

MNASCA Member Forum: 2025 Legislative Update

April 25, 2025

The MNASCA Member Forum on April 25th focused on key federal and state legislative updates impacting ASCs. Members heard from MNASCA Lobbyist Tom Poul and ASCA Government Affairs Director Stephen Abresch about ongoing advocacy efforts and potential policy and budget developments. Rep. Jeff Bacler, Co-Chair of the House Health Policy and Finance Committee offered insights on the 2025 session and his caucus's priorities.

Federal Policy & Advocacy Update

Stephen Abresch shared updates on two major federal issues impacting ASCs.

1. Medicare Beneficiary Copay Fairness Act of 2025

- The bill, introduced in the House, mirrors previous efforts in the Outpatient Surgery Quality and Access Act
- The legislation seeks to address the copay disparity between Hospital Outpatient Departments (HOPDs) and ASCs for 180 device-intensive procedures. Currently, Medicare caps out-of-pocket costs in HOPDs but not in ASCs, making ASCs appear more expensive
- A Senate version of the bill is expected next week
- ASCA will launch a grassroots letter-writing campaign once both versions are numbered and the text is public
- National Advocacy Day is scheduled for September 15–17, 2025, in Washington, D.C.

2. ASC Quality Reporting Measures

- ASCs are awaiting the July release of the proposed 2025 rule, which will address controversial ASCQR measures (ASC-22 through ASC-24) and the COVID-19 vaccination reporting requirement
- CMS recently proposed removing similar measures for hospitals in the April 11 IPPS rule, including health equity and social drivers of health metrics, which offers optimism for ASCs
- ASCA leadership is engaging with the new CMS administration, hoping for a suspension or removal of these measures for ASCs

Federal Budget Outlook & Medicaid Funding

Abresch also responded to concerns raised by Tom Poul regarding potential federal cuts to Medicaid and reimbursement programs.

- Budget negotiations are underway, with Speaker Mike Johnson targeting a Memorial Day deadline
- While some discussions focus on cuts, Republicans have indicated they are not targeting Medicaid, though skepticism remains

- States like New Jersey are reviewing provider tax regulations, anticipating potential changes in federal policy
- Abresch highlighted that changes to federal rules could result in state-level impacts, including tax increases for healthcare providers
- Bipartisan support for Medicaid in red states like Texas and Florida suggests political pressure will help limit the scope of potential cuts

Legislative Session Overview

Tom Poul provided an update on state legislative issues. He acknowledged that Minnesota's legislative environment remains charged, with a projected \$6 billion budget deficit. Key deadlines and challenges include:

- **May 19:** Constitutional adjournment date, though a budget agreement may not be reached by then
- **June 30:** Critical deadline at the end of the state fiscal year; failure to reach a budget by this date could lead to a government shutdown
- **Challenges:**
 - A tied House (67-67) and a narrow Senate majority (2-seat Democratic majority, soon to be 1-seat)
 - The projected budget deficit and uncertainty around federal funding
 - Republicans favor cuts, while Democrats propose revenue increases

Key Healthcare Funding Issues

Healthcare funding is a central topic of legislative debate, with the Senate proposing an increase in the provider tax and continued discussions around Medical Assistance (MA) rate increases and how to pay for them.

- **Provider Tax Increase Proposal:**
 - Senate proposing a tax increase from 1.8% to 2%
 - Guest speaker Rep. Jeff Backer expressed strong opposition to what he calls the "sick tax"
 - MNASCA members are urged to contact legislators to oppose the increase
- **Medical Assistance Rate Increases:**
 - Proposal to align outpatient MA reimbursement rates with Medicare levels will cost \$270 million per year
 - The House proposes using general fund dollars, while the Senate favors maximizing available federal funds through an assessment on managed care organizations (MCOs)
- **Reinsurance Program Funding:**
 - The program, which stabilizes the individual health insurance market, costs approximately \$500 million over the biennium
 - Funding options include the provider tax, health plan assessment, or general fund dollars

Other Legislative Changes Impacting ASCs

Tom Poul highlighted several other proposals currently under consideration:

- **Facility Fee Prohibition:** A bill to prohibit facility fees for hospitals was amended to exclude ASCs
- **Telehealth Services:** Proposals continue coverage for audio-only telehealth services, vital for elderly and rural patients, with an estimated cost of \$18 million per year
- **Informed Consent Requirements:** New proposals for informed consent before sensitive examinations on anesthetized patients
- **Central Service Technician Certification:** A proposal to require certification for central service technicians, with a grandfather clause and an 18-month implementation timeline
- **Paid Family Medical Leave:** The program is moving forward with a 0.88% payroll assessment, though discussions are ongoing to delay implementation, narrow the definition of "family," and reduce the maximum leave period. Rep. Jeff Backer suggests delaying the program for 1–2 years to alleviate the burden on employers.
- **Earned Sick and Safe Time:** A proposal to exempt small employers (15 or fewer employees) from the law
- **Private Equity Transparency:** A shift from prohibition to transparency requirements for private equity healthcare ownership. The Senate has decided not to move this forward this year but may revisit it in 2026.

Healthcare for Undocumented Immigrants

The debate surrounding state-funded healthcare coverage for undocumented immigrants remains a contentious issue. Enrollment in the program has exceeded initial projections, with 17,396 individuals currently enrolled and costs approaching \$600 million. Rep. Jeff Backer has expressed strong opposition to including undocumented immigrants in the program, citing concerns about its sustainability. He warns that expanding coverage could worsen the issue of healthcare deserts in rural Minnesota, where access to healthcare services is already limited.

Advocacy Priorities and Next Steps

MNASCA urges members to stay engaged in advocacy efforts. Key priorities include:

- Opposing the provider tax increase and contacting legislators to share your concerns
- Participating in future advocacy days and sharing real-world experiences with legislators to influence fact-based policymaking