



Health Care Affordability Advisory Task Force

April 21, 2026

Today's Objectives

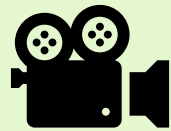
- Provide a brief overview of the Provider and Payer Advisory Task Force (PPATF) meeting including discussions related to value-based payment and insurance benefit design
- Share feedback from the PPATF on the HCAATF's initial focus areas for recommendations
- Introduce factors for consideration and how they can inform the development of potential recommendations
 - Discuss which ideas, surfaced during the last meeting, have the greatest potential based on those factors
- Begin to prioritize the list of potential recommendations related to non-value-added spending and high and variable pricing

Today's Agenda

- Where we're going next – **CHCA**
- Recap and reactions: Provider and Payer Advisory Task Force Meeting – **CHCA**
- Factors for Consideration: Evaluating Task Force Potential Recommendations – **CHCA**
- Exercise #1: Prioritizing Recommendations: Non-Value-Added Spending – **Mathematica**
- *Break*
- Exercise #2: Prioritizing Recommendations: High and Variable Prices – **Mathematica**
- Closing and next steps – **CHCA**

Housekeeping

- Slides will be available on the Center's website
- Bathrooms are outside the room at the end 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.

Where We're Going Next

Alex Caldwell | Director, Center for Health Care Affordability

Roadmap to Recommendations: Round 1

Sept. 2025 – Jan. 2026

1. Understand the Charge

2. Review the Landscape

3. Prioritize within topic areas

April – May 2026

4. Develop Policy Options

June 2026

5. Refine Preliminary Recommendations

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

Group Discussion: Where We're Going Next

- What questions do you have about the timeline for developing policy recommendations?



Recap and Reactions: Provider and Payer Advisory Task Force (PPATF) Meeting

Alex Caldwell | Director, Center for Health Care Affordability

1. Review of survey and reactions

- Task force members reacted to the results from the survey they completed

2. Reactions to HCAATF meeting

- Members provided feedback on the focus areas for future recommendations

3. Discussion on priority topics

- Value-based payment
- Insurance benefit design

Recap: 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
-
- Value-based payment that enables providers to address current system failures
 - Insurance Benefit design:
 - Standardize to reduce administrative complexity
 - Innovate to align consumer incentives with desired behaviors (e.g., tiered networks)

Discussed to date

Topics for May

PPATF Discussion Topics: Insurance Benefit Design

- **Insurance Benefit Design**: a health plan's covered benefits, member cost-sharing, and access rules, which in turn affects affordability, utilization, and equity
- Key takeaways from the discussion:
 - Members saw potential in benefit design, especially for encouraging use of primary care, steering patients to lower-cost settings, and creating incentives to choose higher-value care
 - At the same time, many felt this area has limits and may be hard to influence at the state level
 - There are concerns about the added administrative complexity individualized benefit packages create, confusing choices for patients and providers on what is covered, and the risk of shifting costs to other parts of the system rather than reducing overall spending

PPATF Discussion Topics: Value-Based Payment

- **Value-Based Payments**: An approach to paying for health care that rewards quality and cost control, rather than volume of services
- Key takeaways from the discussion:
 - General agreement that this approach could help make care more affordable by supporting prevention, better coordination, and more flexibility in how care is delivered
 - Progress has been slower and harder than expected
 - Key challenges include limited access to timely information at the point of care, as well as timely performance measurement, primary care staffing shortages, implementation capacity for rural and small providers, and variation in quality measures and incentives across payers
 - Uncertainty about whether patients see direct savings, even when the system saves money
 - Future discussion should focus on what it would take to make this approach work better in practice, especially through stronger primary care and better collaboration across the system

Feedback from the PPATF on Initial Focus Areas

- Members supported the HCAATF's effort to **balance near-term practical changes with longer-term structural reform** and appreciated the focus on recommendations that are understandable and actionable
- Members agreed **prior authorization** is a significant pain point. They noted that it creates significant administrative burden, adding that some mechanism for managing high-cost services will still be needed unless broader system conditions change
- Members emphasized that affordability recommendations should **address overall cost but also remain grounded in the patient experience**, noting that high deductibles, co-pays and other point-of-care out-of-pocket expenses, and hard-to-use consumer tools can all discourage people from getting needed care

Feedback from the PPATF on Initial Focus Areas, cont.

- Several members said the HCAATF should give more attention to **price transparency, price variation, and site-of-care differences**, including helping both providers and consumers identify lower-cost, appropriate care options in real time
- Members also raised **pharmacy-related costs and PBM** issues as important affordability topics, with questions about recent PBM legislation, lawsuits, or federal drug pricing changes. They suggest waiting to see how Federal changes play out before recommending action at the state level
- Discussion highlighted the **need to look at the full system**, including how prior authorization, administrative burden, workforce shortages, Medicaid financing, and cost shifting across markets affect affordability

Group Discussion: PPATF

- Do you have any questions related to the initial PPATF discussions on insurance benefit design or value-based payment?
- What are your reactions to the feedback from the PPATF?
- What, if anything, resonates with you?



Factors for Consideration

Alex Caldwell | Director, Center for Health Care Affordability

Original Selection Criteria

These could help the task force align on initial topics of interest:

- Size and/or timing of potential impact on health care spending
- Is the topic relevant across stakeholder groups, or limited to certain groups?
- Is the topic's relevance systemwide, or limited to specific payers/services/populations?
- Factors playing the biggest role in Minnesota health care spending growth (e.g., specific services, price vs utilization)
- One-time vs ongoing savings
- Is this topic something that state policymakers can influence directly?

New Factors for Consideration



Impact

- To what extent can this intervention:
 - **Reduce health care spending growth?**
 - Reduce **foregone care** due to cost?
- To what extent can we **attribute** action to impact?



Scope

- Is the impact **statewide**, or only on **certain populations or markets**?
- Which stakeholder groups are impacted and in what ways (e.g., **savings, reduced revenue, something else**)?



Time Horizon

- How **quickly** will we see impacts?
- Are there **ongoing or one-time** savings?



State Leverage

- Can Minnesota regulate this issue (either through **existing authority or new legislation**)?
- What other means are necessary for change?



Readiness

- Is there **momentum** and existing interest?
- Have other states tried this?
- Could this work in **Minnesota's** unique context?
- Is the necessary **research** and information available?

Group Discussion: Factors for Consideration

- Does this approach to evaluating the recommendation ideas make sense?
 - Is this helpful for prioritizing recommendation topics?
 - What if anything should be refined?



Prioritizing Recommendations: Non-Value-Added Spending

Julie Sonier | Mathematica

Priority Recommendations: Non-Value-Added Spending

- Develop and evaluate **options for prior authorization reforms** to reduce non-value-added spending and administrative complexity (e.g., strengthen data and reporting, narrow PA use for services that are generally approved, eliminate PA requirements for select providers, standardize PA requirements across payers).
- Develop options to improve state visibility into **ownership of health care entities** including private equity, and other ownership structures, and establish safeguards to prevent practices that may increase spending without consumer benefit.

Additional Recommendations: Non-Value-Added Spending

- Estimate total spending on **administrative waste** and identify opportunities to reduce it (e.g., hospital OPEX reporting).
- Evaluate options to simplify provider **credentialing** in Minnesota, including centralized documentation repositories and other statewide or multi-payer approaches.
- **Analyze PBM financial practices** in Minnesota including rebates, spread pricing, administrative fees, and integration to determine regulatory options that could improve consumer affordability and transparency.
- Estimate the prevalence and costs of **low value care** and identify opportunities to reduce it in ways that improve consumer affordability and slow total health care spending growth.

Group Discussion: Non-Value-Added Spending

- MDH comments
- Task Force Co-Chair comments
- Task Force discussion



Questions: Non-Value-Added Spending

- What additional information do you need to continue refining recommendations in May?



Break

Prioritizing Recommendations: High and Variable Prices

Julie Sonier | Mathematica

Priority Recommendations: High and Variable Prices

- Develop options to **strengthen Minnesota's health insurance regulatory processes**, including exploring setting benchmarks for acceptable provider reimbursement growth, price variation for selected services, and/or expectations for insurer contracting that improve consumer affordability.
- Develop options for establishing a Minnesota **health care cost growth target program**, including target setting methodology, accountable entities, public reporting, and links to cost growth mitigation strategies.
- Develop options to reduce **commercial prices and/or price growth** (e.g., reference prices, price growth caps, one price paid by payer to provider for the same service, prospective price growth reviews).
- Develop options to **strengthen Minnesota's oversight of consolidation in the health care market** including enhanced state review of mergers and acquisitions, analysis of consolidation impacts on prices, and tools to increase competition.

Additional Recommendation: High and Variable Prices

- **Establish Minnesota-specific price benchmarks** for a given set of services to illustrate to employers, health plans, and policy leaders what a fair/acceptable price is (e.g., reference prices, acceptable price variation levels).
- Assess options for establishing **consumer affordability standards**, including benchmarks for premiums and OOP costs as a share of household income (e.g., how much should of a Minnesota household income should go to health care costs?).
- Identify policy opportunities and complementary strategies that could improve **health care price transparency** and therefore consumer affordability (e.g., consumer-facing tools).
- Explore potential **facility fee** regulation (e.g., prohibiting facility fees for non-Medicare patients, site-neutral payments).

Group Discussion: High and Variable Prices

- MDH Comments
- Task Force Co-Chair Comments
- Task Force Discussion



Questions: Refining Recommendations

- What additional information do you need to continue refining recommendations in May?





What: Health Care Affordability
Advisory Task Force Meeting

When: May 14th, 1 to 4pm

Where: Wilder Foundation,
Auditorium A



Stay tuned for:

- Virtual Community Conversation with Advocates on May 20, 1-2:30 pm
- Provider and Payer Advisory Task Force meeting on June 11th, 9 am-12 pm

Thank You!

Center for Health Care Affordability

Health.Affordability@state.mn.us