



Meeting Minutes: Health Care Workforce & Education Committee

DATE: NOVEMBER 5, 2025

Attendance

Committee Members

- Brad Benson—M Health-Fairview
- Susan Culican –University of Minnesota
- David Dahlen – Mayo Clinic
- Miranda Gilmore – Fraser Integrated Healthcare
- Robert Miner – Allina Health/Abbott Northwestern
- Nate Mussell —Fairview
- Michelle Noltmier—HealthPartners Institute
- Sheila Riggs – University of Minnesota (**Committee Vice Chair**)
- Thomas Satre – CentraCare Health (**Committee Chair**)
- Troy Taubenheim – Metro Minnesota Council on GME
- Meghan Walsh –Hennepin County Medical Center

Members Not in Attendance:

- Roger Dearth—Mayo Clinic
- Kelly Frisch— HealthPartners
- Badrinath Konety—Allina
- Linda Welage—University of Minnesota

State of Minnesota Staff

- Teri Fritsma, Sarah Grafstrom, Erik Larson, Megan Loew, Nitika Moibi, Zora Radosevich, Diane Reger, Diane Rydrych, Melissa Stevens, and Madison Weirick - MDH
- Michaelyn Bruer & Scott Monette – DHS

Agenda

- Welcome: Dr. Thomas Satre, Chair
- DHS Update: Scott Monette and Michaelyn Bruer – DHS Staff
- Office of Rural Health & Primary Care (ORHPC) Programs/Funding: MDH Staff
 - Rural Health Transformation Plan - Zora Radosevich
 - Staffing Update – Zora Radosevich
 - Site-based Clinical Training (SBCT) – Zora Radosevich
 - Medical Education & Research Cost (MERC) – Diane Reger
- Legislative Update: Membership and MDH
- Committee Discussion & Next Steps Meetings: Dr. Satre, Chair
- Other Topic?

Meeting notes

Welcome: Dr. Thomas Satre, Chair

The meeting was called to order.

GME Funding Update: DHS

Teaching Hospital Surcharge: Scott Monette

DHS submitted the surcharge waiver for federal approval alongside a state plan amendment (SPA) for the proposed GME supplemental rate. A link to the draft SPA was provided at the August meeting. There are no updates.

Match on Tobacco: Scott Monette

The state's FMAP rate for FY2026 is presently valued at 50.68%. This number is not expected to change. The rate decreases the amount needed to cover the State's share under the State Plan Amendment. This is a slight decrease from the 51.5% FMAP rate in FY2025.

Diane Reger later added that the enhanced FMAP means there's an additional \$52,010 in State funds available for MERC funding.

MERC Inpatient Hospital Rates/Payments: Michaelyn Bruer

Michaelyn provided an update on the MERC add-on payments, which comprises the medical education component in Medicaid FFS inpatient hospital rates.

- Reconciliation for Rebase 5 has been determined and adjustments are taking place.
- MERC factors for Rebase 6 rates have been posted.
- When Rebase 6 rates are in the system and claims have been reprocessed, DHS will run an initial report and continue to run reports quarterly.

Rebase Period	Schedule	Clinical Training FY	Medicaid FFS Inpatient Hospital Rates
Rebase 5	Proxy	2020 & 2021	1/1/2024- 6/30/2025
Rebase 6	Transition	2021 & 2022	7/1/2025- 6/30/2027
Rebase 7	Standard	2023 & 2024	7/1/2027- 6/30/2029

ORHPC Programs/Grants: MDH Staff

Staffing Update: Zora Radosevich

Sarah Grafstrom is a reimbursement analyst in ORHPC. She joins MERC and will be the primary contact for clinical training expenditures. Some teaching programs may have already had contact with Sarah during initial review of teaching program applications.

Erik Larson, who some of you may recall reporting on other MDH grant programs, will now be administering the Site Based Clinical Training Grant program.

Site Based Clinical Training (SBCT) Grant: Zora Radosevich

The FY2024 clinical training application cycle opened in August and runs concurrently with MERC. A total of 397 distinct site applicants applied.

- FY2026 funding totals \$4,657,000.
- The funding cycle initiatives support rural primary care and oral health primary care serving both urban and rural communities.
- Rural is defined for this program as counties outside the seven (7) metropolitan counties.
- Primary care status will be determined by teaching programs' designation in the application portal.
- Additional information is available at: [Site-Based Clinical Training Grant Program \(https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#sbct\)](https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#sbct)

Rural Health Transformation Plan: Zora Radosevich

The Rural Health Transformation Plan is a federal initiative to attempt to partially offset changes that are coming as a result of cuts in Medicaid funding by addressing needs at the State level and prepare for those changes. Over \$50 billion will be awarded over five years (FFY 2026 -2030). At the August committee meeting, Zora had reported that the application hadn't been released, and little information was known. The application opened on September 15 and required a fast turnaround on a proposed budget of \$200 million for each state. Zora noted there were over 340 submissions from the public to draw plans from and they held over 40 meetings with stakeholders to help inform their work. She also commended the long hours of many staff members as they worked to meet the November 5th deadline.

MDH submitted the proposal for the State of Minnesota last night. The proposed activities include:

Figure 1



- Community Base Preventative Care and Chronic Disease Management** – Intent is to take a comprehensive and intense focus on moving health outcomes.
- Recruit and Retain Talent in Rural Communities** – Focus on recruiting and training ranging from introducing high school students to health care careers to providing support to practicing professionals. Addressing the need to expand the rural workforce and build interest in young people by supporting apprenticeship programs. Build expertise in OB and Mental Health in areas where primary care is the primary provider. Expand clinical training and residency programs for APPs and physicians.
- Sustain Access to Core Services to Keep Care Closer to Home** – Supporting greater use of frontline workers, allied health professionals and technical assistance to help providers integrate into their practices and telehealth connector to communities. Create new access points in pharmacies and schools and public health.

4. **Create Regional Care Models to Improve Whole Person Health** - Provider to provider telehealth linkage, cover costs of non-transport care, children's mental health, increase crisis mental health and medication for opioid use disorder, project ECHOs to build primary care skills in mental health and OB care and address OB services.
5. **Technology, Infrastructure, and Collaboration for Financial Viability** - Invest in statewide integrated rural health data network, data management tools as a core capability needed for value-based purchasing arrangements, support for encounter alert systems, AI investments to build efficiencies and ability to practice at top of license and reduce burnout, improve cybersecurity and managing revenue cycle.

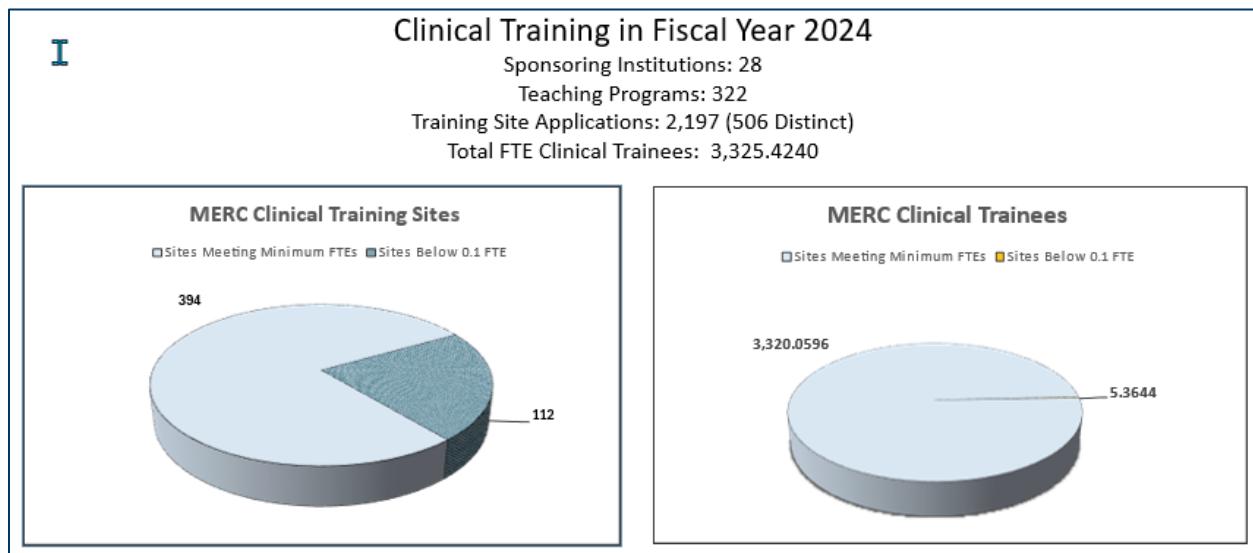
CMS will decide by December 31. There are no commitments at this time. It's expected that States with frontier space will receive higher weighting. Information will be shared with the public once approval is received.

Medical Education and Research Cost (MERC): Diane Reger

FY2024 Training Cycle

Fiscal year 2024 application cycle opened in August 2025. The application includes clinical trainees from 322 Minnesota teaching programs sponsored by 28 institutions. In total, 2,197 clinical training site applications were submitted. The applications included just over 3,325 FTE trainees at 506 distinct training sites. After initial review, 394 sites met the FTE requirements. These sites provided training to just over 3,320 FTE trainees.

Figure 2



Step 2 is now open for clinical training site applicants meeting the minimum FTE requirements. The expenditure deadline is 4:30 pm (Central Time) on December 15, 2025.

Training Sites	Opens	Deadline 4:30 pm (Central Time)
Step 2: Expenditures	★ November 15, 2025	December 15, 2025

★ Opened Early (November 4, 2025).

- Additional information available at [MERC - MN Dept. of Health](https://www.health.state.mn.us/facilities/ruralhealth/merc/index.html) (<https://www.health.state.mn.us/facilities/ruralhealth/merc/index.html>)

Legislative Update: Zora Radosevich, MDH

At this time there are no updates.

Committee Discussion – Dr. Satre, Committee Chair

Dr. Satre spoke to the committee regarding their evolving role and moving forward.

Future meetings will still include funding opportunities and updates (i.e., MERC and other medical education-based programs). Updates can be a times for interested parties to join the conversation and gather information.

The meetings will also include agenda items submitted by committee members and a time for 'sparks for discussion' that will be sent to committee members prior to the meeting with the goal that noting 'sparks for discussion' before the meeting will allow committee member to reach out to others within their organization to seek additional feedback/expertise to bring to the meeting.

- Dr. Benson suggested topics might include addressing care model redesign, considering expansion needs and barriers.
- Michelle Noltmier noted MedTech 3.0 might provide some learning or ideas to consider.

We will continue with the current committee members as we move into 2026. The 2026 virtual meetings will be from 1 – 3 pm on: February 4, May 27, August 5, and November 4.

- Submit agenda items to committee chair or health.merc@state.mn.us.
- The agenda will be posted on the [MERC Committee website](https://www.health.state.mn.us/facilities/ruralhealth/merc/committee/index.html) (<https://www.health.state.mn.us/facilities/ruralhealth/merc/committee/index.html>) under Meeting Materials, approximately one week before the meeting.

In Remembrance of Mark Schoenbaum

We share with sadness the passing of Mark Schoenbaum, the former long-time director of the State Office of Rural Health, who died on October 20, 2025. Mark was a nationally respected voice in rural health policy, and his leadership helped shape major initiatives such as Minnesota's Loan Forgiveness Programs and the dental therapist profession. Even after retiring, he continued to advise on health workforce issues. In 2024, he was recognized as Minnesota's 2024 Community Star. We extend our condolences to his family, colleagues, and the entire rural health community.

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