

What's Crazy in Minnesota

by Michael Fine

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It should be reasonably safe for me to write about the Mayo Clinic in Rochester Minnesota, since the Mayo doesn't do much in Rhode Island.

According to press reports, the Mayo's CEO threatened to move a billion-dollar project outside Minnesota, if the Minnesota legislature has the temerity to pass the controversial *Keeping Nurses at the Bedside Act*, a bill that would require hospitals to form nurse staffing committees and comply with established nurse staffing ratios on inpatient hospital units. Mayo claims this legislation would "severely limit" its "world class" patient care. So it is using its political might to stop legislation, and it appears to have succeeded. Minnesota is now working on a bill to exempt Mayo from this legislation, should it happen to pass, so that the "kings and princes flying in to stay to get treatment" (according to Melissa Hortman, the Speaker of the Minnesota House of Representatives), will keep coming.

What's wrong with this equation? Everything. It is completely crazy and shows the extent to which the health care tail is wagging the democracy dog.

The Mayo Clinic, with hospitals in Rochester Minnesota, Phoenix and Scottsdale Arizona, Jacksonville, Florida, and Abu Dahbi and an outpatient clinic presence in dozens of locations across a number of different states and countries, including London, is a "non-profit organization committed to clinical practice, education and research." It has \$16.3 billion in revenue, \$15.7 billion in expenses with an

operating income – what would be called profit, if it was a for-profit -- of \$595 million in 2022. The budget for the State of Rhode Island, for 1 million people, was \$15.1 Billion in 2022. The Minnesota budget for 2022 was \$60 billion, for 5.7 million people, by comparison.

Gianrico Farrugia, MD the CEO of the Mayo, made \$3.48 million in 2021. Twenty-six other Mayo employees made more than \$1 million a year in 2021. The Mayo paid of \$85 million in executive salaries and benefits in 2020, so likely pays about \$100 million to its executives today. As a not-for-profit corporation. In 2017, about 50 percent of Mayo income was from Medicare and Medicaid. By 2020, only about \$ 4.1 billion of its \$13.78 billion income --or about 30 percent of its income from medical services, came from Medicare and Medicaid. (Mayo also gets over \$1 billion each from donor gifts and from grants and contracts). It has over 1800 residents and fellows – and essentially all the residents are publicly funded. Mayo has its own medical school and school of health sciences – but interestingly, it has no nursing school. It has its own well-respected medical journal – and a \$6 Billion endowment. Mayo has also borrowed about \$4.1 billion under the municipal bond program, which makes the interest it pays tax free to its lenders, a functional government subsidy worth \$80 to \$100 million a year. It is the #1 rated hospital in the nation, according to US News and World reports, using a methodology that some consider dubious because it doesn't count the contribution of a hospital to its community very strongly.

So what's the beef?

The beef is that nurses, the most important people to the care provided for any hospital, deserve the full and undivided attention of our democratic processes when they bring forward an issue about the quality of the care they are allowed to provide in hospitals -- and the Mayo Clinic is using the full weight of its market power, the full force of its financial leverage (at least some of which exists because of public funding) to prevent nurses and the public they care for from getting a full and honest hearing those nurses and the public deserve. The Mayo, in trying to impact the outcome in its own favor, is using its market power and the money our democracy provides it to undermine the democratic process itself.

I don't know for sure, but I'm guessing that the nurses are right – that the business of medicine, which has long ago left the ethics and professionalism demanded of health professionals behind, in the interest of profit – needs public oversight, aka regulation, if the common good is to be protected: nurses need staffing ratios to make sure they have enough time to do what they do best, which is listen to and care for sick people in the hospital.

Instead, the Mayo Clinic has chosen to put its thumb on the scale of democracy, and appeal to the self-interest of legislators from Minnesota, by threatening to remove jobs so that it gets what it perceives to be in its best interest. They understand legislator speak -- fewer jobs mean fewer taxpayers and less tax revenue. The last thing a legislator wants is to see tax revenue shrink, which means the legislature will have to raise taxes (again). So those legislators are very likely to do what the Mayo wanted – not because that is in the best interest of patient care or the people of Minnesota, but because an institution that is partially publicly funded wants what it wants so it can put its business interests first.

Twenty-seven people at the Mayo make more than \$1 million a year. Many if not most of those sit on the Mayo's board. The Mayo's action will ensure that the rich get richer, the poor get poorer, the professionalism of health care, the intimacy of time and focus of nurses caring for the sickest patients in the hospital is sacrificed, as democracy is weakened, and profit rules over the common good.

That's the crazy in health care in the US today. Profit rules. Democracy is used against itself, and not enough of us speak up or speak out to defend democracy itself.

But that's Minnesota, you might say. Something like that could never happen in Rhode Island. I am here to tell you that something like that has happened in Rhode Island and happens here every day. That's the way the health care business works. I saw it with my own eyes, with hospitals and corporations large and small, when I was Director of the Rhode Island Department of Health.

It's your government. Either it works for you, or for the millionaires who threaten legislators to get what they want. You chose when you vote, and you chose when you speak out or not. What's crazy is that too many of us has watched this process for too long and said nothing.