



Community Conversation with the Center for Health Care Affordability

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| 1:00 – 1:15 p.m. | Center for Health Care Affordability Presentation |
| 1:15 – 2:05 p.m. | Discussion on Affordability Priorities |
| 2:05 – 2:15 p.m. | Next Steps |

Today's Objectives

- Update on Center's task forces and their work
- Share initial affordability priorities and gather input
- Engage with each other to understand where healthcare affordability work is happening in Minnesota

Center for Health Care Affordability

Elle Talsma | Stakeholder Engagement and Governance Manager

Minnesotans Face Serious Healthcare Affordability Challenges



76%

of Minnesota adults are concerned about affording some aspect of health care.



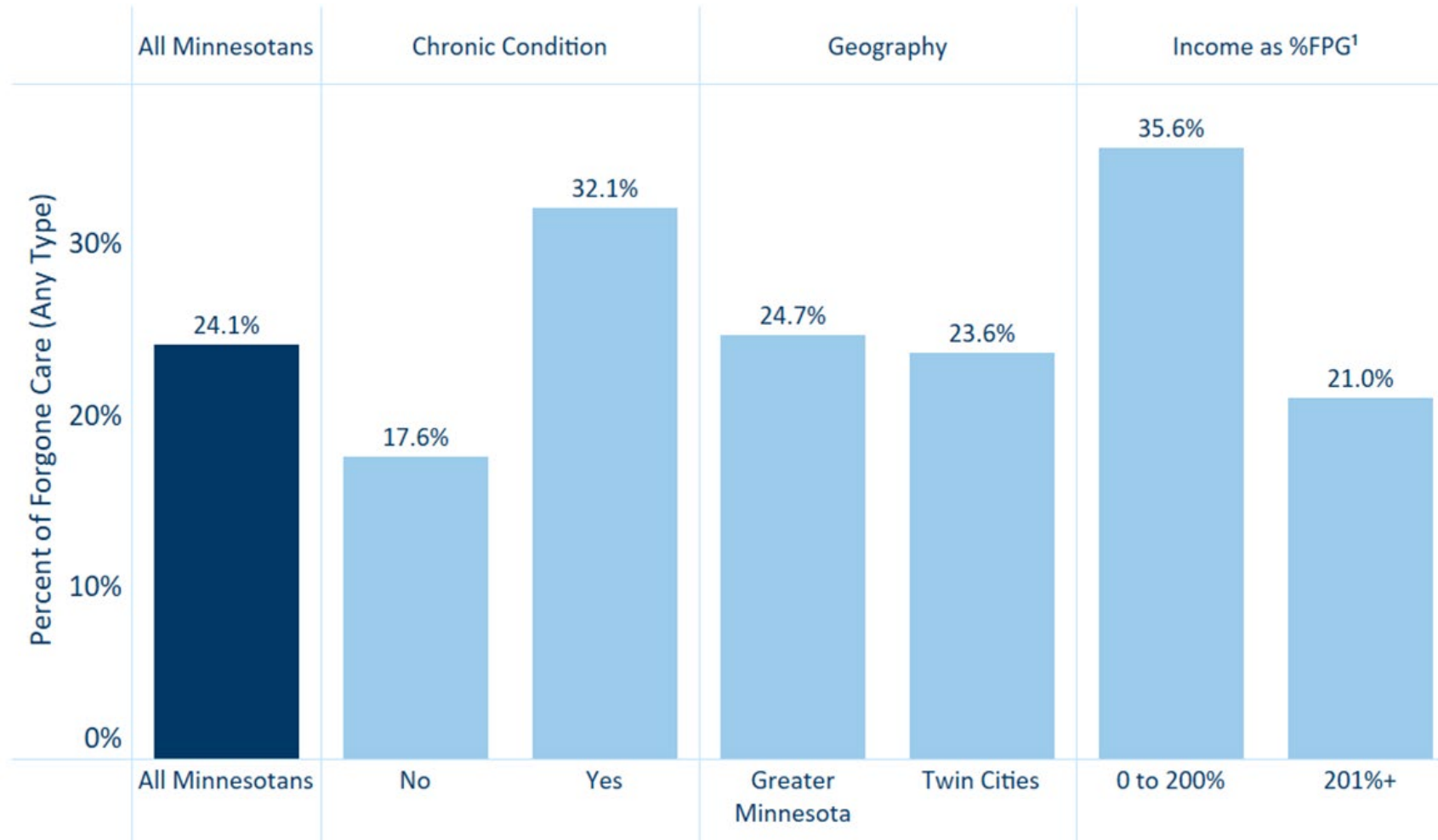
45%

of Minnesota adults struggled to get health care over the past year because of cost-related barriers.

Average annual per person health costs grew faster than income over the past 10 years.



Any Forgone Care Due to Cost by Chronic Conditions, Geography, and Income, 2025



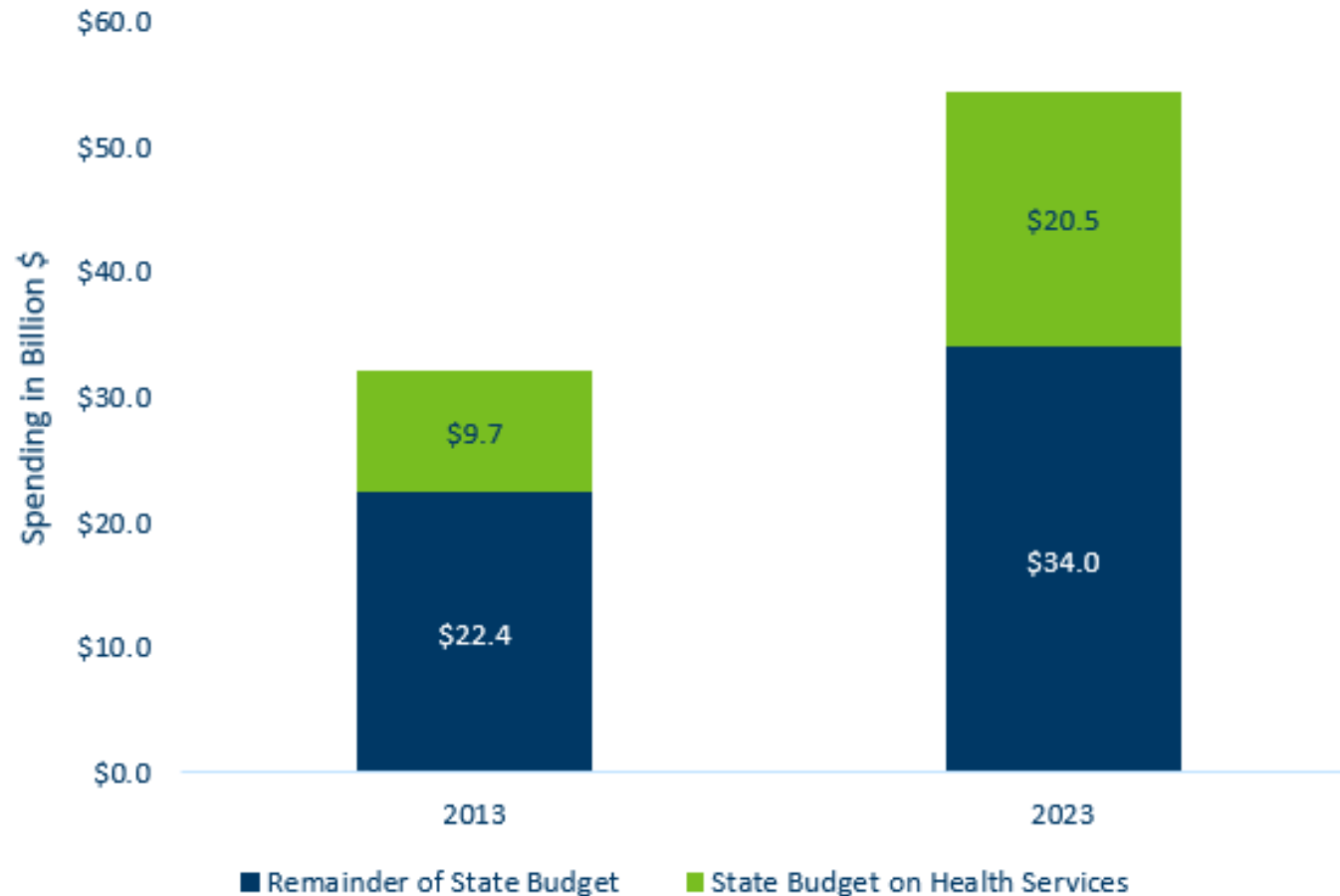
Source: Minnesota Health Access Survey, 2025

¹ Indicates statistically significant difference (95%) level from all Minnesotans within year. ¹Federal Poverty Guidelines (<https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>) www.health.state.mn.us/health/economics

“ I have not gone to get my skin cancer rechecked because the **deductible is too high.**

- *Minnesotan with private health insurance*

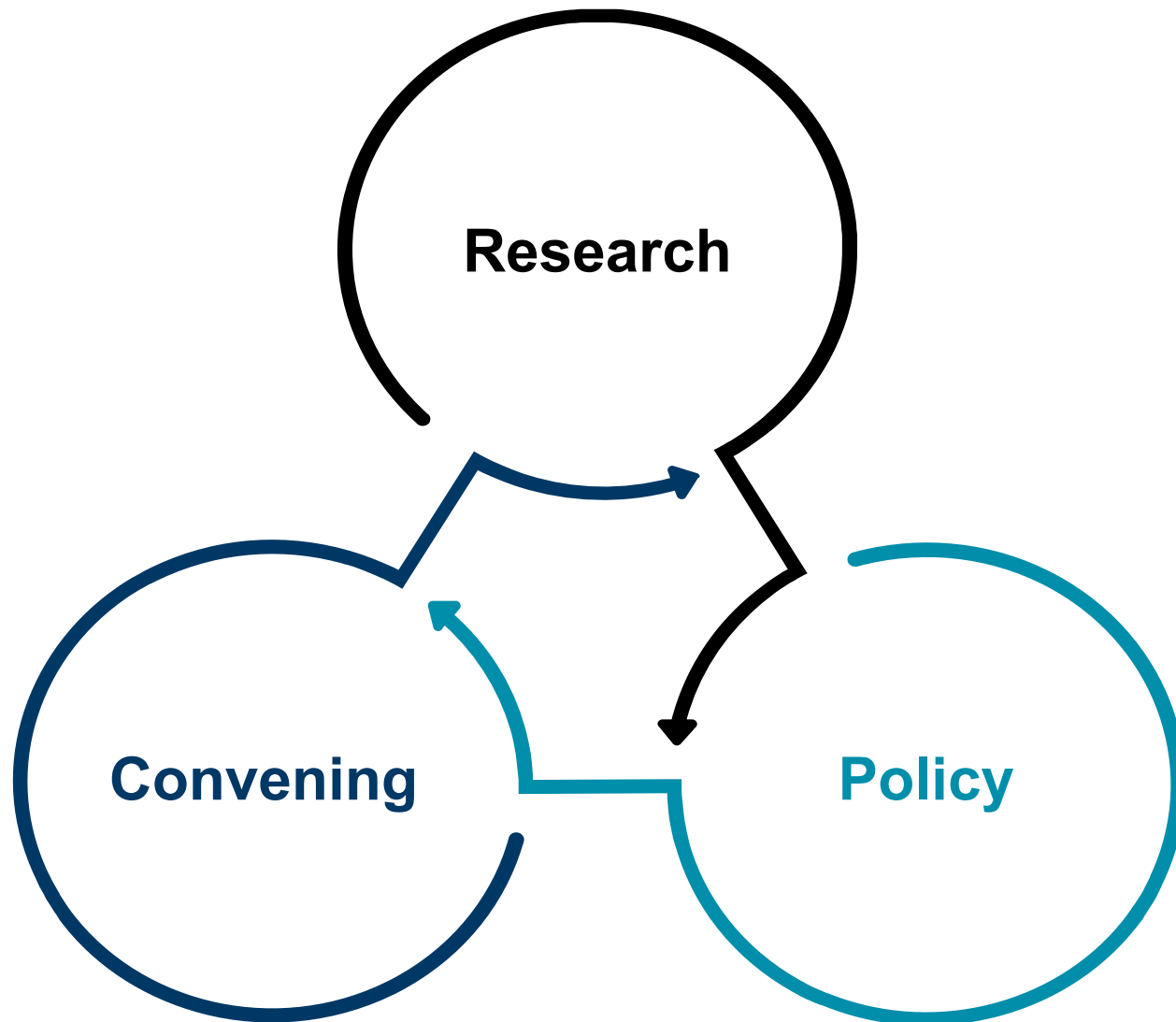
Health Services Spending in the MN Budget



- Over time, an increasing share of resources flowing through the state budget has been devoted to health services (coverage, administration, subsidies).
- In 2023, **37.6%** of Minnesota's budget was spent on healthcare programs, compared to **30.3%** in 2013.

Source: MDH, Health Economics Program analysis of MN Management and Budget data (includes both state and federal spending). Includes spending for Minnesota Health Care Programs, SEGIP, state and federal reinsurance (primarily for individuals in the individual market). Estimates do not include MNsure APTC and CSR spending, because as a pass-through to carriers, it does not touch the state treasury. That spending, however, represents (federal) government spending for Minnesota health care.

What is the Center for Health Care Affordability?



The Minnesota Department of Health's Center for Health Care Affordability is committed to making healthcare **more affordable for all Minnesotans.**

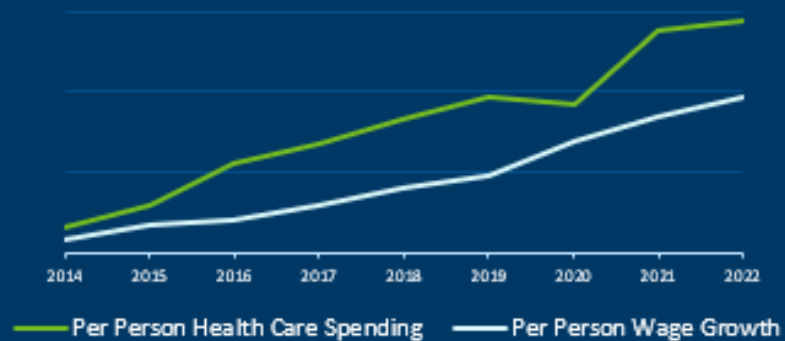
Our Approach

We **identify cost drivers**, provide **transparent research**, and **advance solutions** that stabilize health care spending so that Minnesotans can afford the high-quality care they need.



Minnesota's health care spending will **grow at a slower, more sustainable rate**

Right now, healthcare spending is growing faster than wages, making it harder for Minnesotans to afford the care they need.



Fewer Minnesotans will report **foregoing or delaying needed care due to cost**

Today, almost a quarter of Minnesotans report skipping treatment and medications because they can't afford it.



1 in 4
Minnesotans
skip treatment
+ medication
due to cost

The Center's Advisory Bodies

Health Care Affordability Advisory Task Force

- Consumer advocates, employers, health care purchasers, and health policy experts
- Develops policy recommendations and affordability initiatives grounded in experiences and needs of those accessing and paying for healthcare

Provider and Payer Advisory Task Force

- Members have knowledge and demonstrated expertise in healthcare delivery and financing
- Offers insights on the feasibility and impacts of draft affordability strategies and identifies barriers to and enablers for implementation

Roadmap to Recommendations: Round 1

Task forces are nearing the end of round 1



September 2025 – January 2026

April – May 2026

Summer 2026

1. Understand the Charge

2. Review the Landscape

3. Prioritize Within Topic Areas

4. Develop Policy Options

5. Refine Preliminary Recommendations

Ongoing advisory input into Center's research, stakeholder engagement, and communications

Health Care Affordability Advisory Task Force

DRAFT Initial Priorities

Provider Prices

How can
Minnesota make
healthcare prices
fair and
affordable?

Insurance Affordability

How can
Minnesota limit
how much
premiums and
prices go up each
year?

Concentrated Markets

How can
Minnesota protect
consumers from
excessive
healthcare market
power?

Private Equity Ownership

How can
Minnesota
address investor-
driven healthcare
spending?

Pharmacy Benefit Managers (PBMs)

How can
Minnesota
address
unnecessary PBM
spending?

Questions for Consideration

- Which of these priorities do you think has the **most potential** to make healthcare more affordable in Minnesota?
- To what extent do these priorities **align** with your health care affordability work?

Provider Prices and Price Growth

How can Minnesota make healthcare prices fair and affordable?

Why This Matters

- **Commercial prices are often much higher than Medicare and Medicaid prices** and can vary widely across providers or within a given health system for the same service, without corresponding differences in quality
- Those higher prices result in **higher premiums, higher employer healthcare costs, and higher out-of-pocket spending** for people with commercial coverage

Current Context

- Minnesota already has strong analytic infrastructure for studying this issue through the **Minnesota All Payer Claims Database**, for example
- Minnesota policymakers have begun **exploring more direct price controls** (e.g., reference-based pricing)

The Work Ahead

- **Clarify whether the problem** is mostly about high commercial price levels, rapid price growth, large price differences for the same service, or a combination
- **Examine policy options** including transparency initiatives, price growth caps, reference pricing, same-service same-price rules, or other approaches

Health Insurance Affordability

How can Minnesota limit how much premiums and prices go up each year?

Why This Matters

- When provider prices, prescription drug spending, utilization, or administrative costs rise, those pressures are **passed on to consumers and employers through premiums**

Current Context

- Health insurance regulation is one of Minnesota's **most direct tools to ensure that premium increases are justified**, make the drivers of those increases more visible, and potentially help insurers manage costs on behalf of members
- Minnesota's current regulation focuses on whether filed rates are **reasonable and actuarially justified**, rather than on a broader affordability standard

The Work Ahead

- Define what affordability-focused health insurance regulation should examine and **how explicitly it should consider affordability**
- Clarify whether the priority is smaller premium increases, stronger health plan accountability, better visibility into cost drivers, or some combination

Concentrated Healthcare Markets

How can Minnesota protect consumers from excessive healthcare market power?

Why This Matters

- Consolidation can **increase the leverage** that providers or other health care entities have to demand higher prices
- Those effects may show up as **higher prices, faster premium growth, fewer lower-cost options for purchasers (i.e. employers) and patients**, and less pressure on the system to control costs

Current Context

- Minnesota's Attorney General and Health Department **review certain healthcare entity transactions** for potential effects on affordability (and access, workforce, etc.)

The Work Ahead

- Define when market changes should trigger additional scrutiny
- **Clarify whether** the priority is transparency, more rigorous review of transactions, or more follow-up when market changes appear to increase prices

Private Equity Ownership of Healthcare Entities

How can Minnesota address investor-driven health care spending?

Why This Matters

- **Non-clinician entities like private equity firms** are increasingly purchasing physician practices, skilled nursing homes, and other healthcare entities nationwide
- Research suggests that when these investors have more influence in the system, **spending goes up** and there are negative health outcomes

Current Context

- Minnesota legislators have been working on the **Health Care Accountability Act**, which would enhance reporting, ban non-clinician ownership, and prevent corporate interference in care
- But scale of investor involvement is unknown

The Work Ahead

- Identify which types of healthcare ownership arrangements (e.g., private equity, real estate investors) **may be driving up health care spending**
- Explore when ownership changes should be disclosed, and how ownership information should be used to improve affordability

Pharmacy Benefit Managers (PBMs)

How can Minnesota address unnecessary PBM spending?

Why This Matters

- Prescription drugs are a **significant driver** of healthcare spending in Minnesota
- Prescription drug spending is shaped by manufacturers, PBMs, pharmacies, insurers, and benefit design
- **PBM and other intermediary arrangements** – such as rebates and fees – can obscure net drug spending

Current Context

- MDH collects and publishes data on high-priced new drugs, large price increases, and certain drugs of substantial public interest
- Minnesota has also established a **Prescription Drug Affordability Board** and already regulates PBMs
- Congress recently enacted laws regulating PBMs

The Work Ahead

- Clarify the primary affordability concern(s)
- Define where more transparency is most needed
- Recommend the general policy direction such as transparency, regulation of PBM business practices, or something else

Mentimeter Questions

Which of the following most closely aligns with the perspective you're bringing today?

- 1) Consumer or Advocate
- 2) Employer
- 3) Health Plan/Payer
- 4) Provider
- 5) Government
- 6) Other

To what extent do you think these priorities have **potential** to make healthcare more affordable? *(Score of 0 – 5)*

- 1) Provider Prices and Price Growth
- 2) Health Insurance Affordability
- 3) Concentrated Healthcare Markets
- 4) Private Equity Ownership of Healthcare Entities
- 5) Pharmacy Benefit Managers (PBMs)

To what extent do these priorities align with your work? (*Score of 0 – 5*)

- 1) Provider Prices and Price Growth
- 2) Health Insurance Affordability
- 3) Concentrated Healthcare Markets
- 4) Private Equity Ownership of Healthcare Entities
- 5) Pharmacy Benefit Managers (PBMs)

Open-ended Mentimeter Questions

- What work are you or your organization **already doing** in these areas?
- What **questions or reactions** do these priorities raise for you?

Next Steps

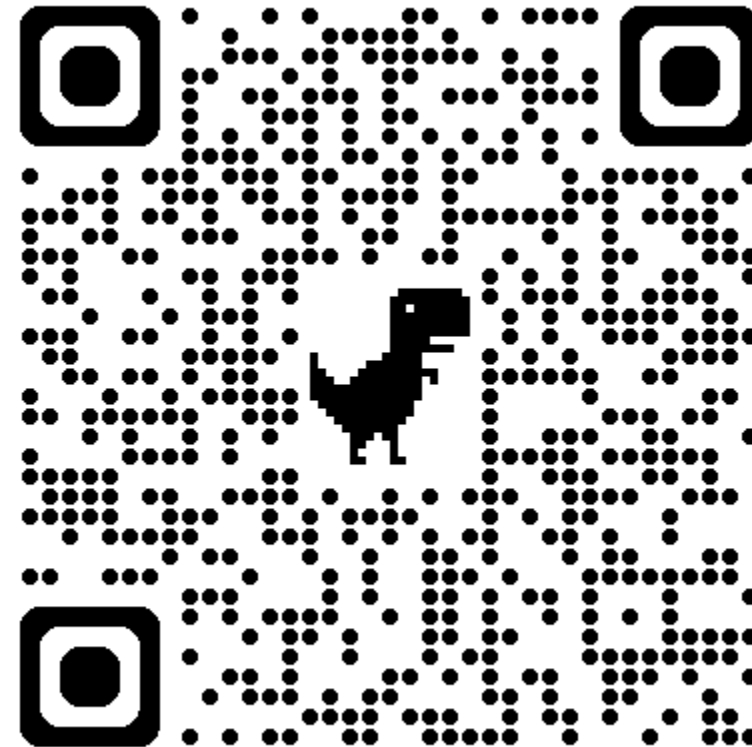
Bringing the Priorities to Minnesotans

- Who: Looking for a group of people who are a good fit to weigh in on these exploratory priorities
- Have a group in mind? Please share with us!
Health.affordability@state.mn.us



Keeping in Touch

- Use the QR code to sign up for our GovDelivery messages – task force meetings, community conversations, other opportunities for connection



https://public.govdelivery.com/accounts/MNMDH/subscriber/new?topic_id=MNMDH_841

Thank You!

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