Health Care Affordability Advisory Task Force

October 16, 2025

Today's Objectives

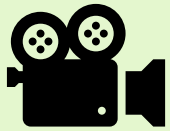
- Review and provide feedback on charter, governance, and high-level roadmap.
- Review guiding principles and values that will inform task force deliberations.
- Continue overview of spending and spending drivers.
- Review framework for selecting initial priorities.

Today's Agenda

- Introduction and overview – **CHCA**
- Scope and charter – **CHCA**
- Task force roadmap – **CHCA**
- Definitions, values, and principles – **Mathematica**
- *Break*
- Health care spending data and trends: What's driving spending growth? – **Health Economics Program**
- Policy framework: Criteria for selecting priority topics – **Mathematica**
- 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.

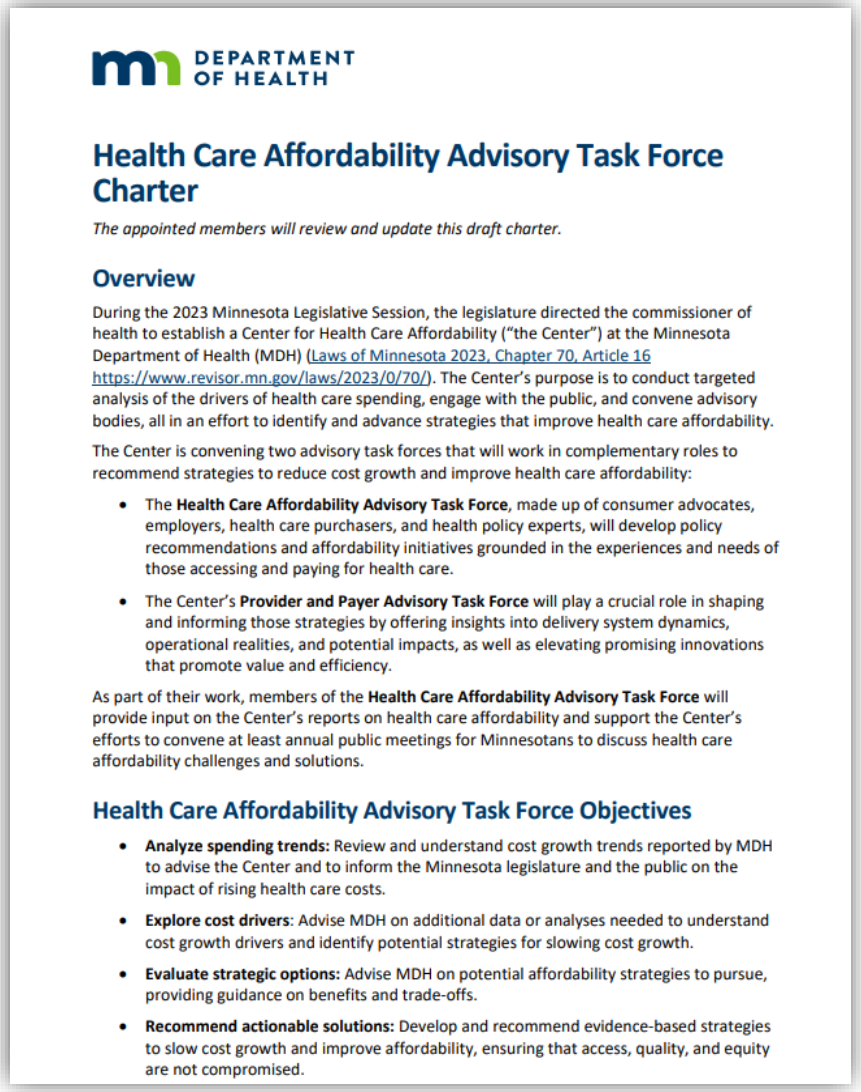
Closed captioning is available.

Scope and Charter

Alex Caldwell| Director, Center for Health Care Affordability

Refining the Task Force Charter

- What additions or modifications do you want to see in the charter?
- Next steps:
  - **Provider Payer Advisory Task Force** will convene in January 2026 to provide insight into health care system dynamics and opportunities to improve affordability and sustainability
  - Two **Co-Chairs** will be selected ~Nov 2025 – please share your nominations



DEPARTMENT OF HEALTH

Health Care Affordability Advisory Task Force Charter

The appointed members will review and update this draft 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 **Health Care Affordability Advisory Task Force** will provide input on the Center's reports on health care affordability and support the Center's efforts to convene at least annual public meetings for Minnesotans to discuss health care affordability challenges and solutions.

Health Care Affordability Advisory Task Force Objectives

- **Analyze spending trends:** Review and understand cost growth trends reported by MDH to advise the Center and to inform the Minnesota legislature and the public on the impact of rising health care costs.
- **Explore cost drivers**: Advise MDH on additional data or analyses needed to understand cost growth drivers and identify potential strategies for slowing cost growth.
- **Evaluate strategic options:** Advise MDH on potential affordability strategies to pursue, providing guidance on benefits and trade-offs.
- **Recommend actionable solutions:** Develop and recommend evidence-based strategies to slow cost growth and improve affordability, ensuring that access, quality, and equity are not compromised.

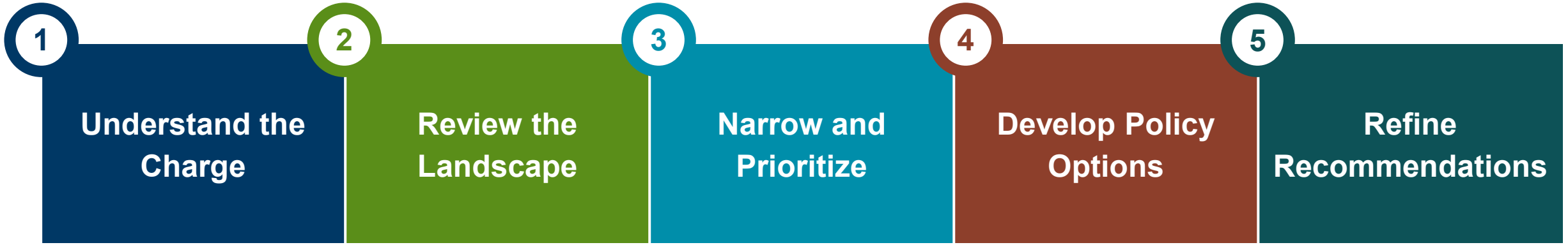
Task Force Roadmap

Alex Caldwell| Director, Center for Health Care Affordability

Roadmap Overview

1. The **How**: Process for moving from understanding to recommending
2. The **When**: Timeline of task force activities and decision points

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

Timeline

October 2025

- Review guiding principles and values and the framework for selecting initial priorities
- Continue overview of spending and spending drivers

December 2025

- Discuss initial priority topics
- Identify additional information needed to select priorities

February-April 2026

- Deep dives on priority topics
- Review spending analyses, including dashboards

May-June 2026

- Complete first round of policy recommendations

Definitions, Values, and Principles

Julie Sonier| Mathematica

Purpose of this Discussion

- Establish common definitions/understanding of key concepts
- Establish a shared set of values and principles to guide the work of the task force:
  - Foundation for how the task force will make decisions together
  - Begin to define what success looks like – what are essential features of policies to improve affordability?
- The values and principles will serve as a compass to help us:
  - Identify priorities
  - Build consensus
  - Stay focused and hold ourselves accountable

Defining Affordability

- Starting point for discussion:
  - 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:

Consumer	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)

Questions/Comments on Definitions

- What questions or comments do you have about definitions of affordability or other key concepts?
- What would you suggest changing?
- Are there any concepts/definitions missing that you think are essential for common understanding at this point?

Values: How the Task Force Will Do Its Work

- Conducting our work transparently
- Understanding evidence and data to inform priorities and recommendations
- Engaging and listening to all perspectives, while centering consumers
- Considering equity and addressing disparities in cost burden, access, and quality
- Collaborating to solve problems across multiple sectors
- Building on Minnesota's strengths, seeking examples of approaches that have worked elsewhere, and innovating to find new solutions

Principles: What Success Looks Like

- Ensure that systemwide savings translate to improved affordability for consumers.
- At the same time, the task force must address total cost. It is not sufficient to just shift costs around between different stakeholders.
- Actions to address costs must not come at the expense of health care access and quality.
- Actions to address costs must not exacerbate and should improve inequities in health care access and affordability.
- Solutions should be clear about the roles of different stakeholders (consumers, employers, health care providers, health insurers, suppliers, and government) to achieve desired outcomes.
- Solutions should consider both short-term and long-term effects, as well as potential unintended effects.

Small Group Discussion on Values and Principles

- These values and principles are meant to be a “starter list” to spark task force discussion and revision.
- What is your reaction to the values and principles?
- What resonates most for you?
- What is missing that is important to add?
- How would you prioritize within each list?

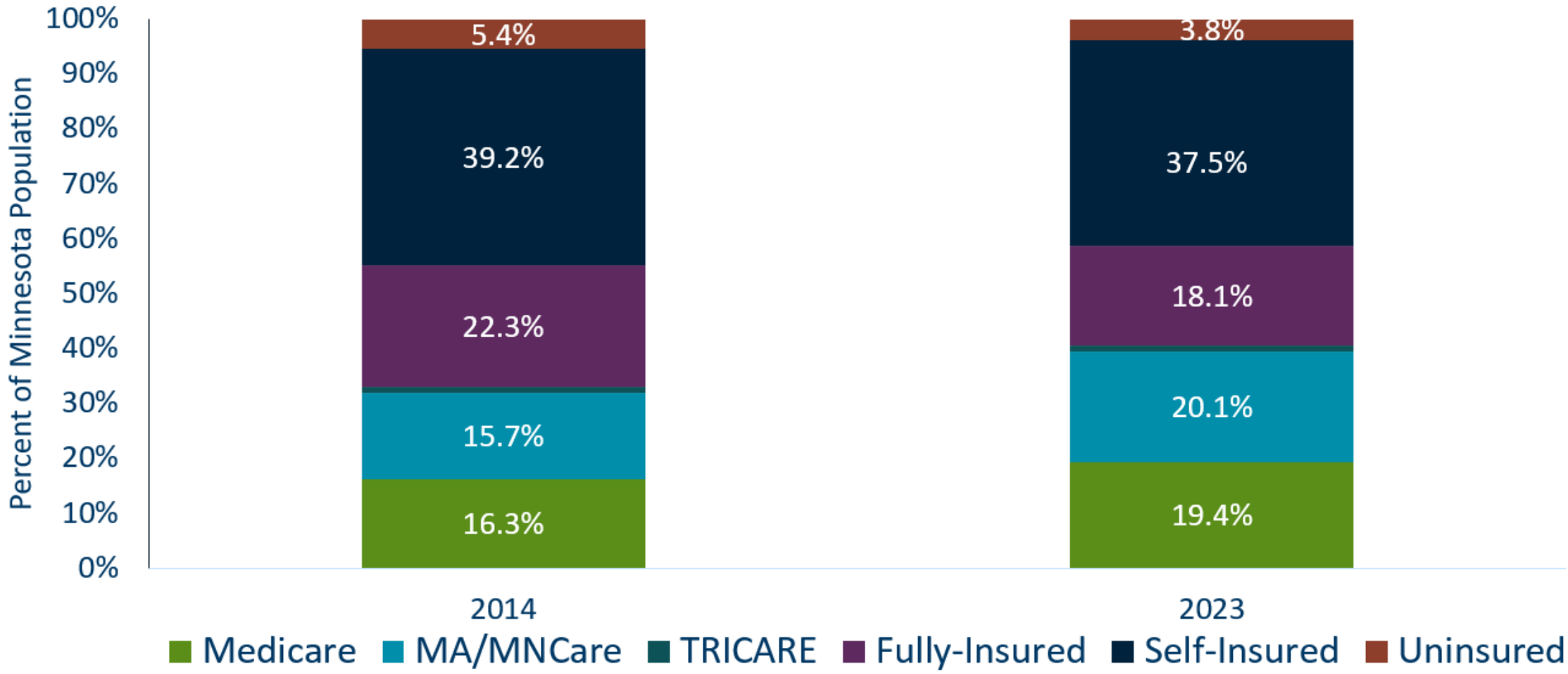
Health Care Spending Data and Trends: What's Driving the Growth

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

Overview of This Section

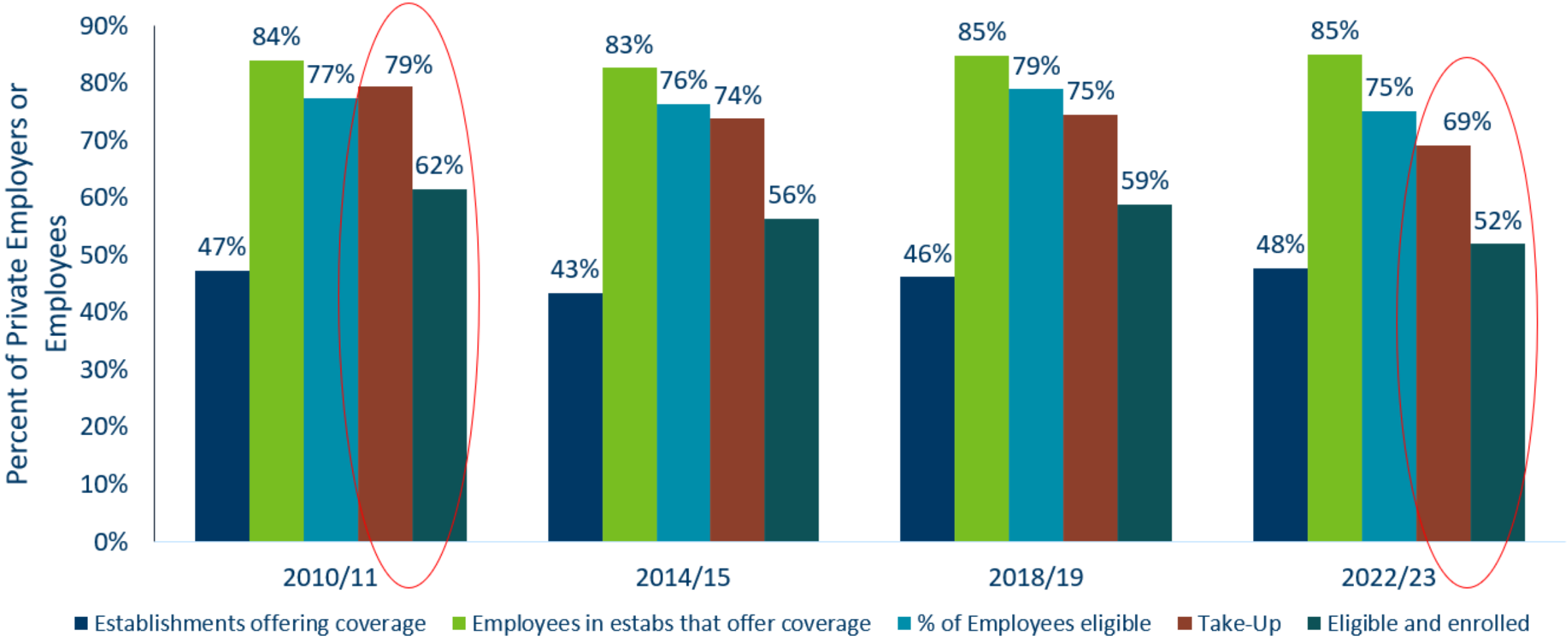
- Context: Where Minnesotans get their insurance coverage and why that is important
  - All sources of coverage
  - Employer-sponsored insurance
- Minnesota spending drivers:
  - Total spending by payer and by service
  - Spending growth by payer
  - Spending growth by service
  - Factors underlying spending growth

Where Minnesotans Get Their Health Insurance



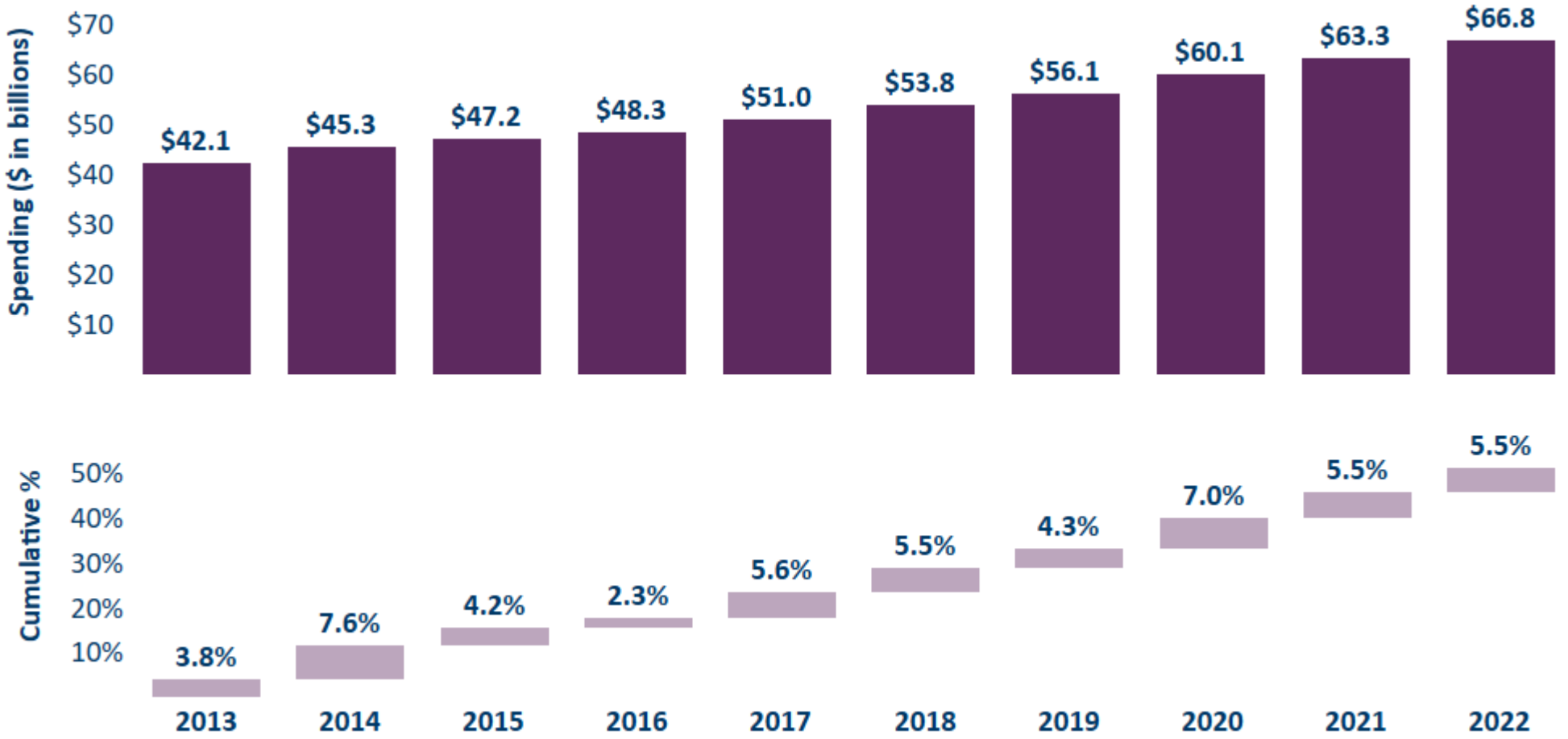
Source: MDH Health Economics Program Chartbook section 2, slide 6 (U.S. Census Bureau, Annual Estimates of the Resident Population for Counties in Minnesota)

Employers Continue to Offer Coverage, But Fewer Employees Are Enrolling



Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

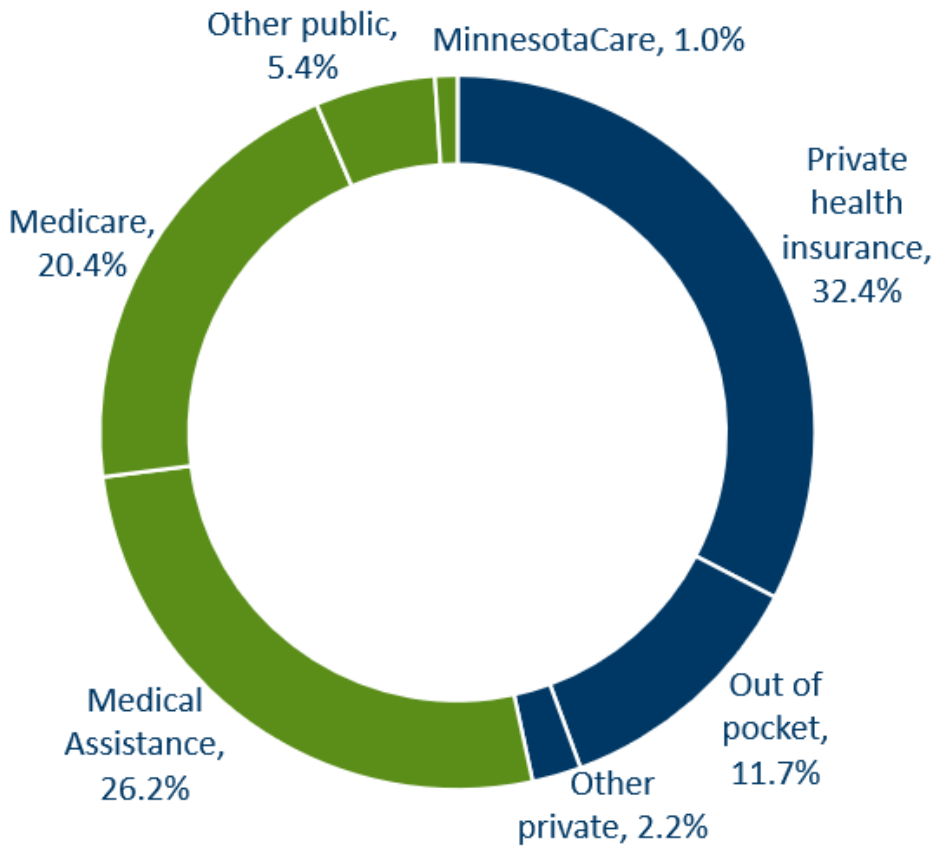
Trends In Minnesota Health Care Spending



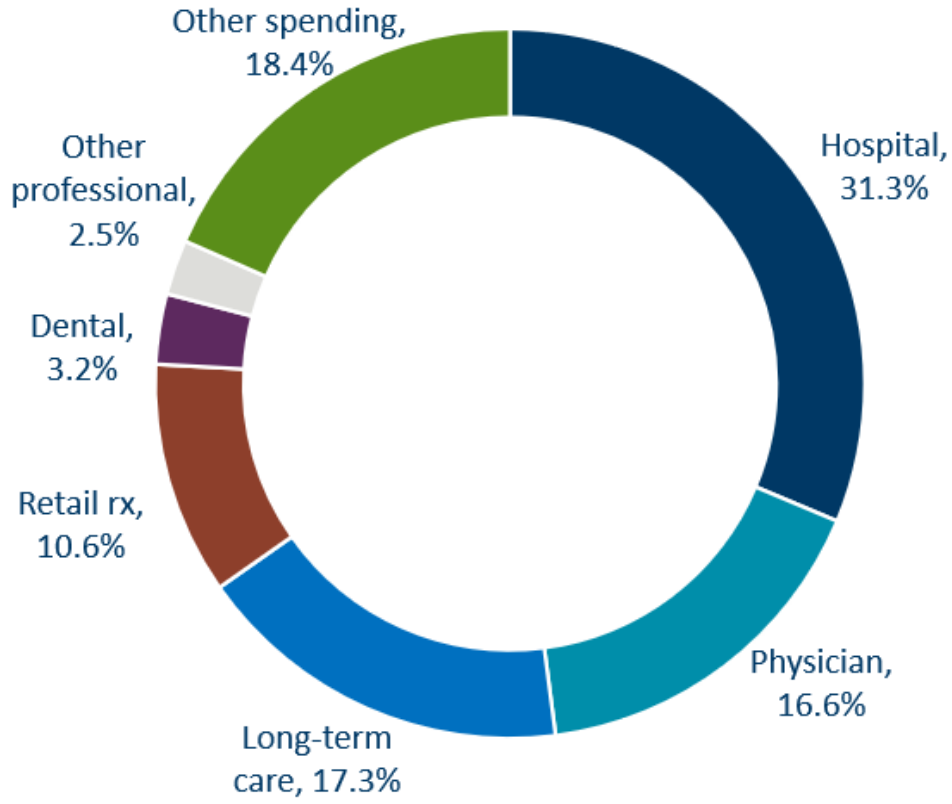
Source: MDH Health Economics Program Chartbook section 1, slide 4. Estimates now include private long-term care spending.
Summary of graph

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

Spending by payer, 2022

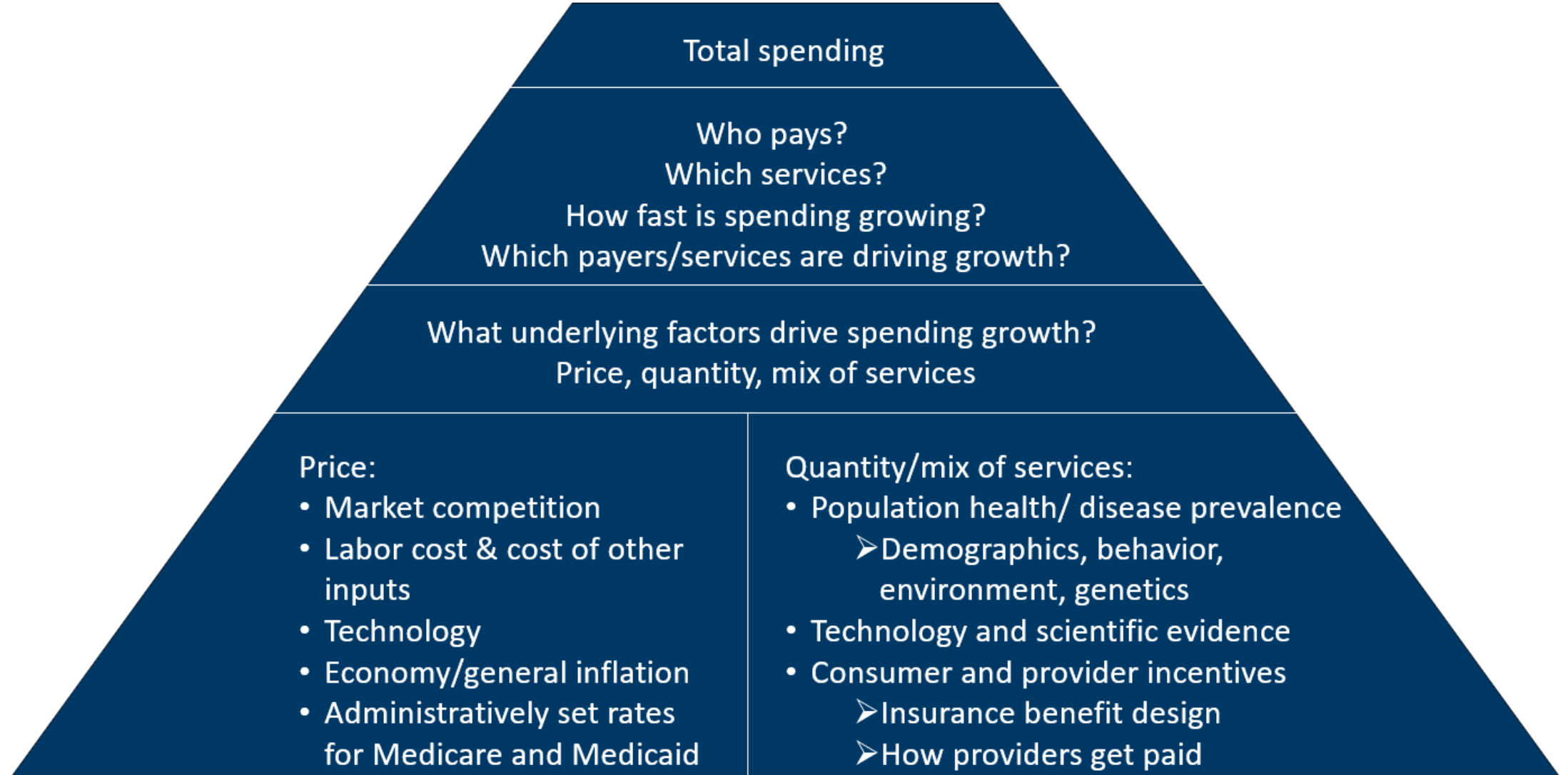


Spending by service, 2022



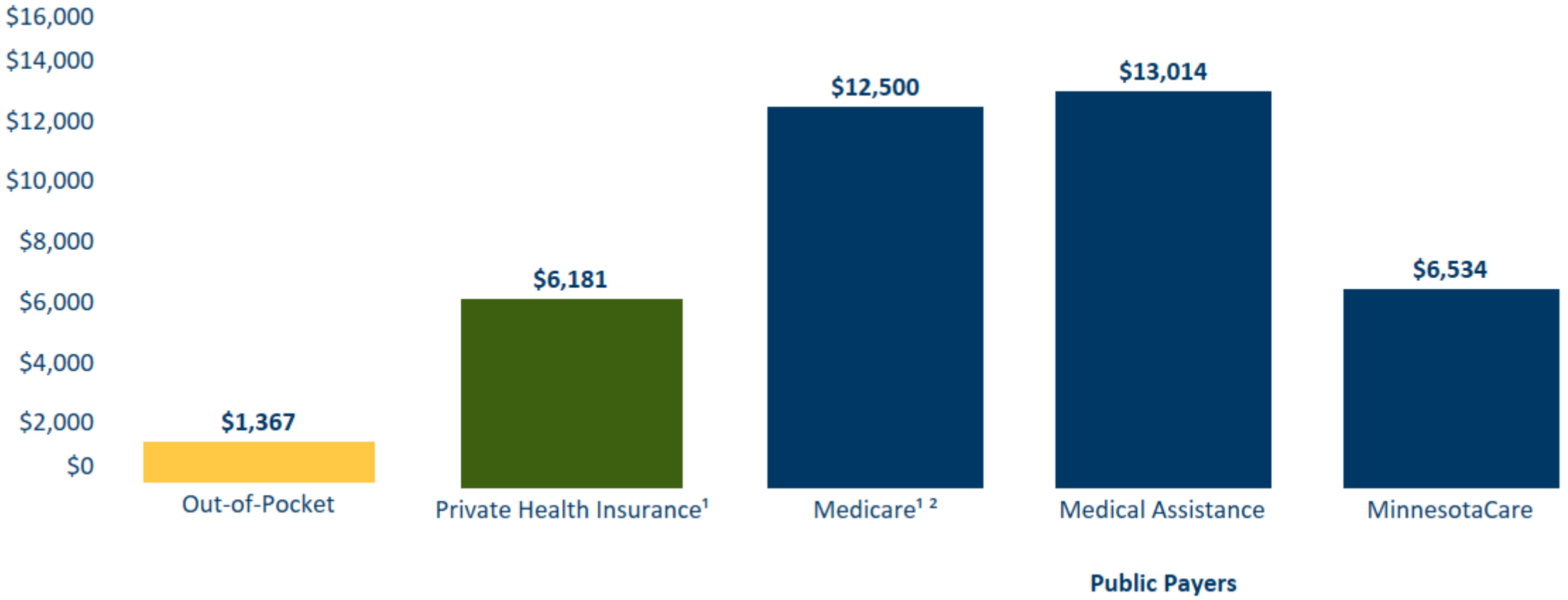
Source: Adapted from Health Economics Program Chartbook, Section 1, Slides 8 and 17.

Health Care Spending Drivers: Many Levels of Analysis



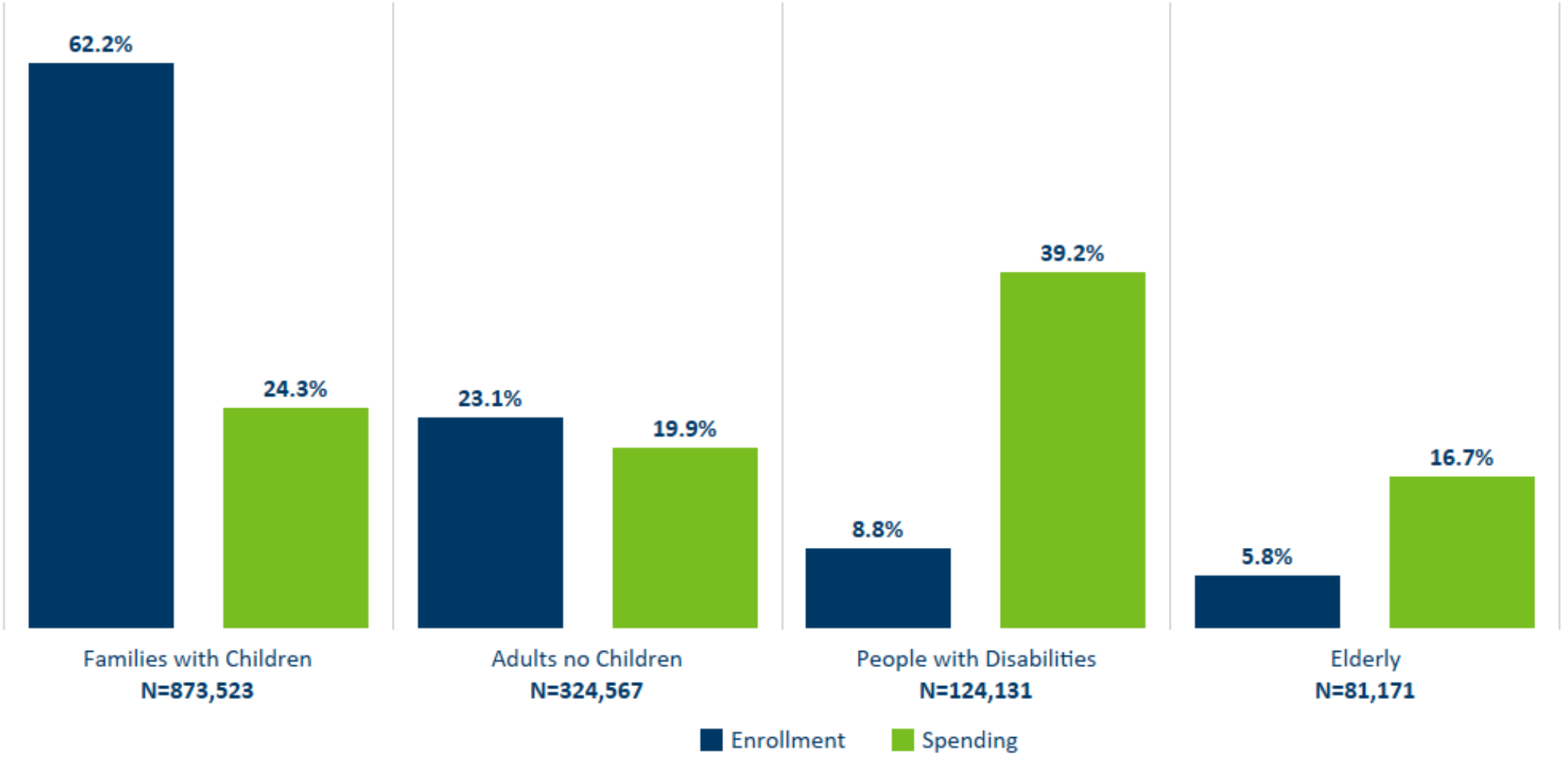
Who Pays?

Who Pays?
Minnesota Health Spending Per Person by Payment Source, 2022



Source: MDH Health Economics Program chartbook section 1, slide 11. Individuals with dual coverage are included in each of the respective coverage options.
[1]Excludes Medicare Supplement insurance and the privately paid portion of Medicare insurance. In addition, private long-term care insurance is excluded from this measure of private health insurance.
[2] Excludes the portion of expenses paid by Medicare Advantage enrollee premiums.
Summary of graph

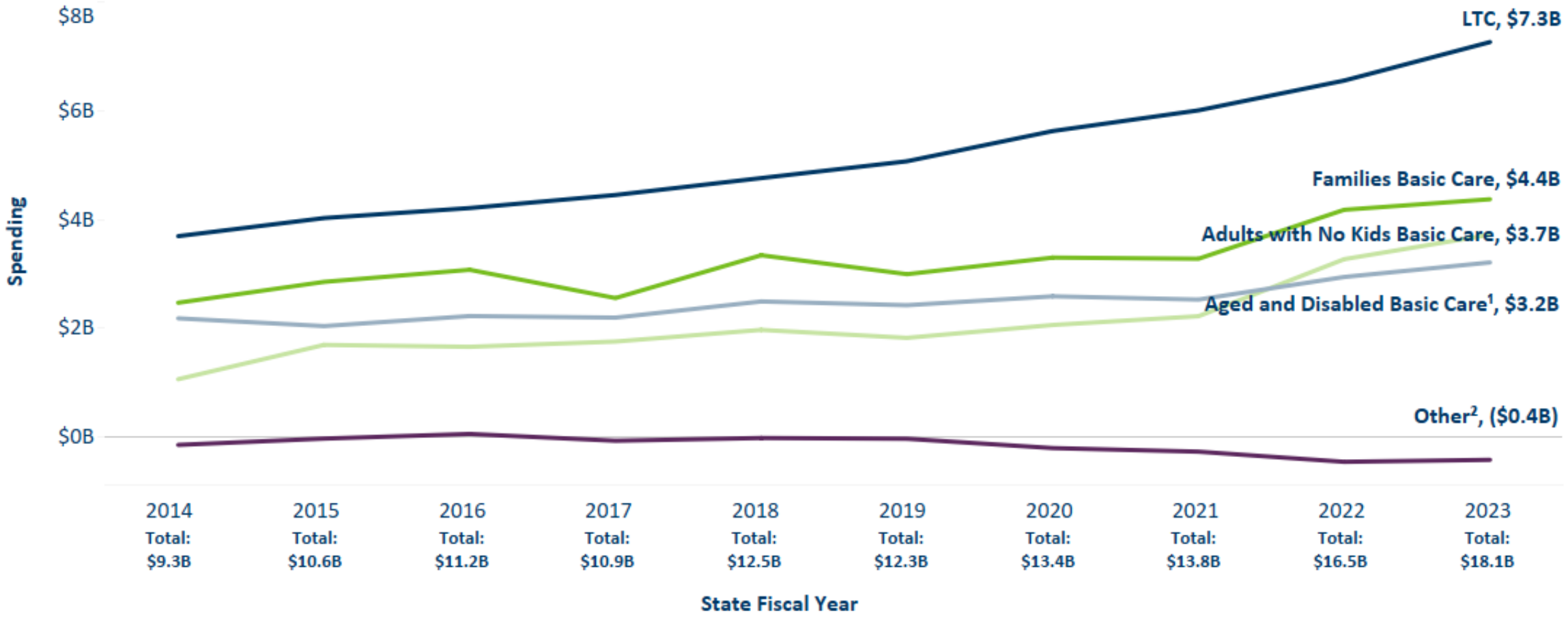
Medical Assistance: Enrollment vs Spending by Eligibility Category, 2023



Source: Health Economics Program Chartbook Section 5, Slide 28 (Minnesota Department of Human Services, data for calendar year 2023.) Data source is different than prior slide, which data is based on state fiscal years. Enrollment within eligibility labels is rounded.

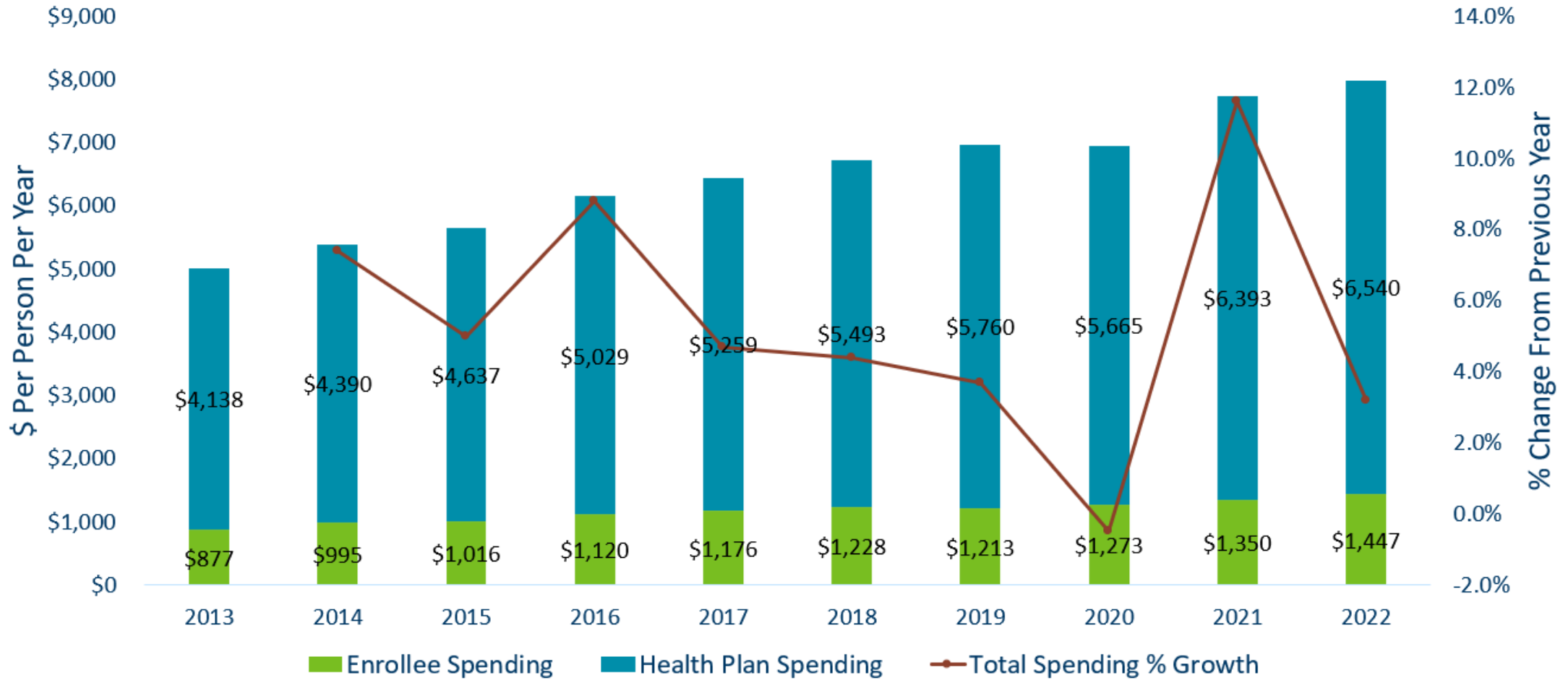
Summary of graph

Medical Assistance Spending, by Eligibility Category



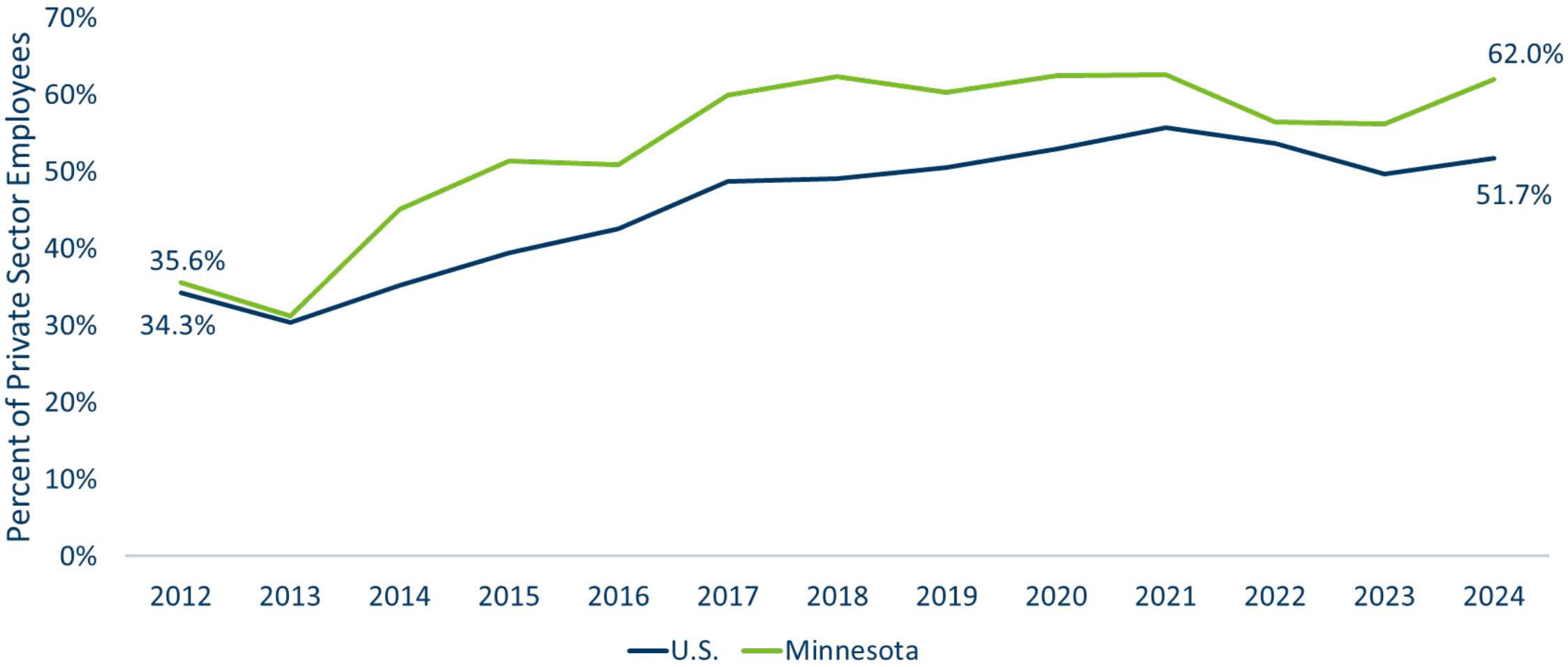
Source: Minnesota Department of Human Services, February 2024 Expenditure Forecast. Data source is different than prior slide, which data is based on calendar years.
[1]The "Aged and Disabled Basic Care" has had the "Elderly Waiver Managed Care" expenditures removed; instead "Elderly Waiver Managed Care" expenditures are included in the LTC category.
[2]Other includes categories of service that include pharmacy rebates and adjustments, resulting in some years having negative values.
Summary of graph

Private Insurance: Spending Per Person



Source: Health Economics Program Chartbook, Section 1, Slide 28. Includes fully-insured commercial coverage only (employer and individual)

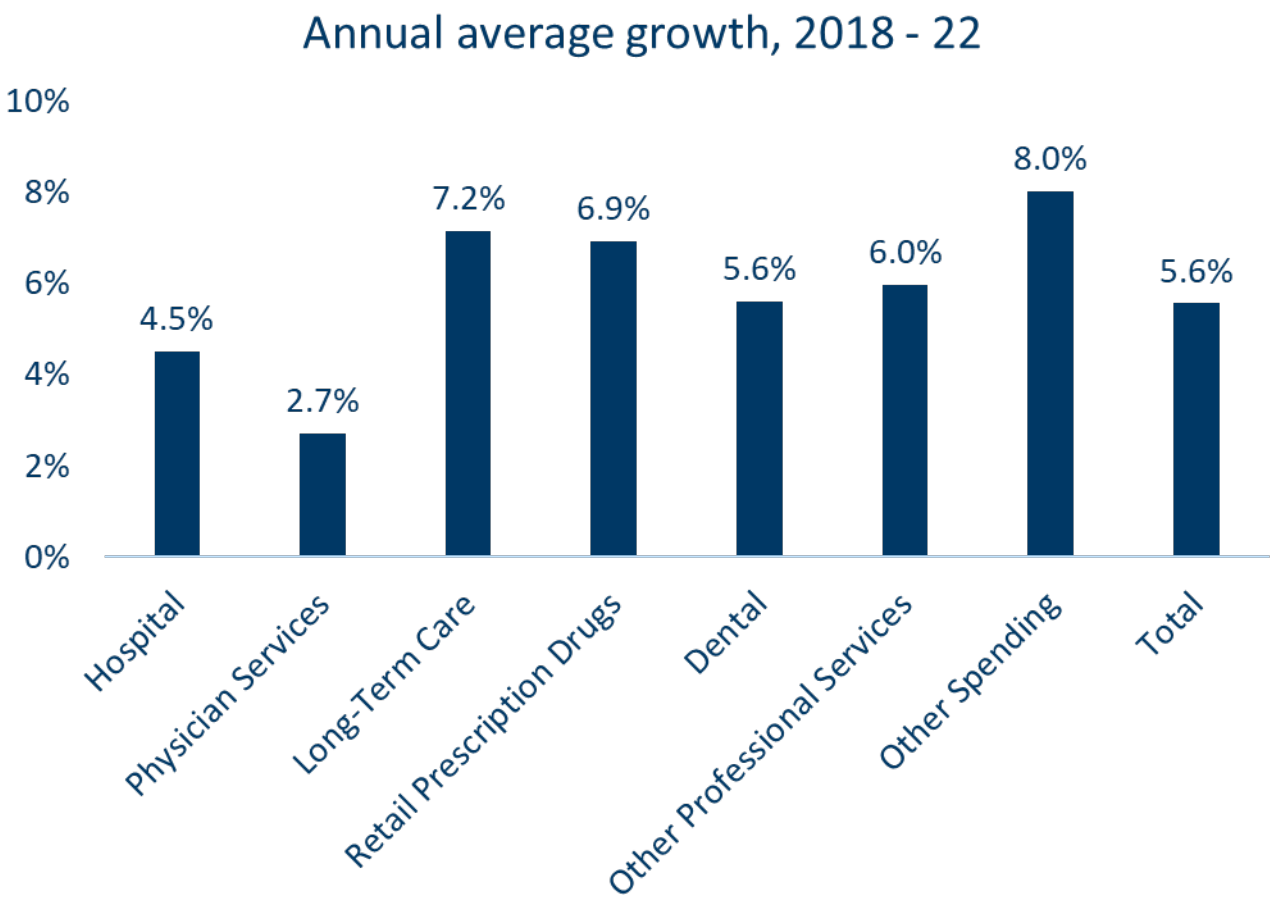
In Minnesota, More Private Sector Employees Are Enrolled in High-Deductible Health Plans

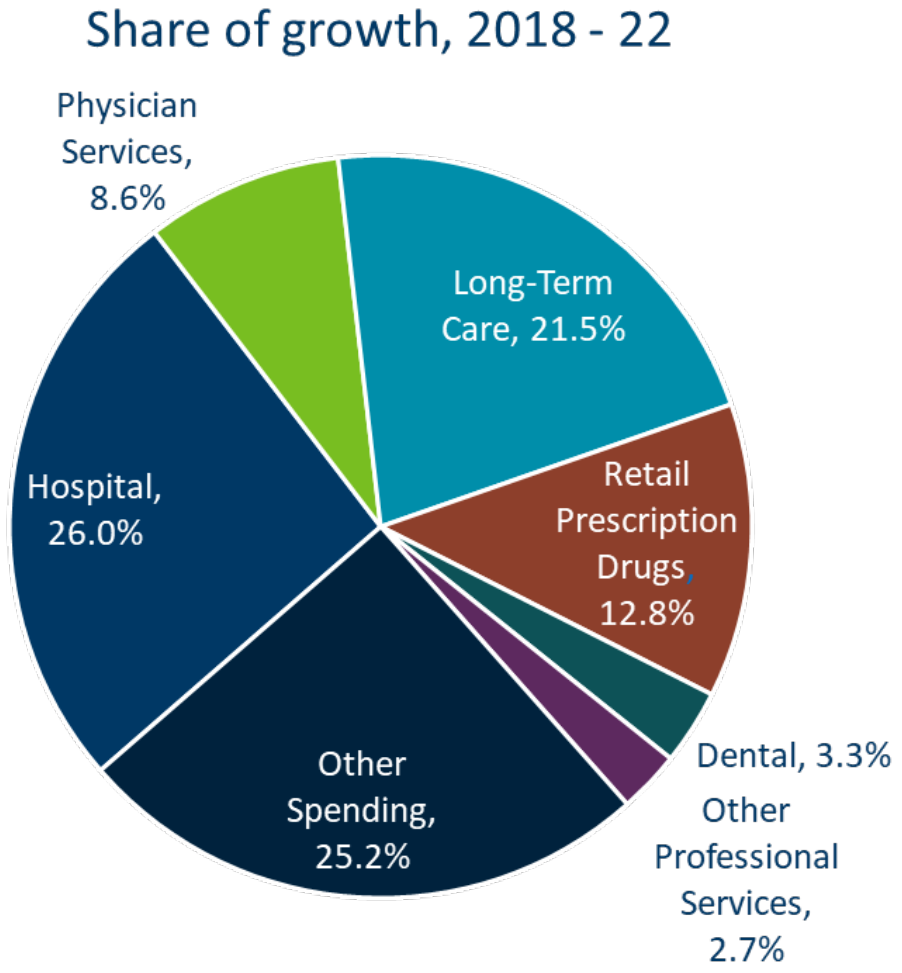


Source: SHADAC analysis of Medical Expenditure Panel Survey - Insurance Component (MEPS-IC), State Health Compare, SHADAC, University of Minnesota, statehealthcompare.shadac.org, accessed 10/2/2025

Which Services?

Minnesota Spending Trends and Cost Drivers: By Service

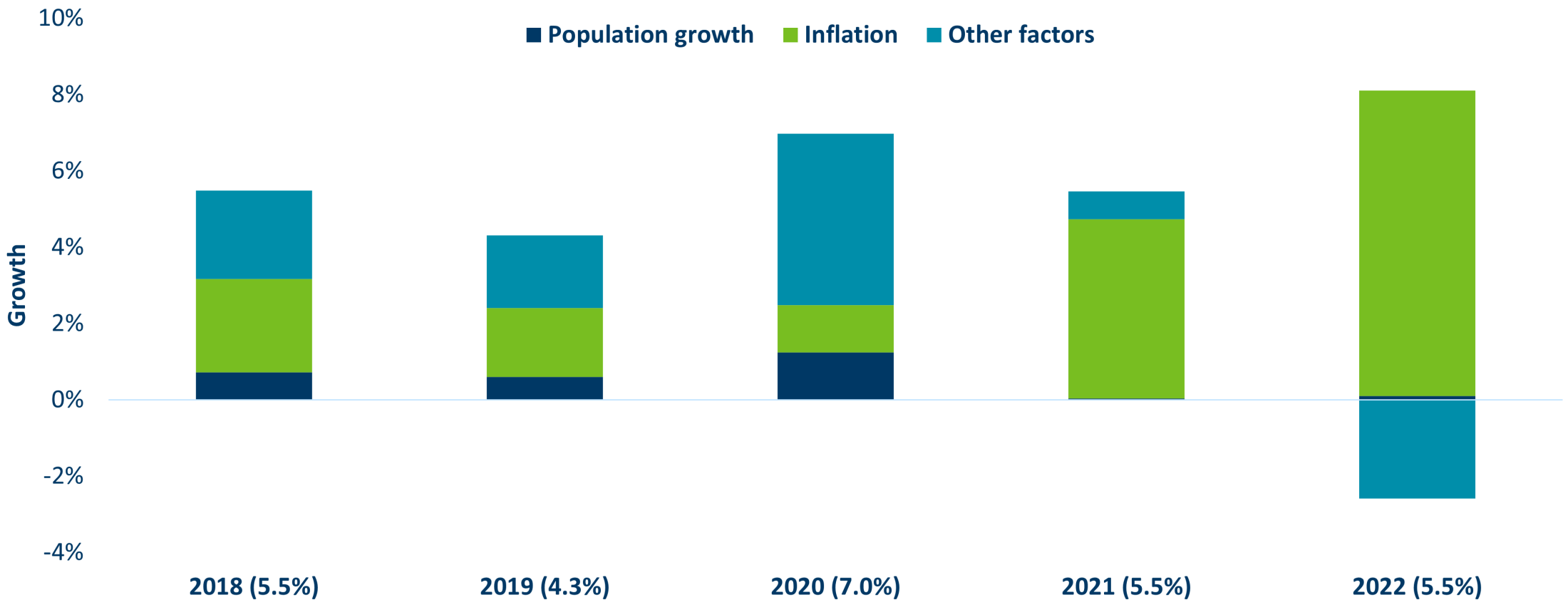




Source: MDH Health Economics Program Chartbook Section 1, Slide 16.

What Underlying Factors Drive Spending Growth?

Factors Accounting for Health Care Spending Growth in Minnesota



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

Policy Framework: Selecting Criteria for Priority Topics

Julie Sonier| Senior Fellow, Mathematica

Policy Framework

- Two essential components:
  1) How will the task force select priority topics for initial “deep dive” examination?
  2) Within a priority topic area, how will the task force select among potential policy options?
- We will discuss #1 today, saving #2 for a future discussion

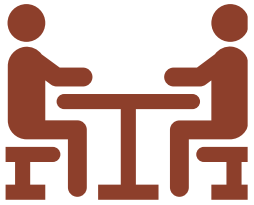
What's at Stake

Family Affordability Challenges

- What are Minnesotans paying for health care?
- What share face barriers to affording their health care?
- How do rising costs compare with food, housing and childcare, or the rate of inflation?

Implications for State Budgets

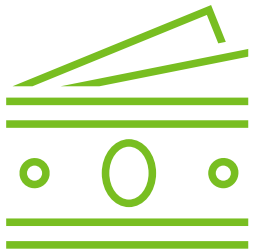
- How does rising health spending affect Minnesota's budget and public investments?
- What is the projected trajectory of health spending, and the implications for the state budget and programs over the next decade?



Affordability for Employers and Workers

- What is the trade-off between rising premiums and wages, benefits and job opportunities?
- What strategies are employers using to manage increasing costs?

What's Driving the Problem



Spending Drivers, Prices, and Value

- Which components of spending are growing fastest and why?
- Consider spending by payer, by service, and how price vs. utilization are driving spending growth.
- How do prices, utilization, and total cost vary by region, system, or payer?

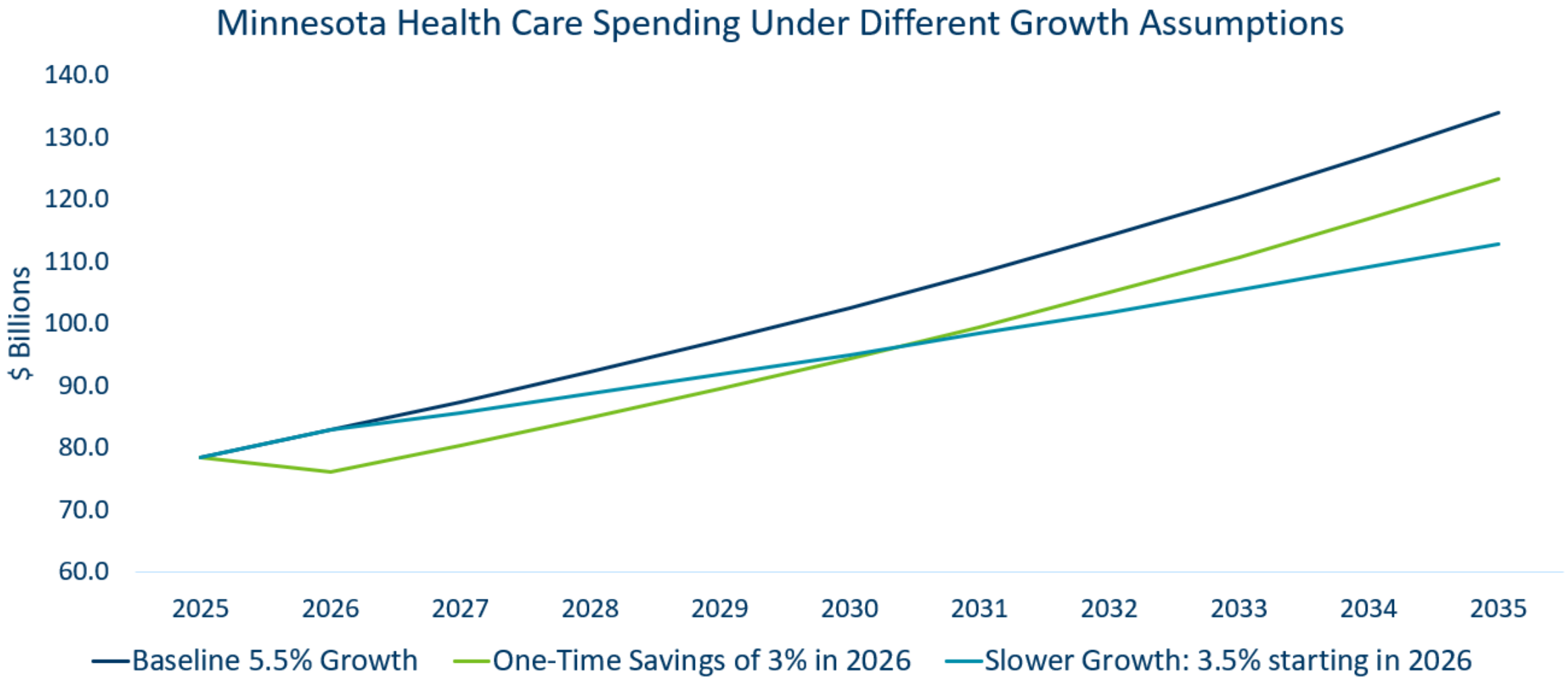
Market Forces and System Accountability

- How concentrated are Minnesota's health care markets?
- How does consolidation affect prices, utilization, and quality?
- What's the impact of shifting to value-based payments on spending and outcomes?

Selecting Priority Topic Areas

- What criteria will the task force use to select initial priority topic areas?
- Some possibilities:
  - 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?

Example of One-Time vs Ongoing Savings



Discussion

- What questions do you have about criteria for the task force to use in selecting priority topics?
- What would you add, subtract, or change in the starter list of criteria?
- What additional information does the task force need to establish criteria for selecting priorities?

Next steps

What: Health Care Affordability Advisory Task Force Meeting

When: December 16, 9-11:30am

Where: Amherst H. Wilder Foundation Auditorium A (with hybrid option)

Stay tuned for:

- Co-Chair nomination requests
- Public community conversation

Thank You!

Center for Health Care Affordability

Health.Affordability@state.mn.us

Additional Resources

- Milbank Memorial Fund, "Health Care Affordability: Definitions and Options for States to Track Progress" (June 2025)
- MDH Health Economics Program chartbook (updated regularly)
- MDH Health Economics Program, "Health Care Spending, Prices, and Utilization in Minnesota: 2019 to 2023," and Supplement, September 2025
- SHADAC State Health Compare
- Health Care Cost Institute, Health Care Cost and Utilization Reports