Provider and Payer Advisory Task Force Kickoff

January 22, 2026

Welcome from the Center for Health Care Affordability

Alex Caldwell | Director

Today’s Objectives

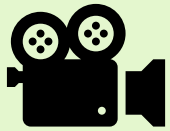
- Begin building **a shared purpose and understanding** of the Center for Health Care Affordability (CHCA) and the task force’s role and opportunity
- Review foundational work and perspectives from the **Health Care Affordability Advisory Task Force**
- **Provide input** to inform the direction and focus of the Center's work with the task forces in 2026

Today's Agenda

- Welcome from the Center and MDH – **CHCA**
- Task force member introductions – **Members**
- What to expect from this task force – **CHCA**
- Introduction to Minnesota's health care affordability challenges – **MDH Health Economics Program**
- *Break*
- Foundational work and perspectives from the Health Care Affordability Advisory Task Force – **Mathematica**
- Task force discussion and feedback – **Members**
- Closing and next steps – **CHCA**

Housekeeping

- Slides and recording of meeting will be available on the Center's website
- Bathrooms are outside the room on the right side of the hallway
- Please remain on mute when not speaking
- Tech problems? Please try logging back in, or email Health.Affordability@state.mn.us



This meeting is being recorded.

Closed captioning is available.

Welcome from Minnesota Department of Health

Carol Backstrom | Assistant Commissioner, Health Systems Bureau, MDH

Provider and Payer Advisory Task Force Roster

HEALTH CARE DELIVERY

- **Aaron Bloomquist**, CFO at Ridgeview Medical Center
- **Adam Horst**, CFO at Mayo Clinic in Rochester
- **Amy McNally**, VP of Surgery at Minnesota Oncology
- **Joel Beiswenger**, President & CEO at Astera Health
- **Kate Schreck**, Family Medicine Primary Care Clinician at Park Nicollet
- **Kevin Boren**, CFO at Essentia Health East Market
- **Mallory Koshiol**, VP of System Safety & Quality at Allina Health
- **Tyler Winkelman**, Director, Research and Evaluation Data Analytics Core at Hennepin Healthcare

HEALTH CARE FINANCING AND ADMINISTRATION

- **Ghita Worcester**, Retired (Previously UCare)
- **Lin Nelson**, VP of Public Affairs at Blue Cross and Blue Shield of MN
- **Shaun Frost**, Medical Director for Care Delivery Systems at HealthPartners Health Insurance Plan
- **Svetlana Sandberg**, VP of Innovation & Strategy at United Health Group

AT-LARGE

- **Brittney Dahlin**, COO & Director of Quality Improvement, Minnesota Association of Community Health Centers
- **Cassandra Beardsley**, ED at Wilderness Health
- **Thompson Aderinkomi**, Co-Founder & CEO at Nice Healthcare

Task force member introductions. Please share:

What led you to commit your time and expertise to this effort?

What is one thing you hope to see from this task force?

Introductory Comments from Health Care Affordability Advisory Task Force Co-Chairs

Matt Anderson

Sheila Kiscaden

Task force role and expectations

Alex Caldwell

Minnesotans Face Serious Health Care Affordability Challenges

76%

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

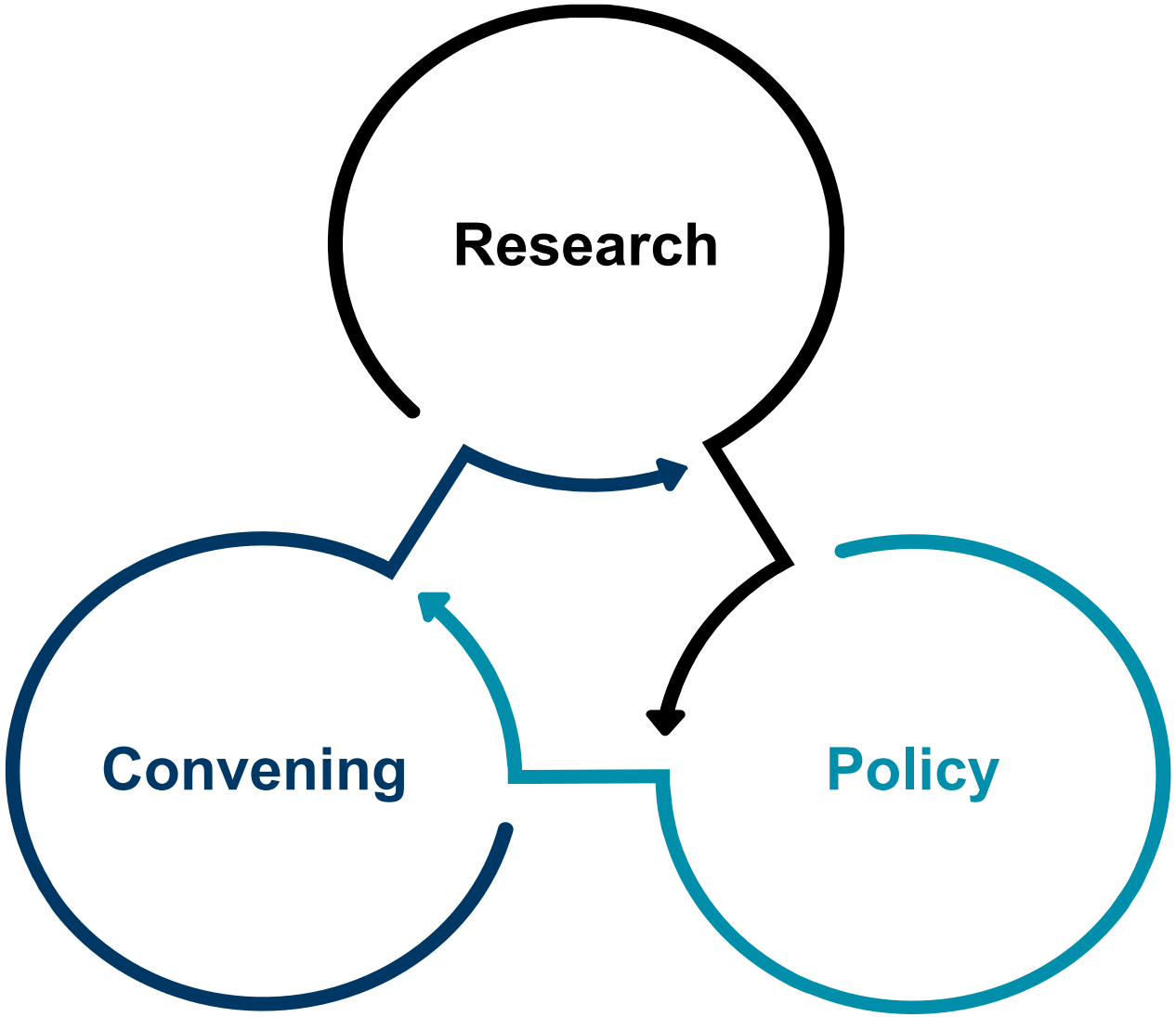
45%

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.

Sources: 2023 Poll of Minnesota Adults, Ages 18+, Altarum Healthcare Value Hub's Consumer Healthcare Experience State Survey
MDH, Health Economics Program and State Health Access Data Assistance Center, School of Public health. 2021 Minnesota Health Access Survey.

What is the Center for Health Care Affordability?



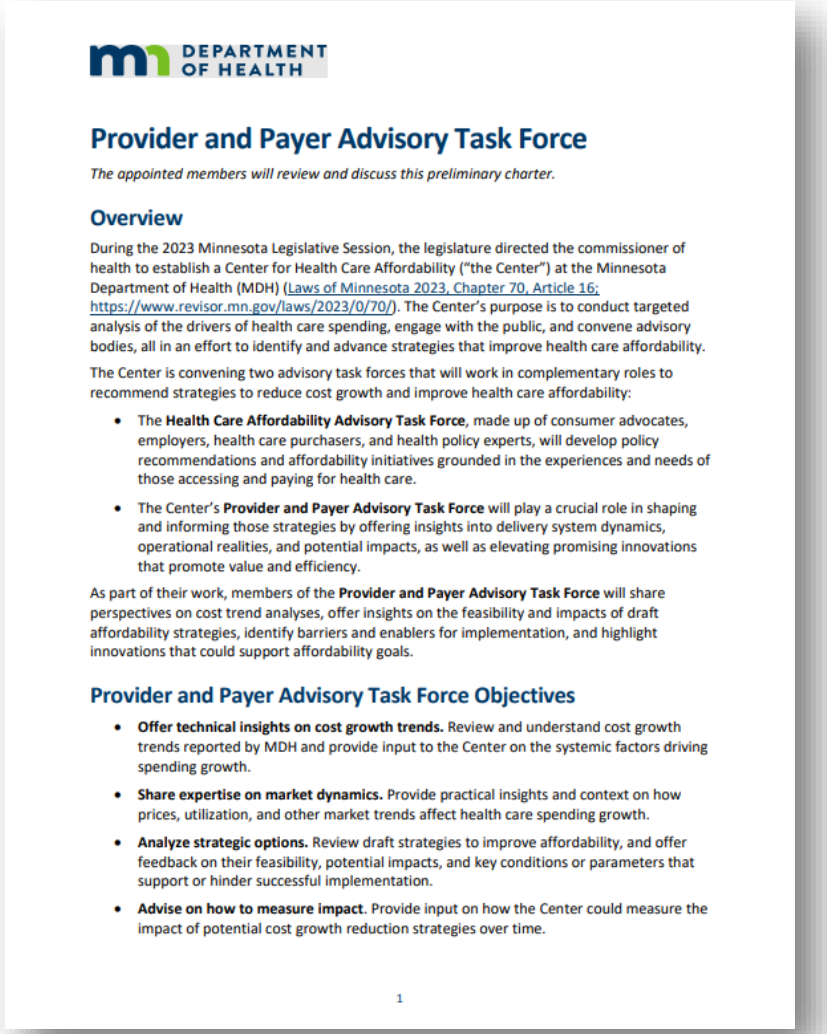
The Minnesota Department of Health's Center for Health Care Affordability is committed to making health care **more affordable for all Minnesotans**

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

Task Force Authority, Deliverables, and Decision-making

- ✓Consults with the Health Care Affordability Advisory Task Force to provide feedback and additional recommendations for consideration
- ✓Recommendations are not binding policy decisions
- ✓We will aim for consensus when possible
- ✓Open to the public
- ✓Two-year task force



DEPARTMENT OF HEALTH

Provider and Payer Advisory Task Force

The appointed members will review and discuss this preliminary charter.

Overview

During the 2023 Minnesota Legislative Session, the legislature directed the commissioner of health to establish a Center for Health Care Affordability ("the Center") at the Minnesota Department of Health (MDH) (Laws of Minnesota 2023, Chapter 70, Article 16; https://www.revisor.mn.gov/laws/2023/0/70/). The Center's purpose is to conduct targeted analysis of the drivers of health care spending, engage with the public, and convene advisory bodies, all in an effort to identify and advance strategies that improve health care affordability.

The Center is convening two advisory task forces that will work in complementary roles to recommend strategies to reduce cost growth and improve health care affordability:

- The **Health Care Affordability Advisory Task Force**, made up of consumer advocates, employers, health care purchasers, and health policy experts, will develop policy recommendations and affordability initiatives grounded in the experiences and needs of those accessing and paying for health care.
- The Center's **Provider and Payer Advisory Task Force** will play a crucial role in shaping and informing those strategies by offering insights into delivery system dynamics, operational realities, and potential impacts, as well as elevating promising innovations that promote value and efficiency.

As part of their work, members of the **Provider and Payer Advisory Task Force** will share perspectives on cost trend analyses, offer insights on the feasibility and impacts of draft affordability strategies, identify barriers and enablers for implementation, and highlight innovations that could support affordability goals.

Provider and Payer Advisory Task Force Objectives

- **Offer technical insights on cost growth trends.** Review and understand cost growth trends reported by MDH and provide input to the Center on the systemic factors driving spending growth.
- **Share expertise on market dynamics.** Provide practical insights and context on how prices, utilization, and other market trends affect health care spending growth.
- **Analyze strategic options.** Review draft strategies to improve affordability, and offer feedback on their feasibility, potential impacts, and key conditions or parameters that support or hinder successful implementation.
- **Advise on how to measure impact**. Provide input on how the Center could measure the impact of potential cost growth reduction strategies over time.

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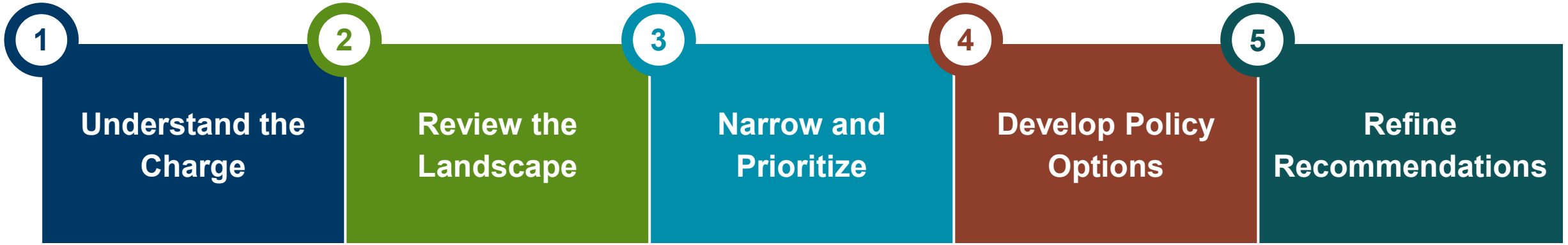
More detail available in **Task force charter**

Task Force's Roadmap to Recommendations



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

Initial Steps Toward Recommendations

Understand the Charge	Review the Landscape
Orient to the Center's mandate, data landscape, and task force charge and scope. Clarify **values and principles** that will guide the work. Establish shared definitions of **key terms** including affordability. Construct a **policy framework** to identify priorities and assessment criteria.	**Establish a shared understanding** of affordability challenges and spending drivers in Minnesota. Review **spending drivers and affordability trends** and hear from SMEs in MN and nationally. Establish sufficient **familiarity with relevant data** to identify initial priorities.

Selecting Topics, Evaluating Options, and Making Recommendations

Round 1: Fall 2025 through Spring 2026

Narrow and Prioritize	Develop Policy Options	Refine Recommendations
Identify key cost or affordability challenges where action is feasible. **Determine criteria** for selecting priorities. **Milestone:** Select initial policy topics by early 2026.	**Refine and/or vet potential policy solutions,** including inputs from technical working groups and/or guest presentations.	Develop and refine **practical, evidence-informed recommendations for the Center**. **Milestone:** Complete recommendations by late spring 2026.

Data, analysis and research (both quantitative and qualitative including other states' policies)

Round 2: Mid-2026 through Mid-2027

Narrow and Prioritize	Develop Policy Options	Refine Recommendations

Group Discussion

- What questions do you have about the task force role, expectations, and timeline?

Health Care Affordability in Minnesota: An Overview

Stefan Gildemeister | Director, Health Economics Program & State Health Economist, MDH

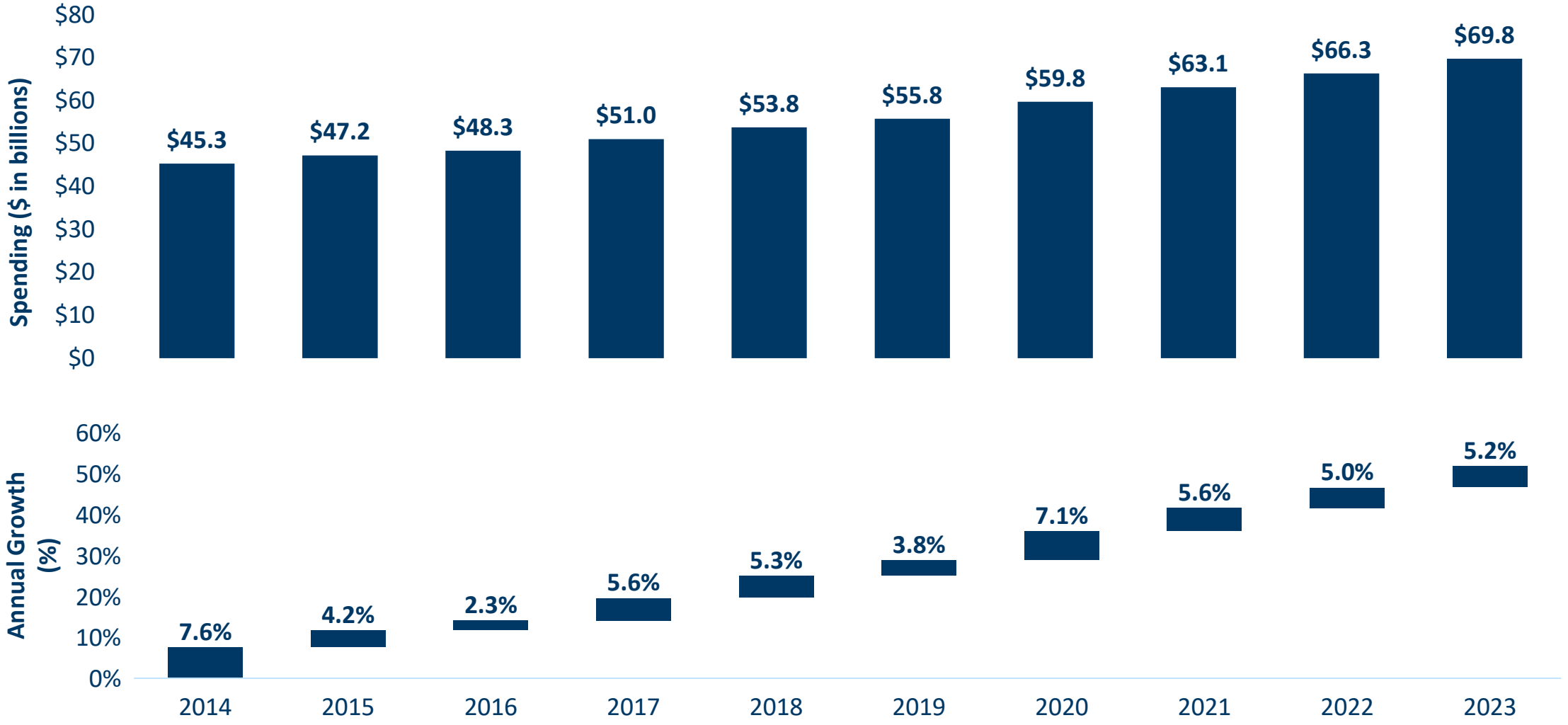
Overview

- Health Economics Program overview
- Minnesota health care spending and trends
- Health care affordability from the perspective of:
  - Individuals
  - Employers
  - Government
- Health care spending by payer and service
- Drivers of health care spending growth

The Health Economics Program at MDH

- The Health Economics Program (HEP) conducts research and applied policy analysis to:
  - Monitor changes in the health care market
  - Understand factors influencing health care cost, quality and access
  - Provide objective, technical assistance to policymakers
- Our work is data-driven
- It is available through reports, issue briefs, data dashboards, presentation slides & testimony

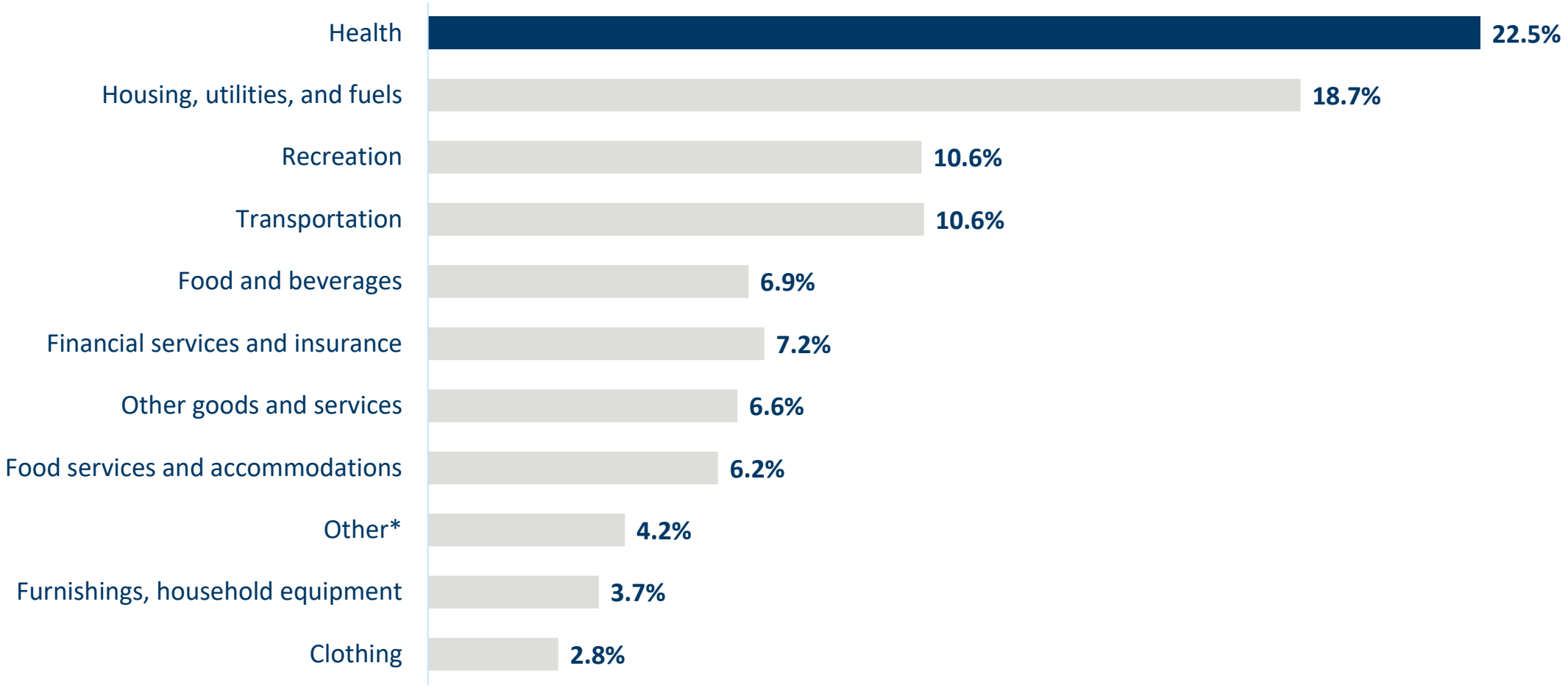
Estimates of MN Health Care Spending, 2023



Source: MDH, Health Economics Program preliminary estimates of 2023 Minnesota Health Care Spending.
More detail on trends, distribution, and comparison to national estimates are available in HEP's Minnesota Health Care Market Chartbook, #1

Health Care Spending in Minnesota: Impact on Individuals

Household Budget Spending, 2023



*Other spending includes communication, education, and net foreign travel and expenditures abroad.
Health includes spending on outpatient services (physician services, dental care, and paramedical services), hospital and nursing home services, and spending on health insurance.
Source: MDH, Health Economics Program analysis of Bureau of Economic Analysis. "Personal consumption expenditures (PCE) by Function (SAPCE4)" 2023.
https://apps.bea.gov/itable/?ReqID=70&step=1

Minnesotans Average Cost of Insurance

Employer-Sponsored Health Insurance, 2024

Statewide Average

Family of 4

Family Coverage	Average 2024	Total %
Employee Premium	$7,010	25%
Employer Premium	$16,555	60%
Deductible	$4,142	15%
Total	**$27,707**	**100%**

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends. 2024 Medical Expenditure Panel Survey – Insurance Component (MEPS – IC). Based on average cost of family coverage. Not shown: out-of-pocket maximum.

Individual Health Insurance (Silver Plan), 2025

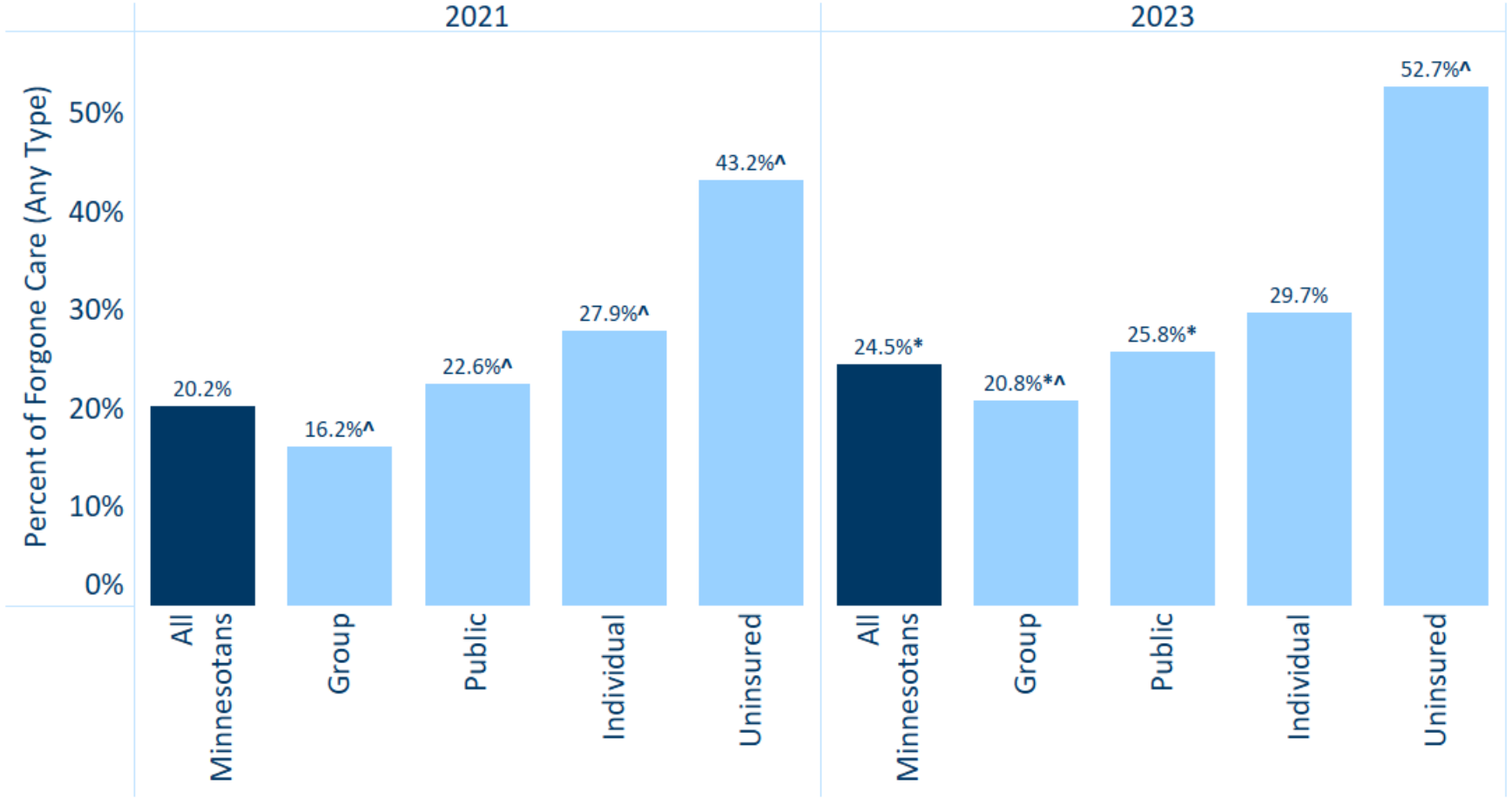
Pennington County

50-year-old Female $75,000 Household Income

Individual Coverage	Illustrative 2025	Total %
Premium	$6,373-$7,027	61%-64%
Deductible	$4,000	36%-39%
Total	**$10,373-$11,027**	**100%**

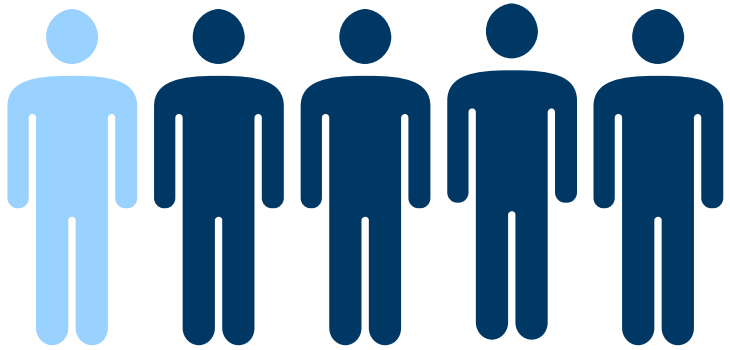
Source: Source: MDH, Health Economics Program analysis of MNsure Silver (Standard) Easy Compare Plan Costs; https://www.mnsure.org/assets/easy-compare-plans-costs-2025_tcm34-648639.pdf. Data is illustrative and assumes individual qualifies for $28/month APTC. Not shown: out-of-pocket maximum of $8,700.

Any Forgone Care due to Cost by Insurance Type, 2021 and 2023

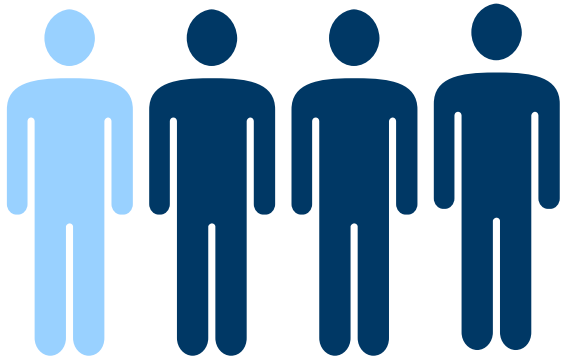


Source: Minnesota Health Access Surveys, 2021 to 2023
* Indicates statistically significant difference (95%) level from prior year shown.
^ Indicates statistically significant difference (95%) level from all Minnesotans within year.

Minnesotans Worry about Affording Care



1 in **5** Minnesotans aren't confident they could pay their deductible if there was a major medical event.

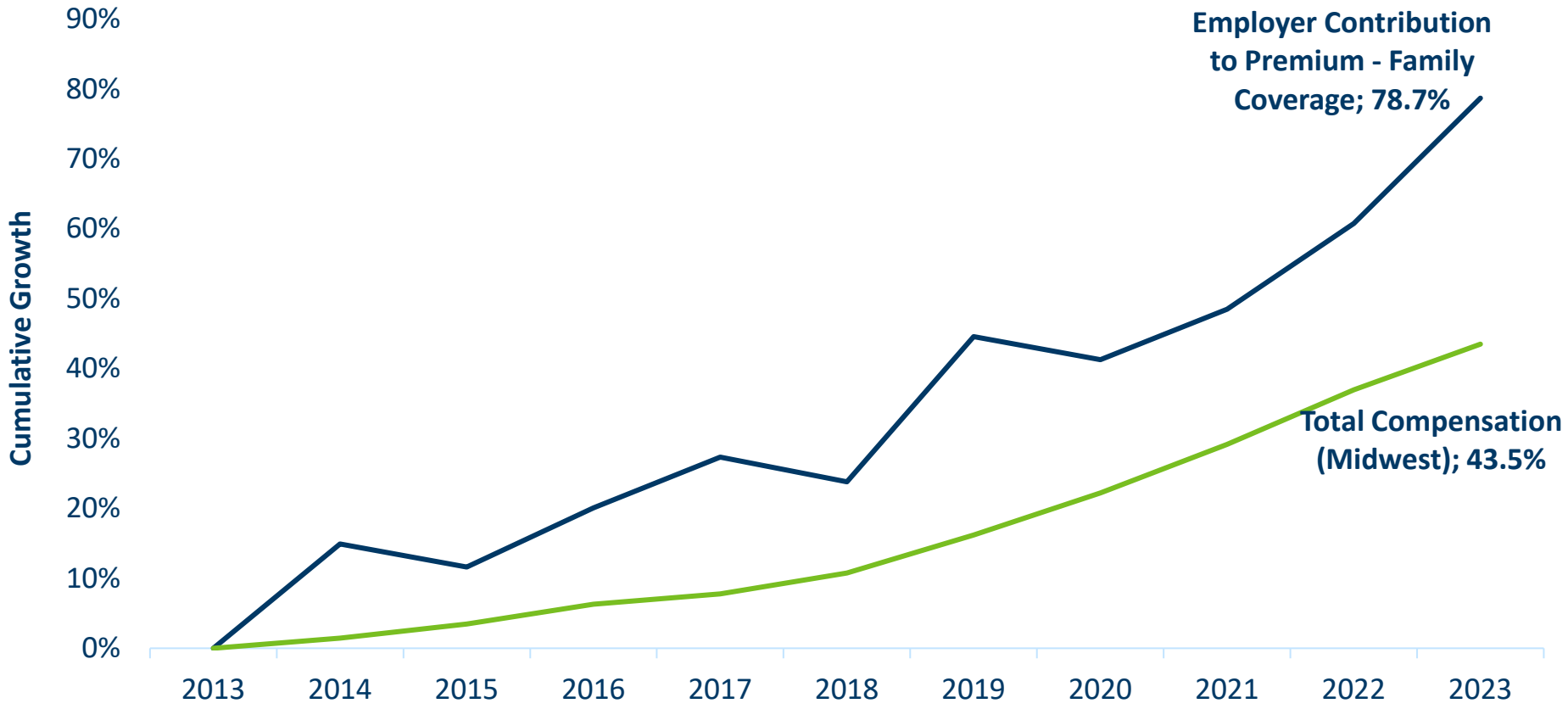


1 in **4** Minnesotans weren't satisfied with their level of insurance to protect them against high medical bills.

Sources: MDH, Health Economics Program and State Health Access Data Assistance Center, School of Public Health. 2023 Minnesota Health Access Survey.

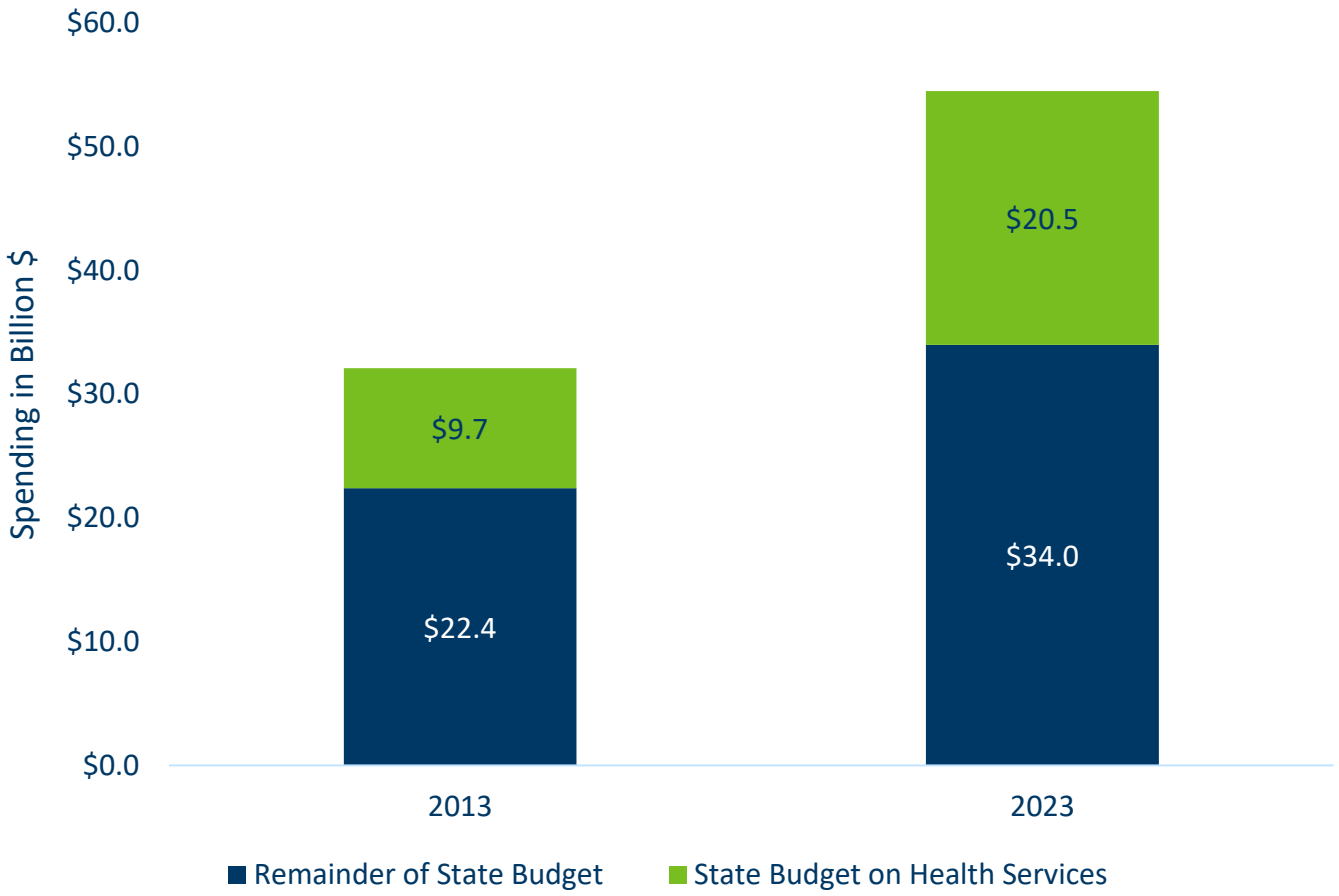
Health Care Spending Impact in Minnesota: Employers & Government

Cumulative Growth in Total Compensation and Employer Contribution to Premium (Family Coverage)



Source: MDH, Health Economics Program of analysis Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends. 2023 Medical Expenditure Panel Survey – Insurance Component (MEPS – IC). U.S. Bureau of Labor Statistics, National Compensation Survey; July 13, 2025.

Health Services Spending in the MN Budget



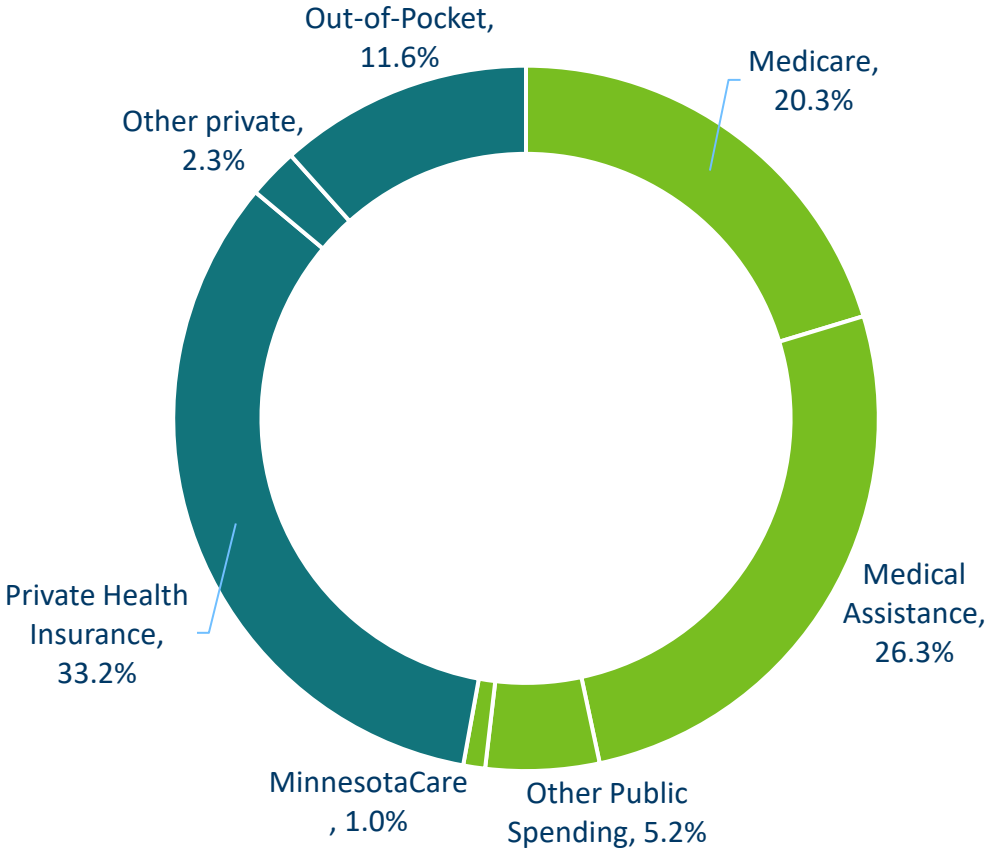
- Over time, an increasing share of resources flowing through the state budget has been devoted to health services (coverage, administration, subsidies).
- In 2023, **37.6% of** Minnesota's budget was spent on health care programs, compared to **30.3%** in 2013.

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.

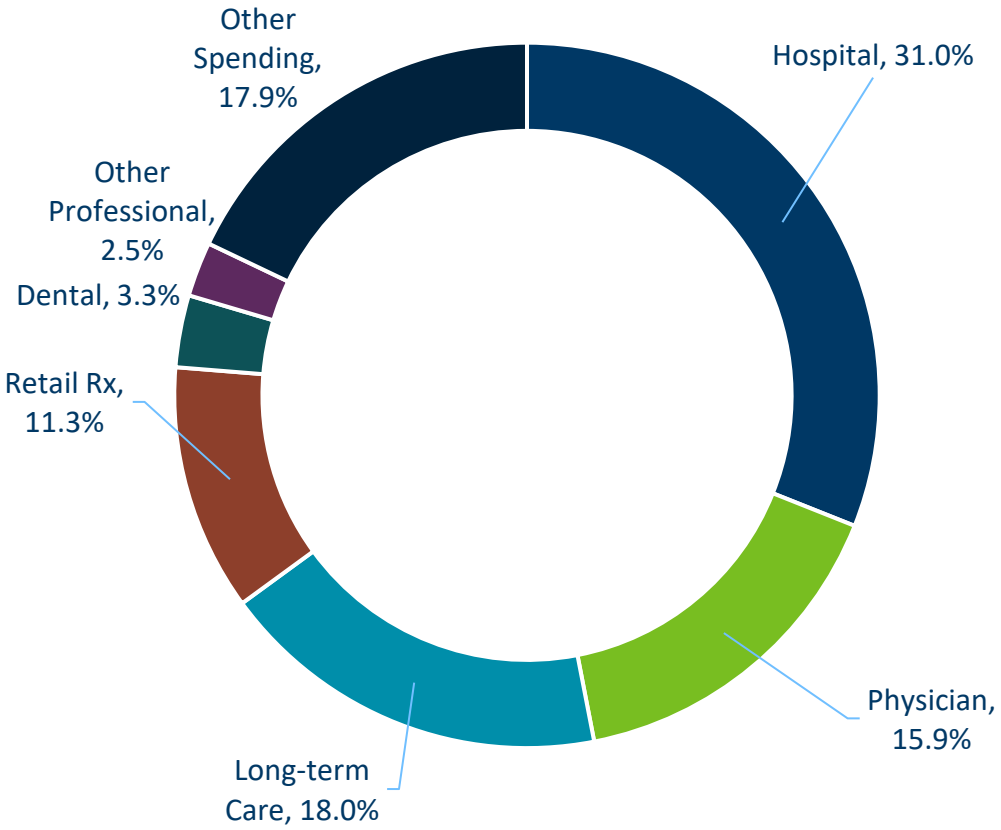
Health Care Spending in Minnesota: What's Driving the Growth

Minnesota Health Care Spending: Where It Comes From, and Where It Goes

Spending by Payer, 2023

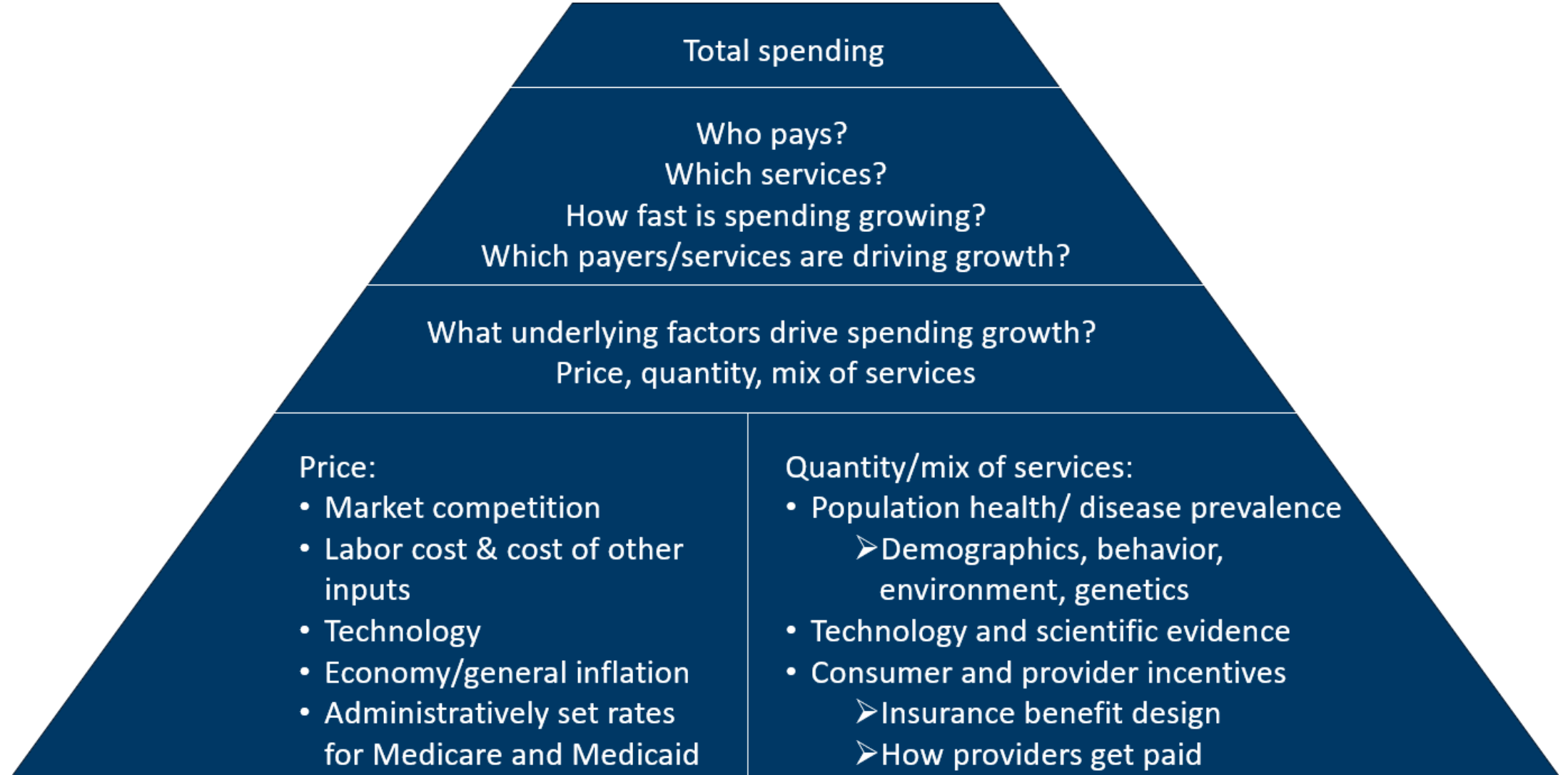


Spending by service, 2023

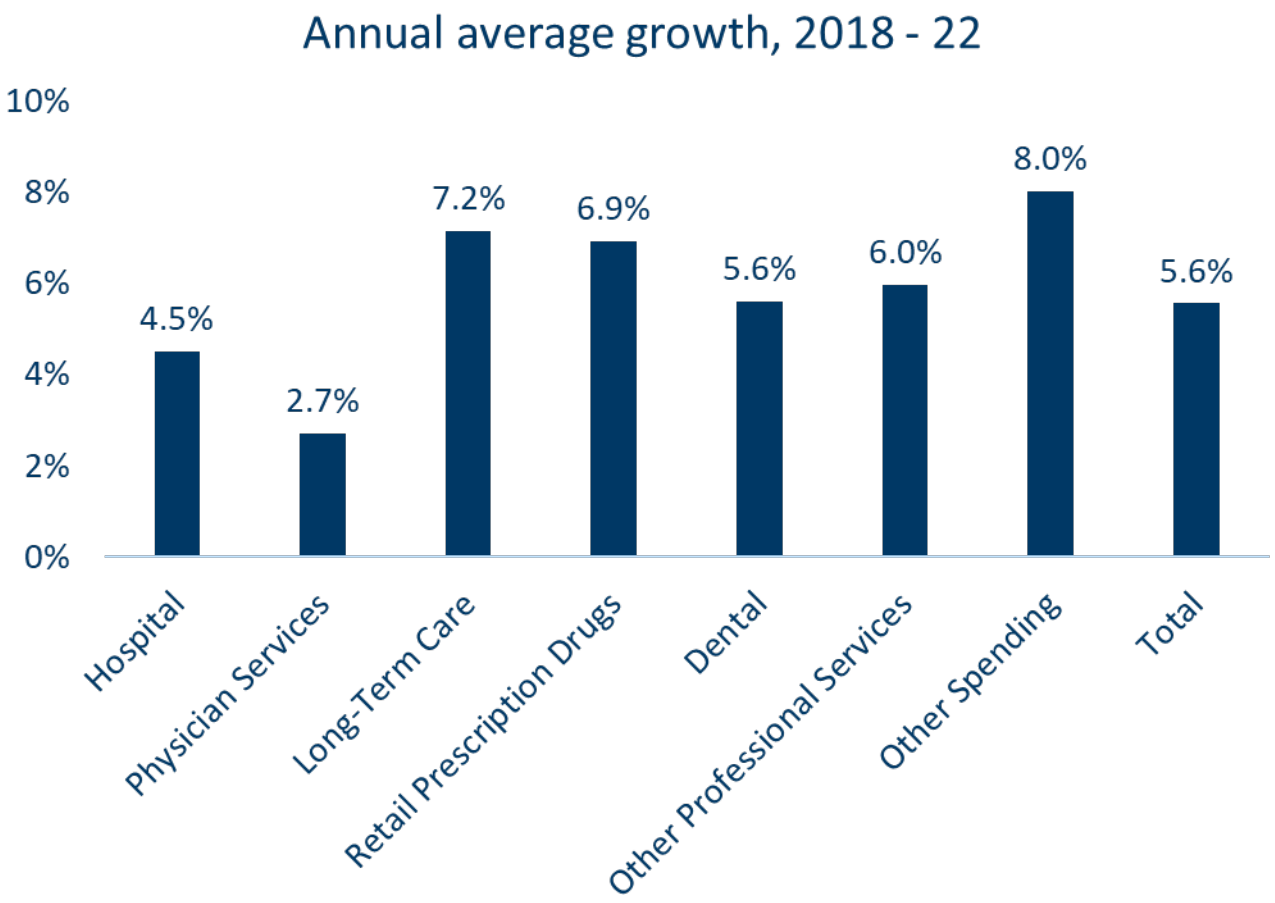


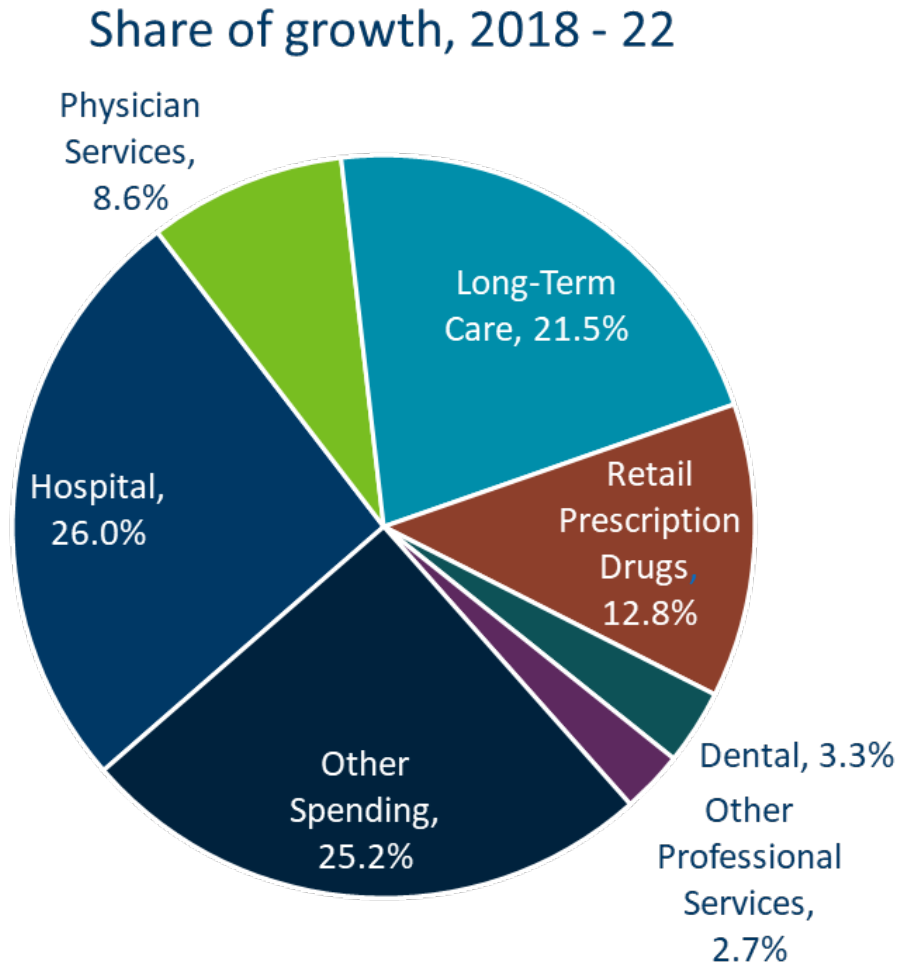
Source: Adapted from Health Economics Program Chartbook, Section 1, Slides 8 and 17; unpublished

Health Care Spending Drivers: Many Levels of Analysis



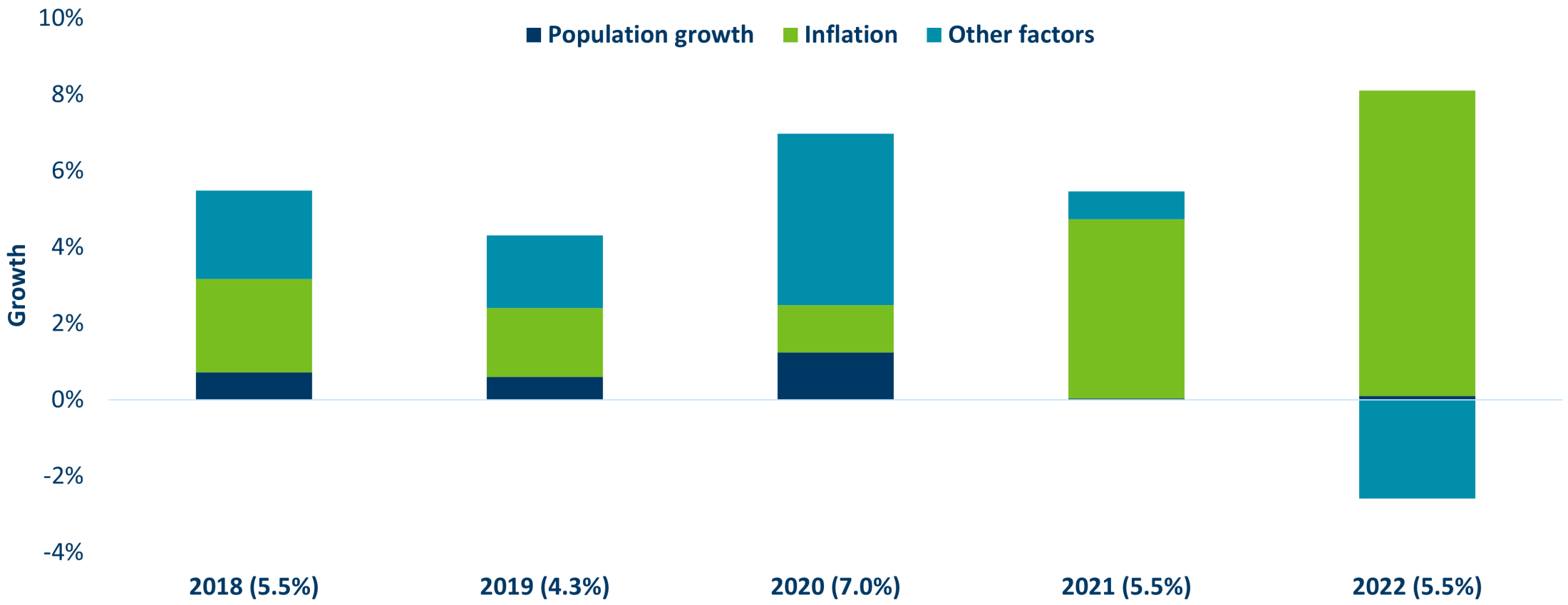
Minnesota Spending Trends and Cost Drivers: By Service





Source: MDH Health Economics Program Chartbook Section 1, Slide 16.

Factors Accounting for Health Care Spending Growth in Minnesota



Source: Health Economics Program Chartbook, Section 1, Slide 18.

Do these data reflect your understanding of health care spending trends and drivers?

Are there any essential, additional data we should consider to inform the task forces' work?

Any clarifying questions about the data?

Foundational Work and Perspectives from the Health Care Affordability Advisory Task Force

Julie Sonier| Mathematica

Health Care Affordability Advisory Task Force: Highlights of Meetings to Date

September 2025

- Introductions of CHCA, task force members
- Charter and goals
- Data foundations
- Discussion of task force information needs, priorities and perspectives

October 2025

- Roadmap
- Definitions, values and principles
- Health care spending data and trends
- Task force information needs and potential priority topics

December 2025

- Insights from November community conversation
- Updated values and principles
- Framework for understanding the problem
- State policy strategy examples
- Priority topics for future discussion

Defining Affordability

- Health care affordability means that individuals, families, employers, and governments can pay for needed health care without financial hardship, and without sacrificing other basic needs or priorities
- What this means from different perspectives:

Individual	Employer	Government	System
Out of pocket costs, including premiums, are manageable and do not cause people to delay or skip needed care or force tradeoffs with essentials	Health care premiums do not grow faster than wages or business revenues, making it possible to continue offering coverage sustainably	Public spending on health care grows at a sustainable rate that doesn't crowd out other priorities like education, transportation, etc.	Total health care expenditures grow at a sustainable rate and spending delivers value for the money spent

Other Key Definitions

- Expenditures or spending = the amount of money that is paid to provide health care services to individuals. Depending on the context, this may also include administrative spending by health plans
- Spending = price x utilization
  - Price = amount paid per unit of service
  - Utilization = number of units of service provided
- Cost = the amount of resources that it takes to produce a unit of service
- Charges = the list prices of services (usually not the same as price)

Values: Core Beliefs and Priorities about How We Do the Work

Evidence and innovation

- Recognize and affirm that change is possible, and that both incremental and larger-scale reforms should be considered
- Build on Minnesota's strengths, seek examples of approaches that have worked elsewhere, and innovate to find new solutions
- Understand evidence and data to inform priorities and recommendations, while recognizing the importance of innovation that may not yet have an evidence base

Values, Continued

Equity and inclusion

- Engage and listen to all perspectives, while centering Minnesotans' individual experiences
- Consider equity and address disparities in cost burden, access, and quality

Integrity and collaboration

- Collaborate to solve problems across multiple sectors
- Conduct our work transparently

Principles: How We Act on Our Values and What Success Looks Like

Implementable impact

- Ensure that systemwide savings translate to improved affordability for Minnesotans and employers
- At the same time, the task force must address total cost. It is not sufficient to just shift costs around between different stakeholders
- Solutions should be clear about the roles of different stakeholders (individuals, employers, health care providers, health insurers, suppliers, and government) to achieve desired outcomes
- Recognize that there will be difficulties and tradeoffs with any decision, but ultimately the benefits should outweigh the costs of any action

Principles, Continued

Consider the full system

- Success may require investment in approaches that may not produce results in the short term, such as prevention of chronic disease and other "upstream" strategies
- Solutions must consider the fact that the health care landscape is changing rapidly and account for these changes to the degree possible (examples include impacts of federal policy changes, AI, and climate change)
- Solutions should consider both short-term and long-term effects, as well as potential unintended effects

Group Discussion 1

- What clarifying questions do you have?
- Do you see any barriers to moving forward with these versions of the definitions, values, and principles?

Framework for Identifying the Scope of the Challenge

Failure of Care Delivery
- Ineffective or harmful care
- Lack of adherence to evidence-based practices
- Poor preventive care

Failure of Care Coordination
- Disjointed care
- Inadequate communication
- Avoidable complications or hospital readmissions

Overtreatment or Low-Value Care
- Low-value testing, treatments, or procedures
- Prolonged duration of services

Pricing Failure
- Variability and inflation in pricing of medications and services
- Provider consolidation and market power

Fraud and Abuse
- Fraudulent billing or other improper claims
- Cost of administrative processes to catch and prevent fraud

Administrative Complexity
- Inefficient administrative processes
- Excessive overhead costs and processes

Source: Adapted from Shrank et al., 2019, *JAMA*

State Policy Strategies Reviewed by the HCAATF

Strategy 1: Implement a Health Care Cost Growth Target	Establish a target for per capita health care cost growth and measure performance against that target; hold entities accountable for meeting the target
Strategy 2: Promote Adoption of Population-Based Provider Payment	Encourage or require adoption of advanced alternative payment methodologies, particularly those that move provider payment toward meaningful risk sharing
Strategy 3: Cap Provider Payment Rates or Rate Increases	Set a limit on prices paid or restrict provider increases in state-regulated markets
Strategy 4: Contain Growth in Prescription Drug Prices	Establish prescription drug affordability boards (PDABs), upper payment limits, international reference pricing, or penalties for “excessive” prices
Strategy 5: Improve Oversight of Provider Consolidation	Reinforce state’s ability to review and disapprove mergers and prohibit anticompetitive contracting terms to counter impact of health care consolidation on provider prices

Source: Hwang et al., 2022, *State strategies for slowing health care cost growth in the commercial market*

State Policy Strategies Reviewed by the HCAATF cont'd

Strategy 6: Strengthen Health Insurance Rate Review	Use the insurance rate review process as a lever for health care cost containment
Strategy 7: Adopt Advanced Benefit Designs	Promote strategies that encourage consumers to choose lower-cost providers, such as reference-based benefit design and "smart shopper" programs
Strategy 8: Promote Use of Community Paramedicine	Enable EMS providers to provide a range of services to patients without transport to an emergency department to reduce unnecessary emergency and inpatient care
Strategy 9: Improve Behavioral Health Crisis Systems	Expand behavioral health crisis services to reduce use of more costly ED and inpatient services, and leverage multi-payer support for these programs
Strategy 10: Reduce Administrative Waste	Address product choices and administrative processes that contribute to waste by streamlining plan choices, health care utilization review, and billing functions

Source: Hwang et al., 2022, *State strategies for slowing health care cost growth in the commercial market*

Potential Priorities Identified To Date

- “Non value added” spending, including but not limited to:
  - Administrative complexity
  - Intermediary and investor-related spending that does not improve access or quality
- High and variable prices
- Population-based payment that enables providers to address current system failures
- Benefit design:
  - Standardize to reduce administrative complexity
  - Innovate to align consumer incentives with desired behaviors (e.g., tiered networks)

Group Discussion 2

- What questions or comments do you have about the framework for understanding the problem?
- What reactions do you have to the initial priorities that have been identified?
- Where do you see the Provider Payer Task Force having the most to contribute?

Next Steps

What: Provider and Payer Advisory Task Force Meeting

When: March 27, 2026 at 9am - 12pm

Where: Location TBD

Stay tuned for:

- Next Health Care Affordability Advisory Task Force meeting on Wednesday, February 25 from 9am-12pm
- Public meetings
- Story collection

Thank You!

Center for Health Care Affordability

Health.Affordability@state.mn.us

Resources

- Hwang, A., Lischko, A. M., Betlach, T., & Bailit, M. H. (2022, February). *State strategies for slowing health care cost growth in the commercial market.* The Commonwealth Fund. (https://www.commonwealthfund.org/sites/default/files/2022-02/Hwang_health_care_cost_growth_ib.pdf)
- Institute of Medicine (US) Roundtable on Evidence-Based Medicine, Yong, P. L., Saunders, R. S., & Olsen, L. (Eds.). (2010). The Healthcare Imperative: Lowering Costs and Improving Outcomes. National Academies Press (US). (https://doi.org/10.17226/12750)
- Shrank, W. H., Rogstad, T. L., & Parekh, N. (2019). *Waste in the US health care system: Estimated costs and potential for savings.* JAMA, 322(15), 1501–1509. (https://doi.org/10.1001/jama.2019.13978)