



Health Care Affordability Advisory Task Force Kickoff

September 12, 2025

Welcome from the Center for Health Care Affordability

Alex Caldwell | Director

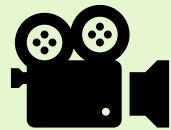
Today's Objectives

- Begin building a **shared purpose and understanding** of the Center, and of the task force's role and opportunity.
- Introduce foundational concepts and data and **identify initial areas of interest**.
- **Build urgency** to take action on health care affordability.

Today's Agenda

- Welcome from the Center and MDH – **CHCA**
- Task force member introductions – **Members**
- What to expect from this task force – **CHCA**
- *Break*
- Introduction to Minnesota's health care affordability challenges – **MDH Health Economics Program**
- Member discussion of initial questions and areas of interest – **Members**
- Closing and next steps – **CHCA**

- Slides and recording of meeting will be available on the Center's website.
- Bathrooms are outside the room to the left.
- 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

Introducing the Health Care Affordability Advisory Task Force

Consumer Advocates

- Andrew Knox III
- Jamie Rancour
- Justin Stofferahn
- Laura Zabel

Members w/ Health Policy Expertise

- Matthew Anderson
- Marie Dotseth
- Sheila Kiscaden
- Lois Stevens

Employers/Purchasers

- Olivia Brandt
- Adam Janiak
- Mike O'Brien
- Breanne Ostrom

At-Large

- Phillip Cryan
- Sheila Moroney
- John Naylor

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?

Minnesotans face serious health care affordability challenges



76%

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



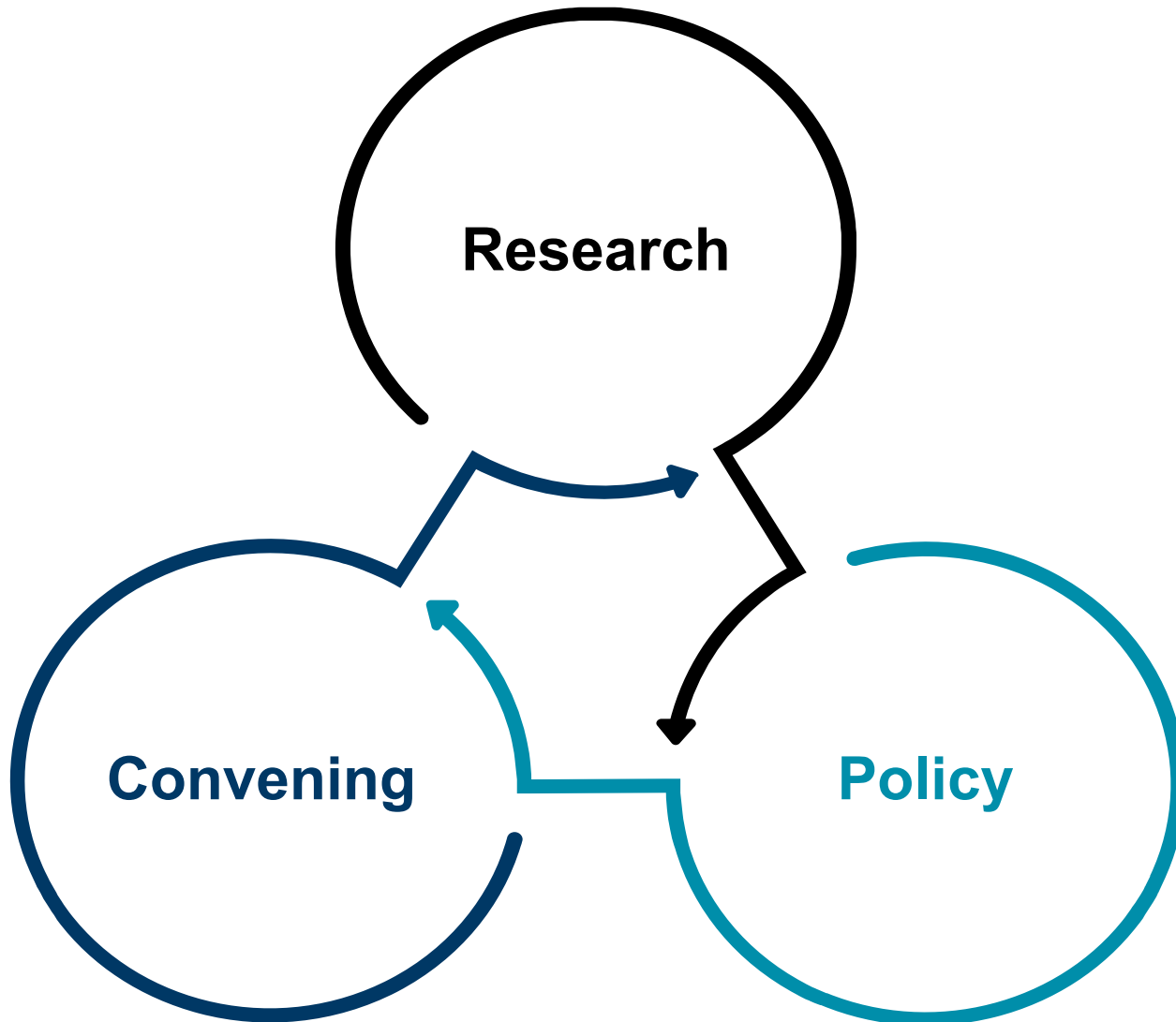
45%

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.



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

- ✓ Recommendations go to the Center and the Minnesota Department of Health Commissioner
- ✓ Recommendations are not binding policy decisions
- ✓ We will aim for consensus when possible
- ✓ Open to the public
- ✓ Two-year task force



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.

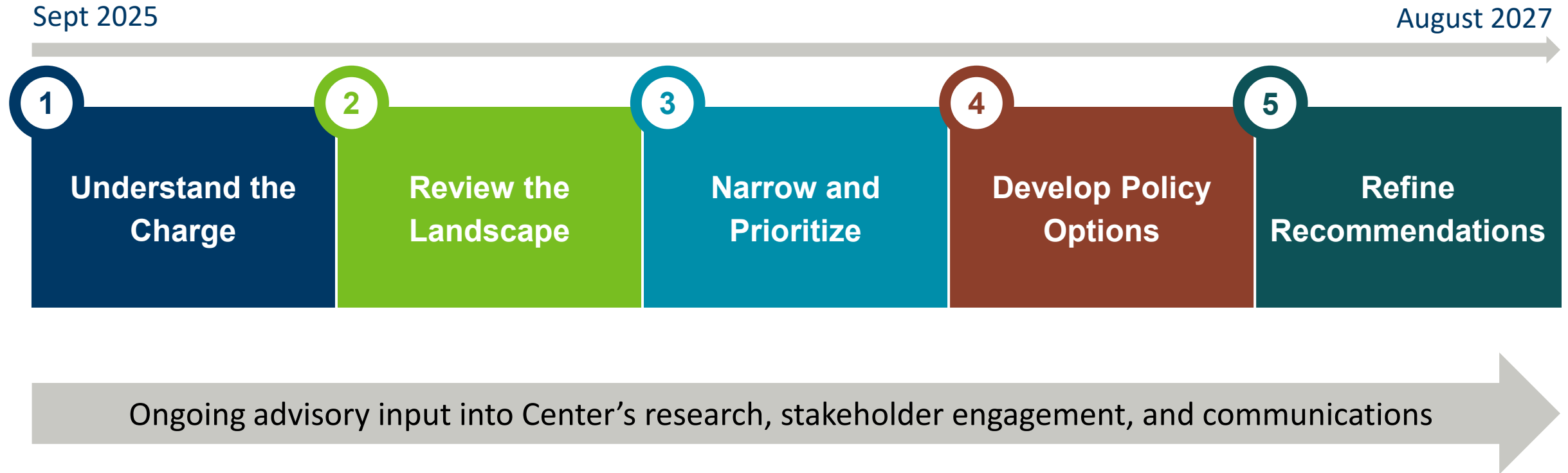
As part of their work, members of the **Health Care Affordability Advisory Task Force** will provide input on the Center's reports on health care affordability and support the Center's efforts to convene at least annual public meetings for Minnesotans to discuss health care affordability challenges and 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.

More detail
available in
[Task force
charter](#)

Up next: Task force's roadmap to recommendations



This draft Roadmap will be refined in partnership with task force members in Sept-Oct 2025.



Health Care Affordability in Minnesota: An Overview

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

- Background on the Health Economics Program
- Health care spending in Minnesota and trends
 - Impact on Minnesota residents
 - Impact on employers
 - Impact on Government
- Work underway in Minnesota and elsewhere

Introduction

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



Health Care Market Research & Policy Analysis

Providers

- Cost drivers, hospital financing, low value (**MN APCD & MN SHEAs**)
- Trends in spending growth (Variation in reimbursement (**MN APCD**))
- Admin spending (HAR)
- Consolidation/PE
- Uncomp care

Health Plan Companies

- Trends in premium growth, benefit design and financial performance (**annual reports & MN APCD**)
- Administrative health plan spending (**HPFSR**)

Rx Manufacturers & Supply Chain Entities

- Trends and drivers in drug prices (**RxPT/Medispan**)
- Focus on certain drugs (**PDAB+**)
- Price setting across supply chain & market performance

Population

- Access to coverage & care
- Foregone care from **MNHA**
- Analysis of OOP spending from **MN APCD**
- Stories about challenges affording Rx (**public comment**)

Public Program Enrollees

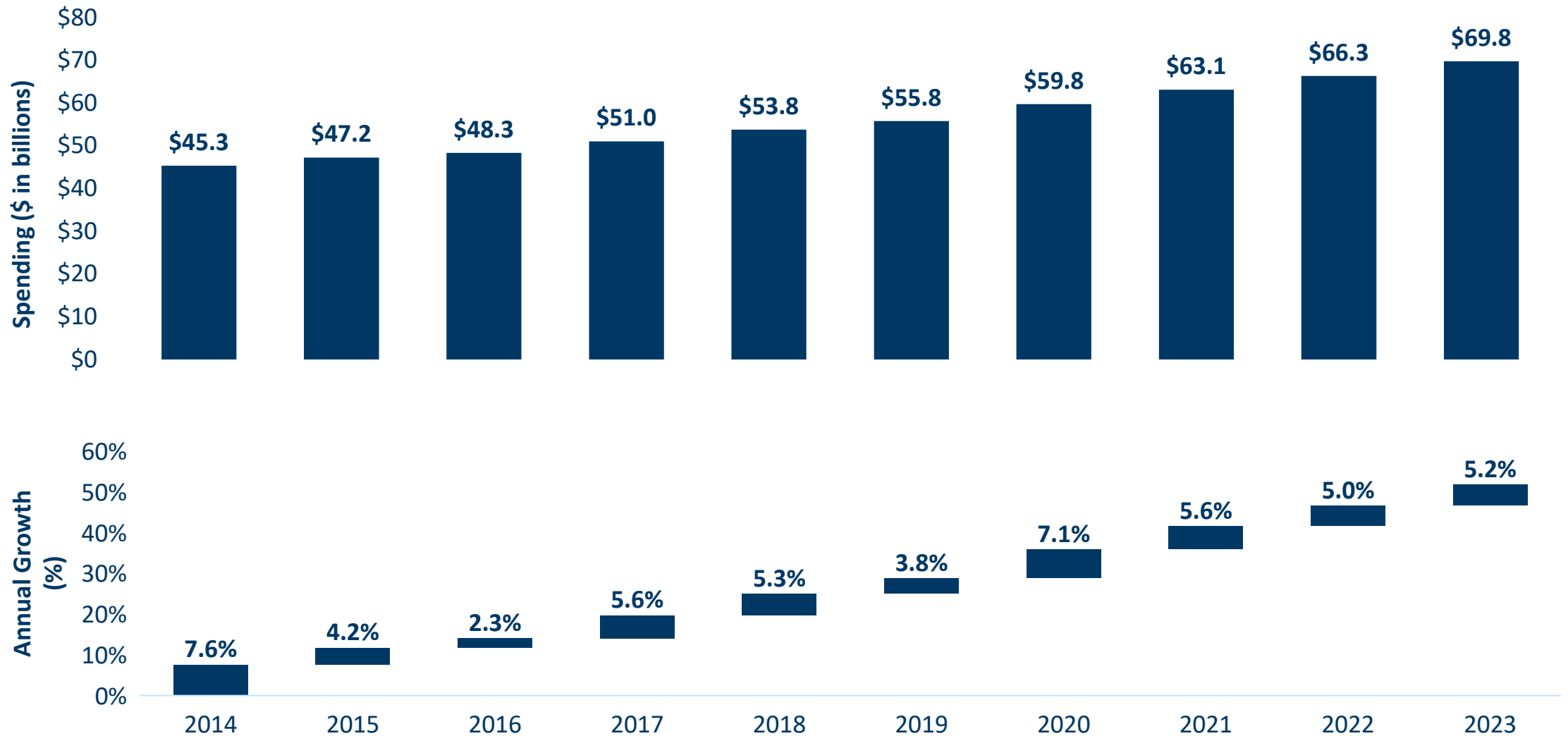
- Enrollment & spending trends from **DHS forecasts** (system affordability)
- Concern over cost sharing (**MNHA**)

Other

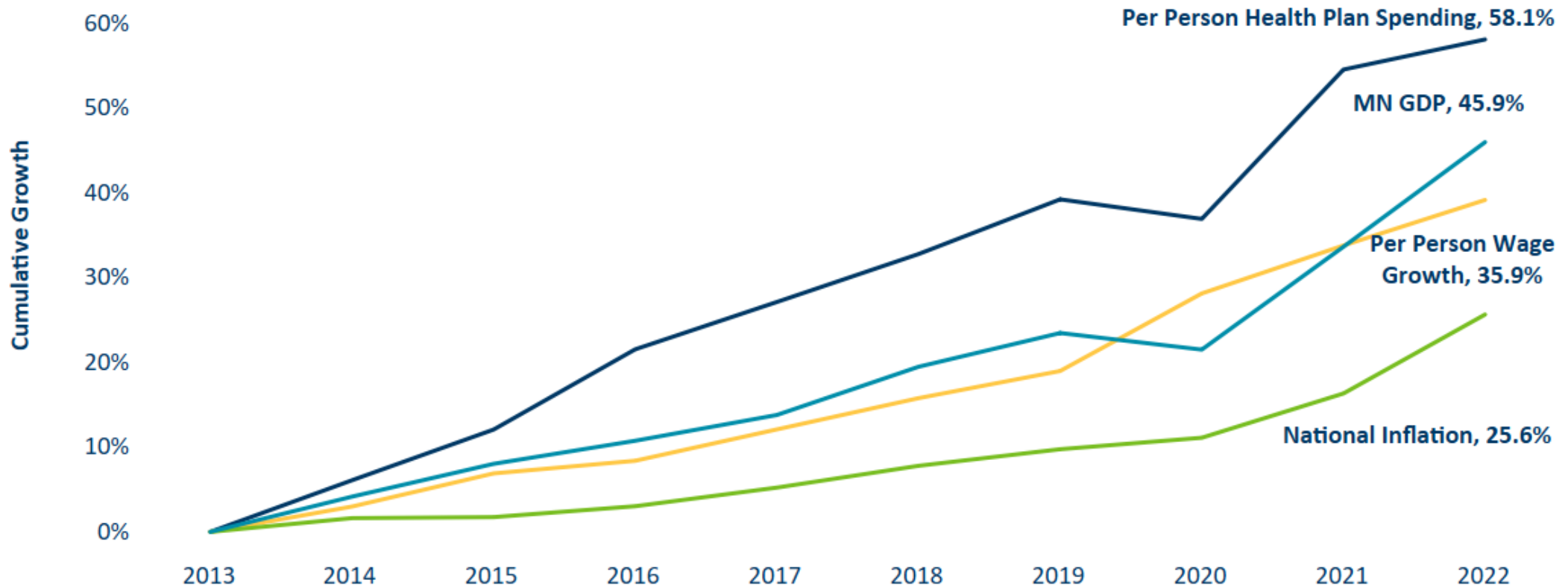
- Employer compensation / affordability (**BLS**)
- Studies on low value and admin spending
- NHEAs as national benchmark
- Marketplace data

Health Care Spending in Minnesota

Estimates of MN Health Care Spending, 2023



Cumulative Growth in Key Minnesota Health Care Cost and Economic Indicators

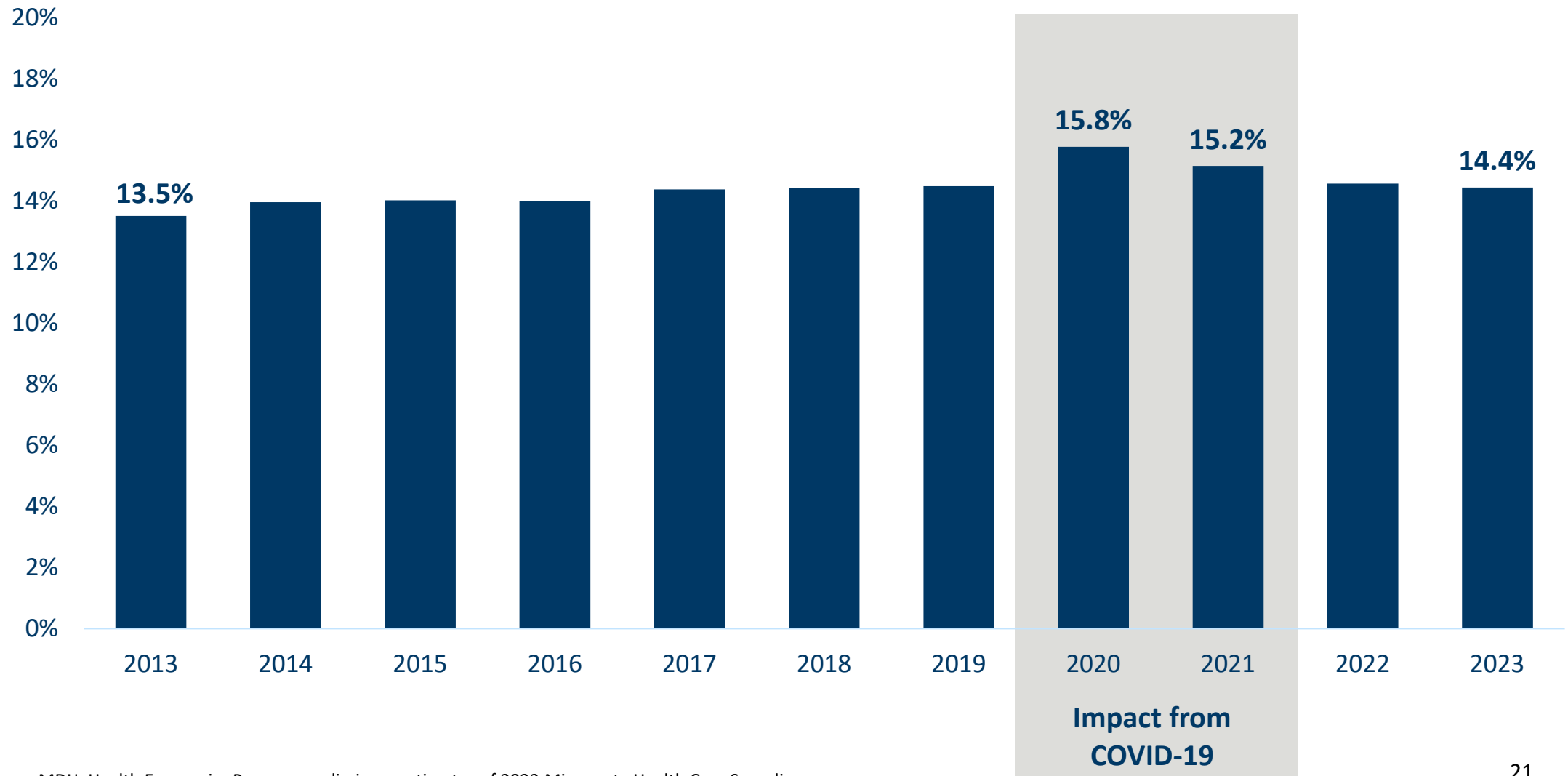


Health care spending is Minnesota fully-insured commercial spending per person and does not include enrollee out-of-pocket spending for deductibles, copayments/coinsurance, and services not covered by insurance.

Fully-insured commercial market only.

Sources: MDH, Health Economics Program analysis of annual medical-only reports from health plan companies; Gross State Product (MN GDP) from U.S. Department of Commerce, Bureau of Economic Analysis; Consumer Price Index (All Urban Consumers (CPI-U), U.S. City Average), as of October 2, 2024; per person wage growth from Minnesota Department of Employment and Economic Development as of October 2, 2024.

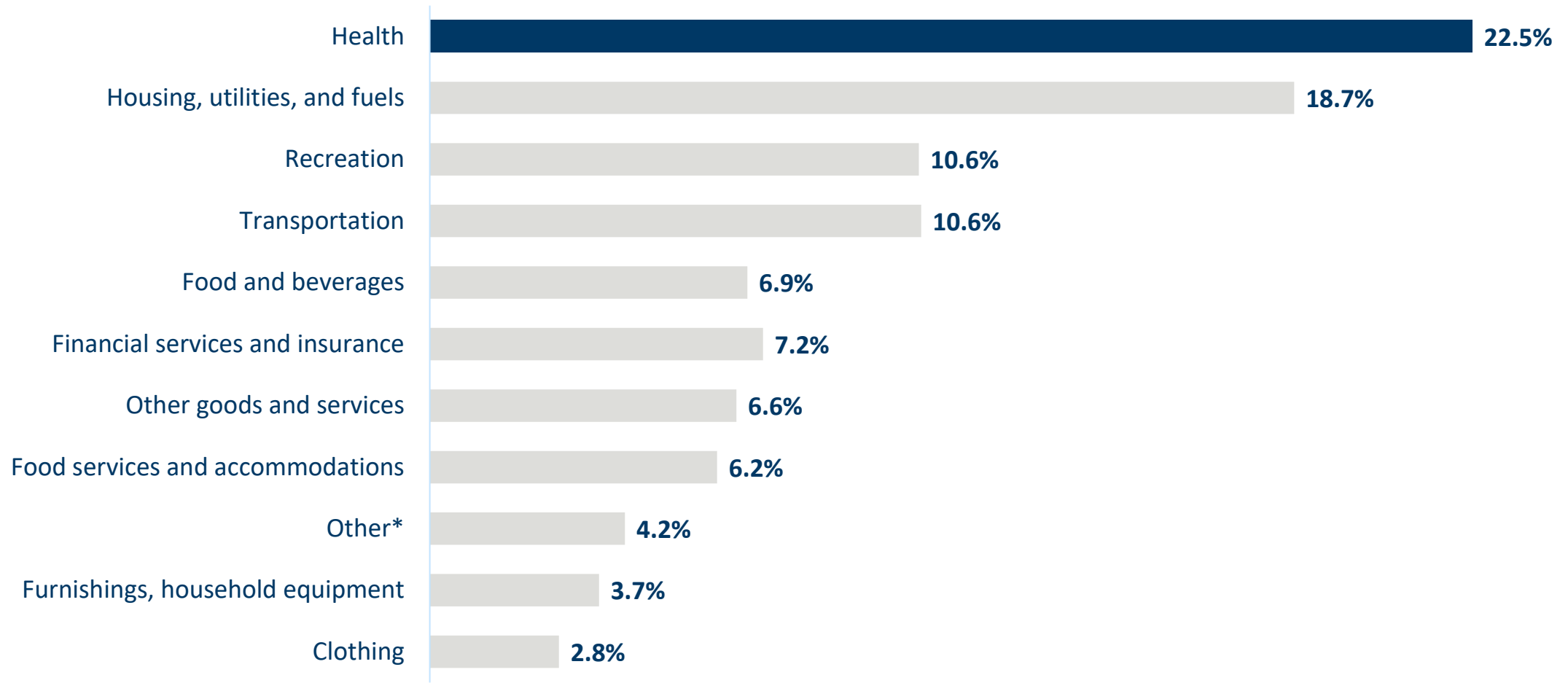
The Share of Minnesota's Economy Spent on Health Care Continues To Increase



Source: MDH, Health Economics Program preliminary estimates of 2023 Minnesota Health Care Spending.

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, 2023



Statewide
Average



Family of 4

Family Coverage	Average 2023	Total %
Employee Premium	\$6,254	21%
Employer Premium	\$18,958	65%
Deductible	\$4,071	14%
Total	\$29,283	100%

Individual Health Insurance, 2025



Pennington
County



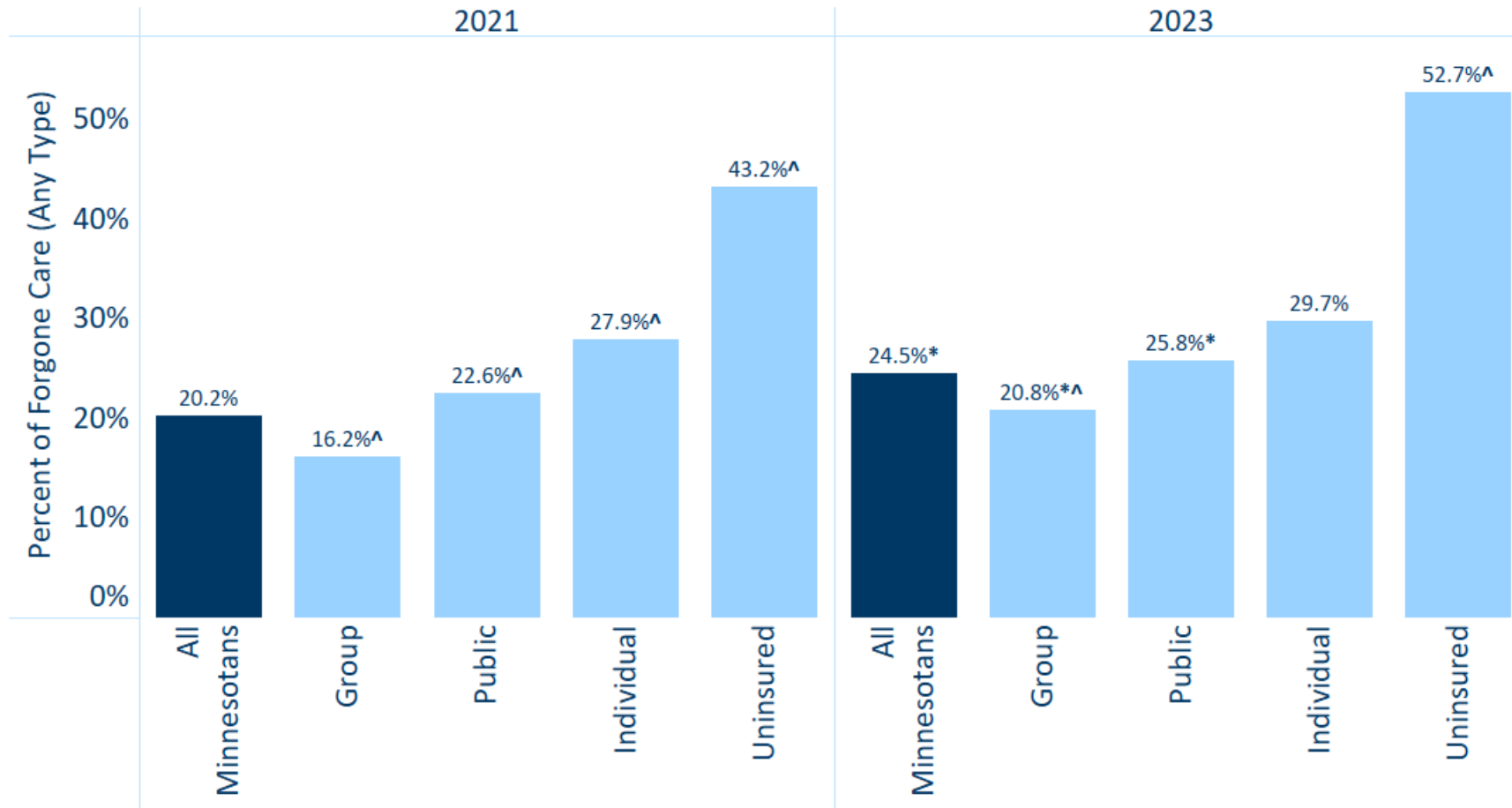
50-year-old
Female
\$75,000
Household
Income

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 Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends. 2023 Medical Expenditure Panel Survey – Insurance Component (MEPS – IC). Based on average cost of family coverage. Not shown: out-of-pocket maximum.

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 by Insurance Type, 2021 and 2023

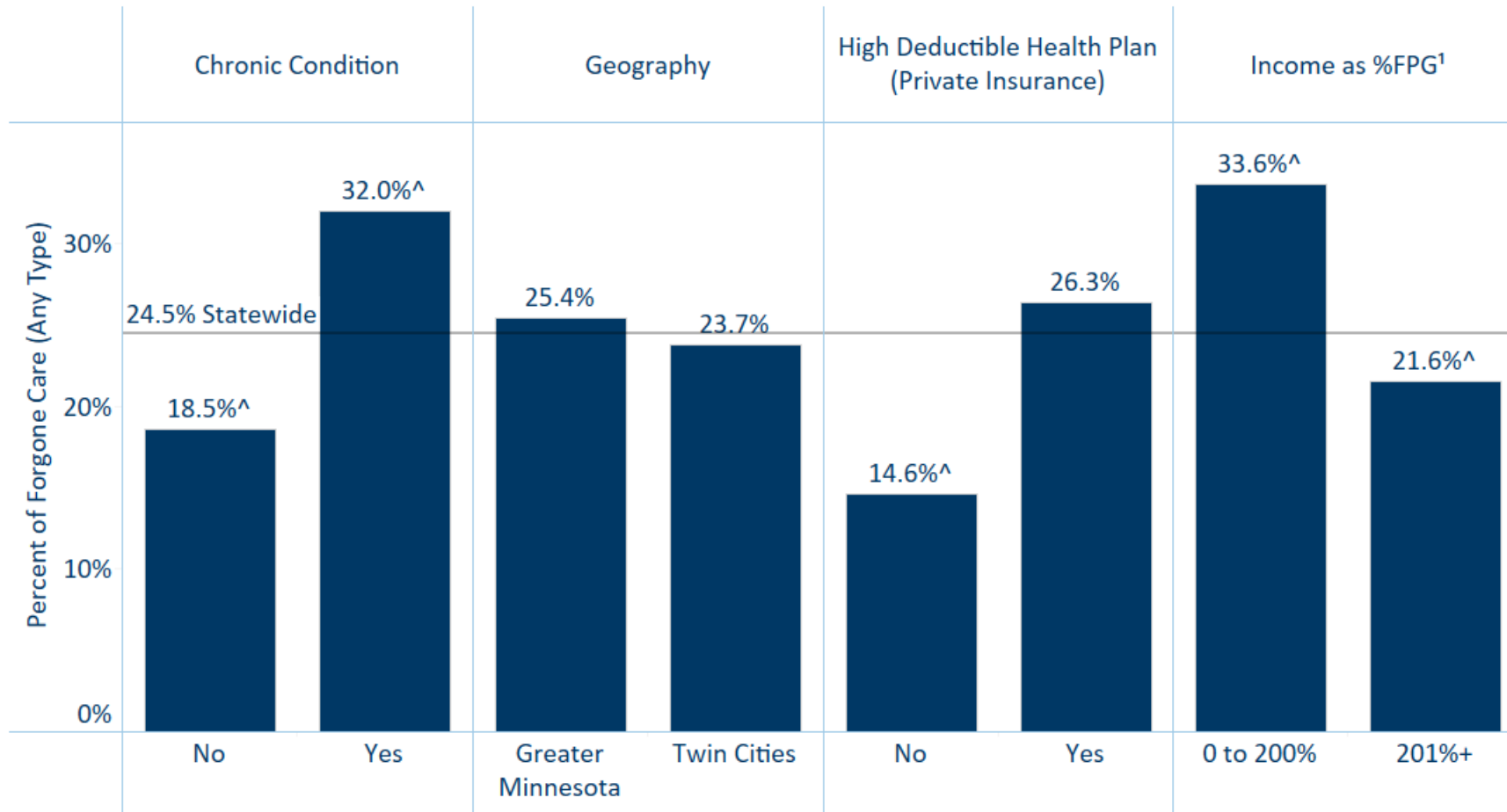


Source: Minnesota Health Access Surveys, 2021 to 2023

* Indicates statistically significant difference (95%) level from prior year shown.

^ Indicates statistically significant difference (95%) level from all Minnesotans within year.

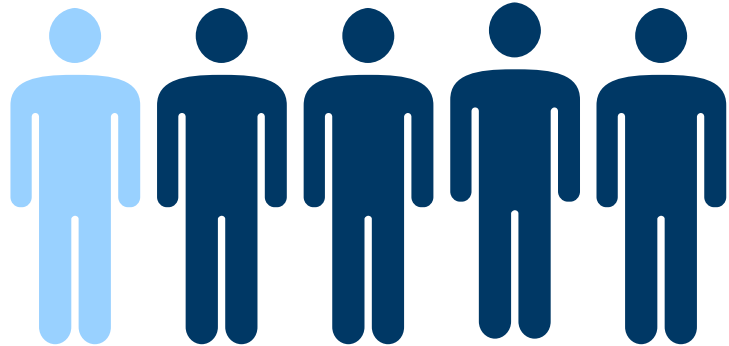
Any Forgone Care by Chronic Conditions, Geography, High Deductible Health Plan, and Income, 2023



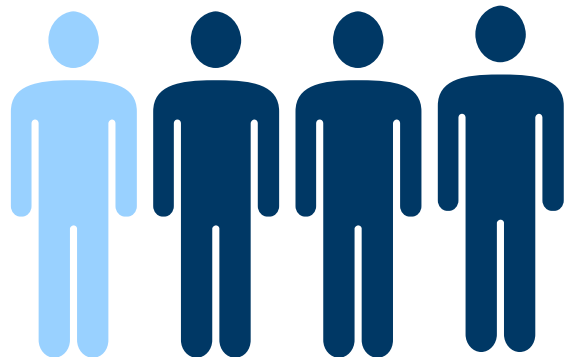
Source: Minnesota Health Access Survey, 2023

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

Minnesotans Worry about Affording Care



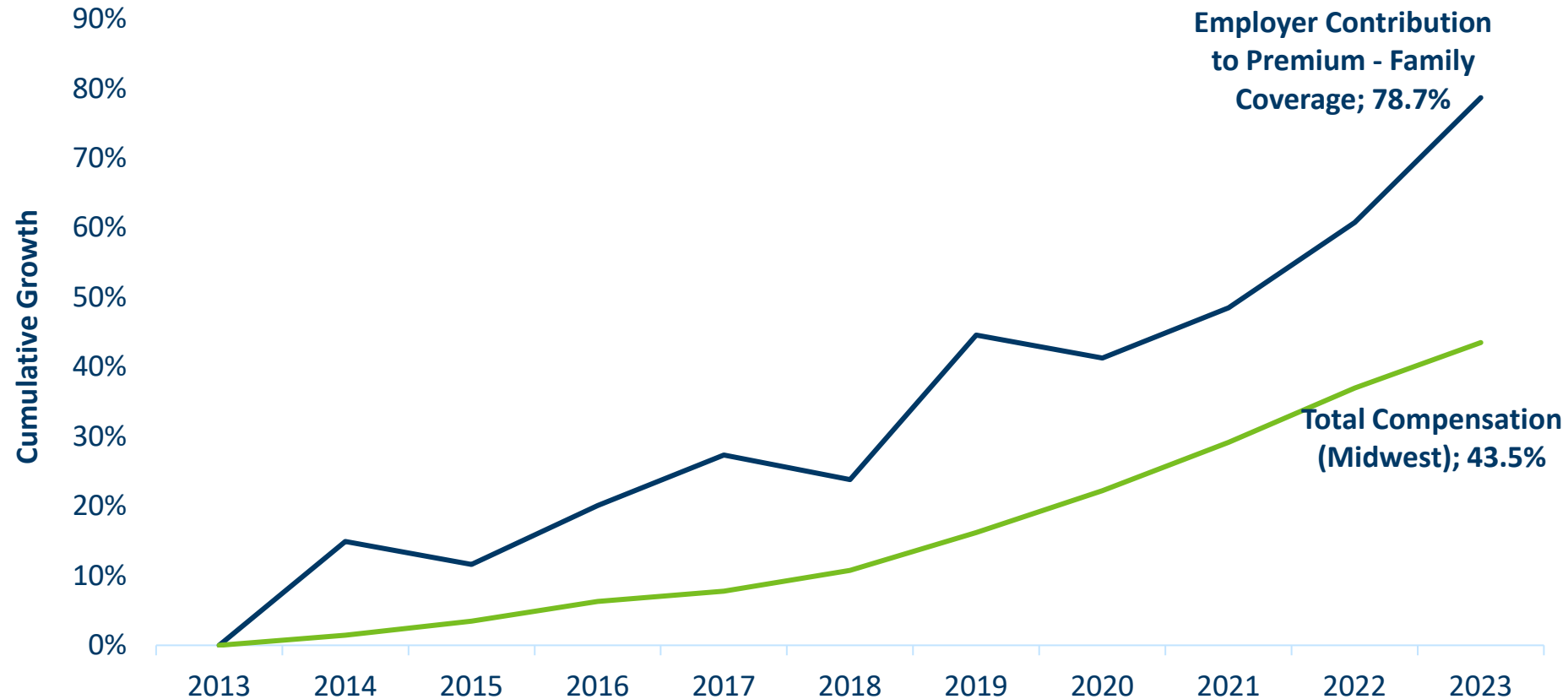
1 in 5 Minnesotans aren't confident they could pay their deductible if there was a major medical event.



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

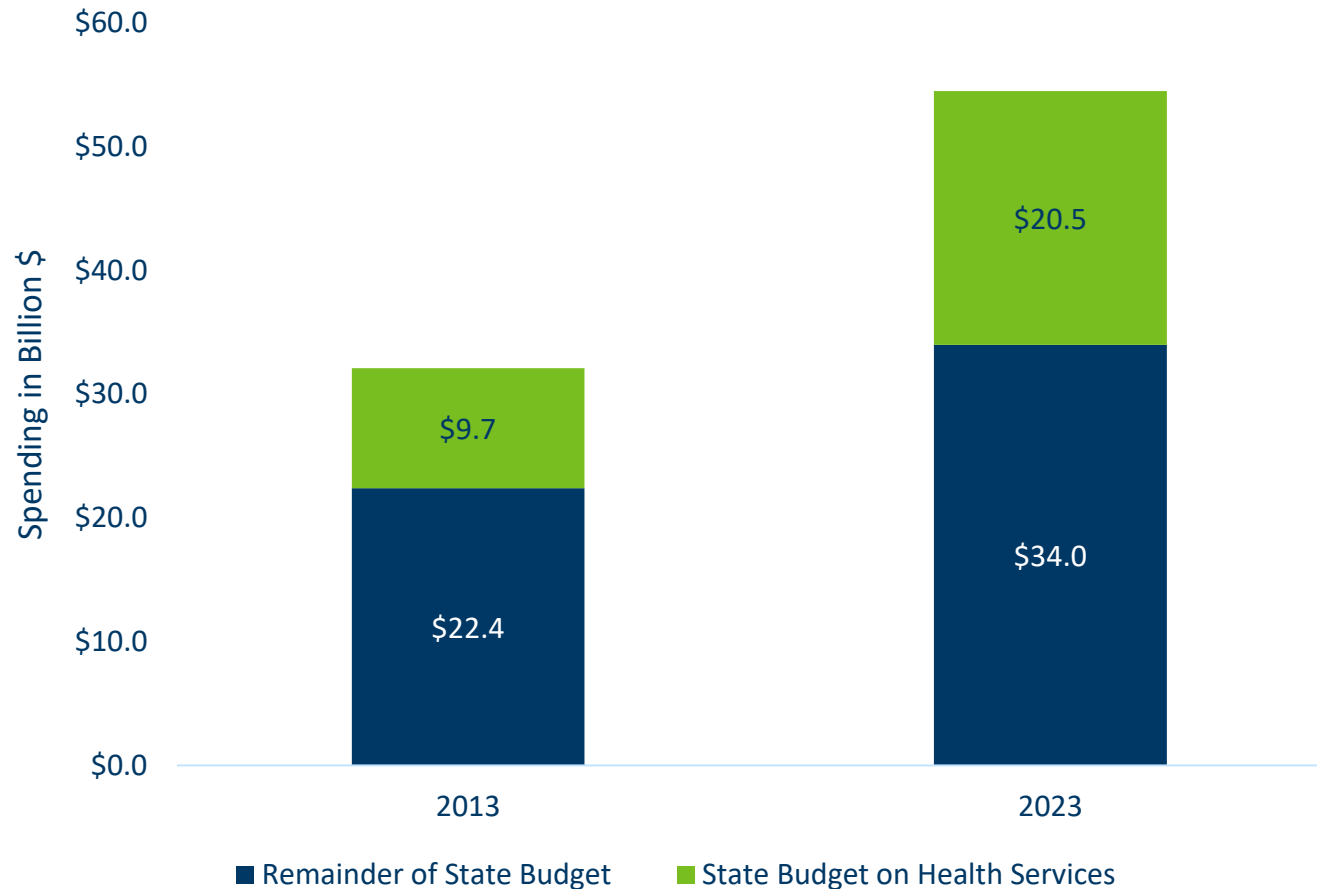
Health Care Spending Impact in Minnesota: Employers & Government

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

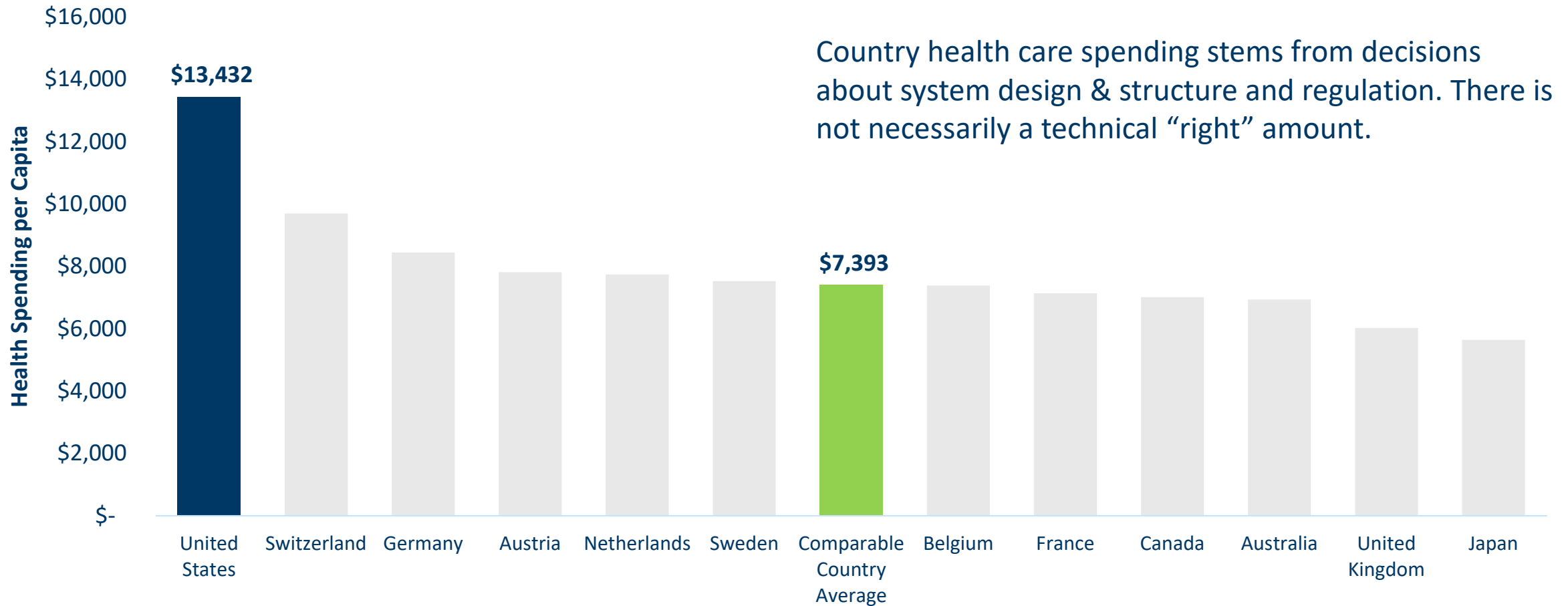


- Over time, an increasing share of resources flowing through the state budget has been devoted to health services (coverage, administration, subsidies).
- In 2023, **37.6%** of Minnesota's budget was spent on health care programs, compared to **30.3%** in 2013.

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.

The “Right Amount” of Health Spending & Sustainability

Health Spending by OECD Countries, 2023



Source: KFF analysis of OECD Data. Data from Australia, Belgium, Japan, the Netherlands, Switzerland, and United States are estimated. Data from Austria, Canada, France, Germany, Sweden and the United Kingdom are provisional. [https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/#GDP%20per%20capita%20and%20health%20consumption%20spending%20per%20capita,%20U.S.%20dollars,%202023%20\(current%20prices%20and%20PPP%20adjusted\)%C2%A0](https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/#GDP%20per%20capita%20and%20health%20consumption%20spending%20per%20capita,%20U.S.%20dollars,%202023%20(current%20prices%20and%20PPP%20adjusted)%C2%A0)

A Few Things in-Flight of Interest to the Task Force

- Report to the MN Legislature on the need for a study on **provider system capacity** in MN
- Study on **administrative spending** in Minnesota and strategies to reduce/eliminate unproductive spending
- Study on **low-value care** in Minnesota
- Impact analysis of implementing **universal coverage w/single-payer financing**
- **Health care market oversight** and notice system for certain transactions (w/AGO)
- Research on the effectiveness of the Rx market in MN through the prism of **drugs of 'substantial public interest'**
- Analysis and dashboards on **health care spending drivers**

Thank You! -- Additional Resources

Health Economics Program homepage: MDH, [Health Economics Program](#)

MN APCD homepage/dashboard: [Minnesota All Payer Claims Database \(MN APCD\)](#)

RxPT homepage/dashboard: [Rx Price Transparency & Data](#)

Health Care Market Slides: [Chartbooks](#)

Contact HEP: health.hep@state.mn.us

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

- *Minnesotan with private health insurance*

“I could not get approved for Free Style sensors for my glucose measurement that my doctor wanted me on [...].
So, I do not measure any glucose levels.

- *Minnesotan with private health insurance*

“ I skipped seeing my PCP because I **couldn't afford the prepay**, and I repeatedly avoided going to the ER until it was necessary. I developed sepsis and **ended up in the hospital for a week.**

- *Minnesotan without insurance*

What resonated for you in the data?

What surprised you?

What do you want to learn more about first?

What is missing?



What: Health Care Affordability
Advisory Task Force Meeting

When: October 16, 9-12pm

Where: Minnesota Humanities
Center (with hybrid option)



Stay tuned for:

- Public meetings
- Story collection

Thank You!

Center for Health Care Affordability

Health.Affordability@state.mn.us