

# Meeting Minutes: Health Care Workforce & Education Committee

**DATE: FEBRUARY 4, 2026**

## Attendance

### Committee Members

- Brad Benson—M Health-Fairview
- Susan Culican –University of Minnesota
- David Dahlen – Mayo Clinic
- Kelly Frisch— HealthPartners
- Miranda Gilmore – Fraser Integrated Healthcare
- Badrinath Konety—Allina
- Robert Miner – Allina Health/Abbott Northwestern
- Nate Mussell —Fairview
- Michelle Noltimier—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
- Linda Welage—University of Minnesota

### Members Not in Attendance:

- Susan Culican –University of Minnesota
- Roger Dearth—Mayo Clinic

### State of Minnesota Staff

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

## Agenda

- Welcome: Dr. Thomas Satre, Chair
- Updates & Funding Opportunities: MDH/DHS Staff
  - Medical Education & Research Cost (MERC)
    - Medical Education Component in Inpatient FFS Rates: Michaelyn Bruer, DHS
    - Current Application/Funding Cycle: Diane Reger, MDH
    - Clinical Training Expenditures: Sarah Grafstrom, MDH
  - Site-based Clinical Training (SBCT): Erik Larson, MDH
  - Rural Health Transformation Plan (RHTP): Nitika Moibi & Zora Radosevich, MDH
- Sparks for Discussion: Membership & Zora Radosevich, MDH
- Legislative Update: Membership and MDH
- Other Topics & Next Steps/Meetings: Dr. Satre, Chair

## Meeting notes

Welcome: Dr. Thomas Satre, Chair

The meeting was called to order.

## Updates & Funding Opportunities: MDH/DHS Staff

### Medical Education and Research Cost (MERC)

#### Medical Education Component in 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.

- The initial reconciliation for Rebase 5 is complete. DHS will complete a final reconciliation after 6/30/26 when the claims runout period is complete. For the initial reconciliation, 10% of the total over/under payment was withheld and will be factored into the final reconciliation.
- MERC factors for Rebase 6 rates are on remits from 7/1/25 – 1/9/26
  - DHS will continue to run reports quarterly.

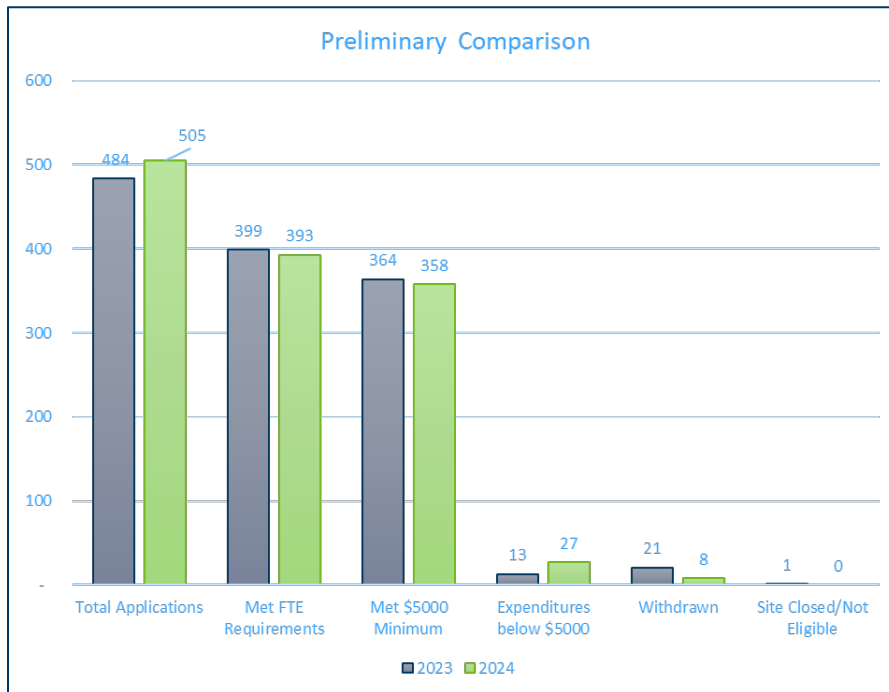
Rebase Period	Schedule	Clinical Training FY	Medicaid FFS Inpatient Hospital Rates
Rebase 5	Proxy	2020 & 2021	1/1/2024- 6/30/2025

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

### MERC FY2024 Training Cycle

After reviewing initial applications, we worked with sponsors to verify the FTEs submitted to ensure no rounding to the FTEs were taking place. Several amendments were made resulting in changes to the originally reported applications. A total of 2,196 applications were received through 322 Minnesota teaching programs sponsored by 28 institutions. The applications included just over 3,321 FTE trainees at 505 distinct training sites. A total of 393 sites met the FTE requirements. These sites provided training to just over 3,316 FTE trainees.

Expenditures are currently under review:



Future Activities	Date
Grant Agreement between MDH & Sponsors	March 15 – April 1, 2026
MDH Releases Funding to Sponsors	April 30, 2026 (or before)
Sponsors Release Funding to Sites	June 30, 2026 (or before)

Grant Verification Report (GVR)	Date
All Sponsoring Institutions	June 30, 2026 (or before)
Select Sites (Notified by May 15)	July 15, 2026 (or before)

Grant Verification Report (GVR)	Date
Portal/Cycle Closes	July 30, 2026

- Additional information available: [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)
  - Reports: [MERC Publications - MN Dept. of Health](#)
  - Questions: [health.merc@state.mn.us](mailto:health.merc@state.mn.us)

### Site Based Clinical Training (SBCT) Grant: Erik Larson

The FY2024 clinical training application cycle operates on a similar timeline to MERC; however, it is a separate program.

- Current Cycle (FY 26 Funding; FY24 Clinical Training)
  - Total Funding: \$4,657,000
  - \$4,115,000 for rural primary care
  - \$542,000 for oral health primary care (urban and rural)
- Total applicants: 396 distinct sites
  - Eligible applicants: 167 distinct sites
    - Rural Primary Care: 158 distinct sites. 663.1170 FTEs.
    - Oral Health Primary Care: 10 distinct sites. 204.6344 FTEs.
- Additional information is available: [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)
  - Questions: [ClinicalTraining.MDH@state.mn.us](mailto:ClinicalTraining.MDH@state.mn.us)

### Rural Health Transformation Plan: Zora Radosevich

- All states were directed to apply for \$200M in year 1; states received awards ranging from \$147M to \$281M.
- MDH received an award of \$193,090,618.14 for year 1.
- Our total award is currently restricted and can't be spent until CMS approves our revised budget.
- Revised budget was turned in to CMS on January 28; CMS has 30 days to review and approve or request changes.
- A maximum of 10% will be allowed for administrative costs across all partners.
- Grant templates are in development and applications are expected to be posted by mid-March.

- The majority of the funds in the first year were allotted to rural hospitals, FQHCs, Tribes, and Community-Based Clinics. Another 7% of funds is for expansion of existing programs and an additional approximately 7% of funds will be awarded on a competitive basis.
- During the second and future years, more funding will be awarded on a competitive basis.

MDH initiatives include:

**Figure 1**



1. **Community Base Preventative Care and Chronic Disease Management** – Intent is to take a comprehensive and intense focus on moving health outcomes.
2. **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 by supporting apprenticeship programs. Build expertise in OB and Mental Health in areas where primary care is frequently the first line provider. Expand clinical training and residency programs for APPs and physicians.
3. **Sustain Access to Core Services to Keep Care Closer to Home** – Supporting greater use of frontline workers and allied health professionals and provide technical assistance to help providers integrate these workers into their practices and communities. Create new access points in pharmacies and schools and public health.
4. **Create Regional Care Models to Improve Whole Person Health** – Activities include provider to provider telehealth linkage, cover costs of treatment in place by ambulance services when transport to an ED is not required, 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; expansion of OB simulation training, and pilot fund efforts to address maintaining OB services to meet population needs.
5. **Invest in Technology, Infrastructure, and Collaboration Needed 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.

- Additional Information: [MN Rural Health Care Chartbook \(https://www.health.state.mn.us/facilities/ruralhealth/docs/summaries/index.html\)](https://www.health.state.mn.us/facilities/ruralhealth/docs/summaries/index.html)
  - [Subscribe](#) for news on the Rural Health Transformation Program
  - Questions: [rural.transformation.mdh@state.mn.us](mailto:rural.transformation.mdh@state.mn.us)

## Sparks for Discussion – Members & Zora Radosevich

Members were asked:

- How do organizations build a culture that promotes clinical training - for medicine, but also for other provider types where more staffing is needed?
- Can you share examples of where it's been done well?
- What are the steps an organization can take to build it?

Responses are being reviewed and will help build future discussions and actions. Topics included:

- Education metrics linked to compensation.
- Paid internships.
- Direct care experience.
- Survey learner – ‘Would you recommend this as a great place to work?’
- Recruit from small towns.
- Urban raised trainees seeking life incentives outside of training (example: skiing, great outdoors).
- Some towns and community clinics own homes that are used by residents.
- Shared living provided. Lockable personal spaces.
- Use of community college dorms.
- Educational culture (top/down).

## Legislative Update: Membership & Zora Radosevich, MDH

At this time there are no updates from MDH.

Sheila Riggs noted that the single administrator for dental services for Medicaid is likely to be an issue in front of the legislature this year.

## Next Steps & Meetings:

### Sparks for Discussion – May 27, 2026

MDH will share what was learned from the focus groups held last year on physician training and plans for 2026.

We would like to learn more about how your organization is interested in moving forward in developing more options for training.

### Meeting Schedule

The 2026 virtual meetings will be from 1 – 3 pm on: May 27, August 5, and November 4.

- Submit agenda items to committee chair or [health.merc@state.mn.us](mailto: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 Information, approximately one week before the meeting.

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*To obtain this information in a different format, call: 651-201-3838.*