



Minnesota ACEP Policy and Legislative Update

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Minnesota ACEP Chapter Lobbyists



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Members,

Now that February is over, this marks the first two weeks of the 2026 legislative session as complete. As I mentioned in the last update, the first two weeks of hearings focused on issues that each political party had detailed as priorities.

- Fraud reform
- Gun control/safety issues

The House, of course, has a tied legislature at 67-67, and that also extends to committee assignments. The committees are co-chaired by a Democrat and a Republican, and they have a 50/50 vote in committee. So basically, in the House, the last few weeks, all legislation debated and introduced died on party-line votes. Whether that referred to gun issues, fraud oversight or other controversial legislation.

The Senate last year, on a bipartisan basis, with over 60 votes in favor, supported an independent Office of Inspector General (OIG) to investigate and address all fraud issues. In the House last year, that bill could not get a 68th vote to get off the House floor and to the Governor for a signature. The MN Senate again this year seems to be in bipartisan lock step on the same fraud proposal. The House has introduced a new fraud bill that would have the Governor appoint an independent OIG.

This issue will take a lot of air out of the room as the session continues, and fraud is debated at the Capitol. You may have seen this week that the federal government/CMS withheld an additional quarterly payment of \$275 million from MN until DHS and the Governor's office present a more detailed plan to CMS to combat fraud.

Also, this week, a Hennepin County Commissioner and key staff from HCMC testified in Senate Health to the impending financial crisis in the hospital based on high amounts of uncompensated care and the Federal changes and loss of Federal Medicaid enhanced dollars referred to as "Directed Payments."

The committee was sympathetic and discussed the need for a broader look at the roughly 50% of MN hospitals operating at a loss. More debate will continue around solutions regarding HCMC and

other providers.

Regarding finances, the State Office of Management and Budget released an updated budget forecast that the legislature will use to work on a supplemental budget this year and to look ahead. The good news is the economy is humming along, and the budget forecast improved from November.

The projected surplus for Fiscal Years 2026-27 is now higher than it was in the November estimate, and no deficit is projected for the next biennium.

“Minnesota’s budget outlook has improved amid significant near-term economic and fiscal uncertainty,” according to the [February forecast released Friday](#) by Minnesota Management and Budget.

The projected balance for the 2026-27 biennium is now \$3.7 billion, \$1.3 billion higher than November estimates.

However, spending growth is forecast to outpace revenue growth through Fiscal Year 2029. The projected General Fund balance for the 2028-29 biennium is now \$377 million, but “a significant structural imbalance remains. Shifting policies at the federal level and missing or incomplete data due to recent federal government shutdowns introduce significant uncertainty to the projections,” according to MMB.

So, a ray of sunshine in the extremely controversial session was released this week. This forecast does not include some of the Medicaid reductions the State may need to absorb.

As we look at week 3 of the legislative session, I have updated bill numbers below for you to reach out to your legislators about. I have left the talking points in this update for your reference.

The two-priority bills are detailed below.

The first bill is the: Health Care Provider Actions bill:

SF# 3489- Senator Seeberger

HF# No house author yet

Key Provisions for talking points

- A plaintiff can only collect against a provider’s personal income and assets if: 1) the provider’s conduct was found to be willful, malicious, or intentionally fraudulent; or 2) the provider did not maintain at least \$1 million in insurance coverage.
- Courts may award economic damages—past, present, and future—up to the amount actually paid by the plaintiff or insurer for medical expenses related to the injury.
- A plaintiff may only recover non-economic losses to compensate for pain, suffering, and inconvenience, and must not exceed \$500,000.
- The current law allows patients to file malpractice suits within four years from the accrual of the cause of action. SF 3489 would reduce this window to two years.

Why we need the Healthcare Provider Protection Act

Protecting Health Care Providers from Financial Ruin

Limiting personal liability and damages, especially non-economic damages, protects physicians and other health care providers from personal financial disaster. We need to protect those people who have made it their mission to safeguard our health and lives.

Case Study: Emergency Medicine Physicians do not get to choose their Patients

Emergency medicine physicians are under intense pressure to diagnose everything perfectly, often under crisis conditions. Under federal law (the Emergency Medical Treatment and Labor Act (EMTALA)), emergency medicine physicians are required to care for every patient who comes through the door. For this care, the physician is typically paid approximately \$200 for each visit, but may not be paid at all, yet is being asked to put their personal financial existence on the line for every patient.

Physician Migration and Access Desert

The average Minnesota medical malpractice payout is \$720,000 per case. Every health care provider has the choice of practicing in Minnesota (where there are no damage caps) or another state (many of which have personal financial liability protections). Health care providers are not going to sacrifice their financial futures to practice in Minnesota. Providers are going to migrate to other states, further increasing the already existing access deserts in Minnesota.

Lower health care costs

Physicians face the persistent threat of litigation, leading many to order unnecessary tests and procedures to protect against the risk of missing something. The Healthcare Provider Protection Act will alleviate this pressure, leading to lower healthcare costs.

The second bill is the: First Dollar Coverage bill (alternative mechanism for prompt payment):

SF # 3784- Senator Seeberger
HF# 3734- Representative Huot

Key Provisions for talking points

- Would mandate certain health plans detailed in this legislation to provide prompt payment
- Would apply to health plans sold with very high deductibles. \$3,000 per person or \$6,000 annually
- Applies to all emergency ambulance transports and emergency department care

- Mandates the health plan pay the providers directly for their charges and mandates the health plan collects from the high-deductible enrollee

Why we need the alternative mechanism for prompt payment

Protecting and sustain the emergency care safety net for emergency ambulance services and Emergency Departments

- Uncompensated care is at record levels
- Medicaid and Medicare pay below cost to offer the care
- Currently the provider accepts all financial risk for providing service. This bill would pull the health plans into that conversation
- Under federal law (the Emergency Medical Treatment and Labor Act (EMTALA)), emergency medicine physicians and ambulance services are required to care for every patient that enters the ED or the ambulance.

Legislative outreach:

We will be working with the Policy and Advocacy committee this week on opportunities to meet at the Capitol during floor sessions to connect with some legislators.

Also, the best opportunity for a constituent to connect with their legislator is to email and outline the legislation detailed above. Again, you can find your legislators at: <https://gis.lcc.mn.gov/iMaps/districts/> <https://gis.lcc.mn.gov/iMaps/districts/>

If you have any questions, please feel free to reach out.

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