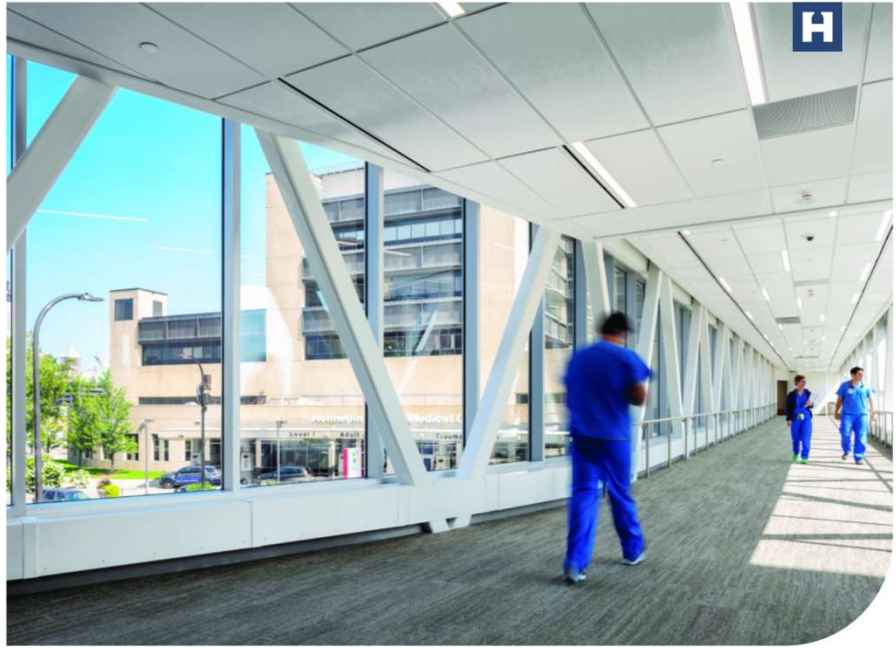


Hennepin County

Financial Status Senate HHS Committee

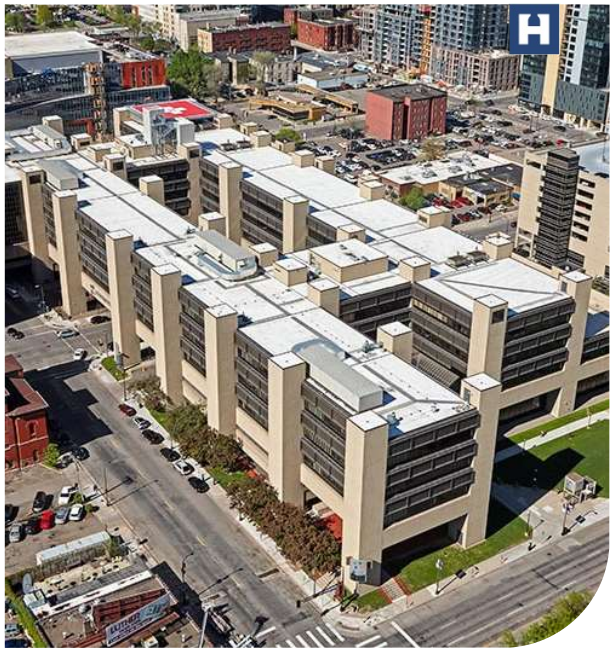
February 26, 2026



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Hennepin Healthcare System financial update

Hennepin County Commissioner Angela Conley



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Layered challenges

- **Change Healthcare cybersecurity incident**
- **UCare**
- **End of public health emergency**
 - Reduced Medicaid enrollments led to revenue loss
 - Medicaid is biggest payor for HHS
- **Increasing uncompensated care**
 - \$40M in 2020, \$104M in 2024
 - \$24M of uncompensated care in 2024 was provided to patients who live outside Hennepin County

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FY2026–FY2038 HHS Financial Outlook

- **FY2026 outlook**
 - Projected Operating Income Loss: \$40M–\$50M
 - Driven by structural pressures across the national safety-net hospital sector
- **HR1 impacts beginning in 2027**
 - Major financial shift due to policy changes affecting:
 - Medicaid Directed Payments
 - Medicaid disenrollment from expanded work requirement
 - Increased frequency of eligibility redeterminations
- **Cumulative financial impact (2027–2038)**
 - Total estimated impact: \$1.7B
 - –\$1.1B from declining Directed Payments
 - –\$0.6B from Medicaid disenrollment

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Voices of Hennepin Healthcare

Dr. Meghan Walsh, MD, MPH
Chief Academic and Research Officer
President of the Medical Staff

Dr. Nathaniel Scott, MD, MHA
Vice President, Hospital and Acute Care Service Line

Krista Steele, MSN, RN
(sharing her daughter's patient story)



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Training Minnesota's Future Healthcare Workforce

- The training site for **31%** of all Graduate Medical Education trainees and **60%** of Undergraduate Medical Education trainees in Minnesota.
- **70%** of our 2025 graduates remained in Minnesota.
- In the last 10 years, **346** of our graduates chose to stay in Minnesota to practice. Of these, **64** indicated they were moving to rural practice in our state.
- Partnership with Sanford Health-Bemidji to bridge urban and rural medicine.
- The only Addiction Medicine Fellowship program in the State of Minnesota.



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Leader in Trauma Care

- **Minnesota's first Level I Trauma Center** (nation's highest designation).
- Our trauma center cares for **over 3,000** seriously ill or injured patients every year.
- Our expertise in Trauma and Burn wounds are the **#1** reason patients outside of Hennepin County residents utilize Hennepin Healthcare.
- Between 2020 and 2024 **40%** of patients needing trauma or burn specialty care lived outside Hennepin County.



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Krista and Luna's Story

At 20 months old, Luna sustained partial thickness burns to both of her hands

Seen at a local Emergency Department in Princeton, then transferred to HCMC for specialized burn care

Throughout the stay, the medical professionals at HCMC demonstrated exceptional clinical skill, and extraordinary compassion and awareness of the entire family



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