

NINA MOINI: For many low-to-middle-income households, a health emergency can quickly turn into a financial one. Because nonprofit hospitals and health systems receive tax breaks, they're legally obligated to help cover some patients' medical bills. But Minnesota's hospitals do this at a lower rate, on average, than in most other states. In other words, they're some of the least charitable in the nation. That's according to a recent investigation by the *Minnesota Star Tribune* and the health outlet, KFF News.

Star Tribune reporter Jeremy Olson joins me now to share his reporting with us. Thanks so much for being here, Jeremy.

JEREMY OLSON: Yeah, happy to be here.

NINA MOINI: I think when all of us think of Minnesota, we hear a lot about how charitable the state is. And that is true on many levels. But I am curious to how you became interested in looking at charity care in Minnesota, the role of hospitals, and if you were surprised at what you found.

JEREMY OLSON: Yeah, we were. I mean, the issue of charity care and medical debt has obviously been emerging in Minnesota and across the country. I mean, as health care, as health insurance gets more expensive, and at the same time as co-pays get bigger, as deductibles get bigger, we're all getting more exposed to the cost of our health care. And that's bringing this issue to the forefront, the need to be able to afford your bills.

NINA MOINI: And when you took a look at charity care in Minnesota hospitals, how did it compare to maybe other hospitals?

JEREMY OLSON: Well step one in this was just we looked at every charity care policy for 123 hospitals across the state, which takes a little doing because they're on individual websites. They're not always well coordinated. And you saw tremendous variation within our hospitals. Some would give a person living alone the ability to get free care, if they were making \$47,000 a year, about 300% of poverty, that's Hennepin County Medical Center.

Other hospitals, you needed to have as little as \$15,000 as your household income living alone to qualify for free care. So even within the state starting there, there was a huge variation. Then step two was seeing how does our averages compare with the rest of the country. So there's kind of a two-step process in the reporting there.

NINA MOINI: And then what did you find? We alluded to it in the introduction, but what did you find compared with the rest of the country?

JEREMY OLSON: We definitely-- our hospitals spend less of their operating budgets on charity care than in other states. Now, the big thing is there are some caveats to note with that. On the good side, we have fewer uninsured people than other states. We do things to try and make health care more affordable. And we have healthier people and have less need for health care, all of which should reduce our need for charity care compared to other states. So in fairness to hospitals, I like to point that out.

But that being said, we found a lot of other reasons why there could have been a disparity compared to other states, including just our ability of our hospitals to let their patients know that charity care exists.

NINA MOINI: Tell me more about that because I read your reporting, and it sounds like some people hadn't posted to their website. Or maybe people don't enough about what they might be entitled to. Did you find some gaps there?

JEREMY OLSON: Yeah, there's been some changes already in Minnesota. The attorney general and some medical debt legislation required all hospitals to post their charity care policies on their website, and by the end of our reporting, we found that most hospitals had caught up. At the start, when we started asking, a lot still hadn't done it.

But there's the fine print and then there's what actually happens in practice. You can have a charity care policy and it can be out there for patients to find, but in a lot of cases, it's going to be a lot easier for them to find a hospital's payment plan, a loan, or something like that that's income generating rather than charity care. And so once in a while, we'd find that hospitals had a spot, yes, for their charity care policy, but then a more prominent spot for payment plans and other ways to pay off bills.

NINA MOINI: How are the hospitals determining who gets help? I understand it's not uniform. So is it up to the boards at these individual hospitals?

JEREMY OLSON: Yeah, in many cases, it is. And obviously, we have a lot of health systems like your Allinas and Fairviews. And so they set policies for all of their hospitals. But we also have a lot, more than most states really, we have a lot of small, independent hospitals. And they take a look around at their communities, they decide what the need is, and they set the level they feel is appropriate. I should also note, we also have a lot of struggling hospitals right now, a lot of hospitals that are considered in financial distress. And so they have to balance the needs of their community and charity care legitimately against what they can afford.

NINA MOINI: And tell me more about that. What else did these hospitals and health systems tell you about why they don't cover more patients' bills? Because you did ask some for comment and they were saying, like you're saying, we're not made of money here either.

JEREMY OLSON: Yeah, absolutely. They note that there are lots of ways to serve your community. I mean, charity care is one in a basket of things called community benefits. And they'll argue that they put their money elsewhere, that community benefits can go into training the next generation of doctors and nurses, or in some cases, it goes to just paying when Medicaid or federal programs don't fully fund the cost of a bill, they absorb the money losing in that case, and they take that on, and they declare that as a community benefit. So they often tell me that they're putting their money in other places that support their communities, just not charity care.

NINA MOINI: Did you find that hospitals in areas with the greatest need were providing the most charity care?

JEREMY OLSON: It doesn't quite map out like that. When we try to do some mapping of the entire state. Now, yes. HCMC in Minneapolis, urban community, a lot of poverty, a lot of need, it actually has the most charitable policy in the state. As we also from legislation, that is perhaps the most struggling financially hospital in the state and most at risk for closure. But when we looked across the rest of the state, there were some areas that had very high poverty, a lot of need, and hospitals that had very uncharitable policies. So it didn't always match up.

NINA MOINI: Did you talk to any patients? I know there were some patients in the reporting as well, who maybe felt like things could have gone differently for them.

JEREMY OLSON: Yes, we did. We talked to patients who had either said, during times of critical injuries or surgeries, things like that, that they weren't informed upfront about charity care. Or if they were, it might have been a time in emergency care where it didn't sink in. And so the opportunities went missed, and then home recovered, and suddenly they start getting these massive amounts that they can't afford. And in some instances some get sued, or they start getting debt collectors on them, and they start to panic a little. And that's part of the problem with when patients are eligible for charity care and they don't get it repercussions down the line, including that perhaps they skip health care that they need because they don't think they can afford it in the future.

NINA MOINI: You did mention HCMC, which there was work at the Capitol this session that just wrapped up to give some aid there. There was a last-minute proposal in the state legislature to help boost charity care in the state by sending tax money back to the hospitals. Can you tell us the status of that?

JEREMY OLSON: Yeah, that was introduced in the final week of the session. Representative Elkins had proposed that there's a tax on hospitals' patient revenues, and it brings in about 250 million for the state each year. And that roughly amounts to the 240 some million that Minnesota hospitals spent on charity care in 2024. So those numbers balance out. Well, his idea was that since the hospitals are generating this tax anyway, and this tax has been around for 20-some years, that it might be time to give it back to the hospitals in the form of a requirement that they use it for charity care.

His idea was that we could net out their current charity care and perhaps inspire them to provide even more charity care to patients who need it in the future. Now, that idea was floated out there. Representative Elkins, he knew in the last week it wasn't going to get a lot of run. There was a lot of things obviously to finish in this legislative session. I was just texting with him. He said he got a lot of people who were interested in the idea and that it might have a life in future sessions.

NINA MOINI: What about some of the other proposed solutions or things that could help? I know attorney general Ellison and some state lawmakers have talked about standardizing some of these eligibility requirements. It sounds like from our conversation, hospitals are not interested in that. How likely do you think that is?

JEREMY OLSON: Yeah, hospitals would say they are in the best position to assess the needs of their community and their ability to fund it. That said, some states have created minimum floors for charity care. A lot of them will say they want eligibility standards of 100% of the poverty level to get discounted care, or 200% to 300% of poverty level for families to get what's called free care, to have all of their medical bills waived. And so there's been a proposal or discussion about creating a similar level of charity care that every hospital must have in Minnesota.

The State of Delaware has just put out some recommendations on that, and a few other states are considering it as well. So it's an idea that's out there.

NINA MOINI: All right, Jeremy. Thanks for sharing your fascinating reporting with us. We really appreciate your time.

JEREMY OLSON: Yeah, happy to do so. Thank you.

NINA MOINI: Jeremy Olson is a reporter for the *Minnesota Star Tribune*.