to 4:00 p.m. Here are the details and the link to register:

MNASCA Day at the Capitol

Thursday, April 3, 1-4 PM

Governor's Dining Room, Minnesota State Capitol

Join MNASCA for a day of advocacy at the Minnesota State Capitol on April 3rd. Connect with legislators, stay updated on key issues, and contribute to shaping the future of ambulatory surgery in Minnesota.

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