Meeting Minutes: Healthcare Workforce & Education Committee

DATE: SEPTEMBER 23, 2026

Attendance

Committee Members

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

State of Minnesota Staff

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

Agenda

- Welcome: Dr. Thomas Satre, Chair
- Updates & Funding Opportunities: MDH/DHS Staff
    - Teaching Hospital Surcharge/Supplemental Payments: Scott Monette, DHS
    - 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): Zora Radosevich, MDH
- Sparks for Discussion: Membership, Zora Radosevich & Nitika Moibi, 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

Teaching Hospital Surcharge/Supplemental Payments: Scott Monette, DHS

Scott was unable to attend; however, Diane provided an update that he had shared with MDH.

There are no new developments to report regarding the Teaching Hospital Payment.

- DHS is still negotiating with CMS.
- DHS has a meeting this Friday 9/25/2026 with members of the MN Hospital Association to discuss next steps.

Medical Education and Research Cost (MERC)

Medical Education Component in Inpatient Hospital Rates/Payments: Michaelyn Bruer, DHS

Michaelyn shared a staffing update. Susan Hammersten is retiring and Michaelyn will be assuming her position. Jacquie Vang has been hired and will be the new inpatient rates specialist.

MDH thanked Susan for her many contributions over the span of twenty plus years working with the MERC program and supporting medical education.

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

- Rebase 5: Final reconciliation for this period is taking place. DHS factored the total over/under payment into the final reconciliation.
- Rebase 6: MERC factor reconciliation reports for Rebase 6 are processed through March 2026.
    - DHS will continue to run reports quarterly.
    - The MERC factor will be turned off if payments go over the MERC payment. With some already turned off.
- Rebase 7: MDH recently provided MERC reports to DHS. DHS will use the information to determine rates for Rebase 7.

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
Rebase 8	Standard	2025 & 2026	7/1/2029 - 6/30/2031

MERC FY2025 Training Cycle: Diane Reger, MDH

The MERC program is accepting applications for FY2025 clinical training. The total anticipated funding available through MDH in April 2027 is $9,678,520. FY2025 eligible hospitals and affiliated sites will also be considered in the $49,552,000 projected funding administered by DHS through a medical education component in Rebase 8 FFS inpatient hospital rates.

Clinical Training Sites	Deadline 4:30 pm (CT)
Step 1: Application	September 30, 2026
Step 2: Expenditures	December 15, 2026

Sponsors & Teaching Programs	Deadline 4:30 pm (CT)
Teaching Program Application	October 20, 2026
Sponsoring Institution Application	October 31, 2026

- Additional information available: MERC - MN Dept. of Health (https://www.health.state.mn.us/facilities/ruralhealth/merc/index.html)
    - Questions: health.merc@state.mn.us

Clinical Training Expenditures: Sarah Grafstrom, MDH

An expenditure workgroup met to discuss parameters. No decisions have been made. The expenditure methodology remains in place until further discussions.

Site Based Clinical Training (SBCT) Grant: Erik Larson, MDH

The FY2025 clinical training application cycle operates on a similar timeline to MERC. The application is currently open. Training sites must submit their application before 4:30 pm (CT) on September 30, 2026.

- Current Cycle (FY 27 Funding; FY25 Clinical Training)
    - Total Funding: $3,451,000
    - 88.5% to eligible rural primary care training sites
    - 11.5% to oral health primary care (urban and rural) training sites
    - Training site expenditures and MERC funding are taken into consideration when determining SBCT outcomes.
- Additional information is available: Site-Based Clinical Training Grant Program (https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#sbct)
    - Questions: ClinicalTraining.MDH@state.mn.us

Rural Health Transformation Plan: Zora Radosevich, MDH

- All states were directed to apply for $200M in budget period 1; states received awards ranging from $147M to $281M
- MDH received an award of $193,090,618.14 for budget period 1
- Funding for budget period 1 was restricted until CMS approved the budget. Budget period 1 funds were fully released in April 2026.
- The application for budget period 2 was submitted in late August 2026. We expect to receive a notice of award from CMS in mid-October. States we instructed to apply for the same amount they had been awarded for budget period 1.
- All budget period 2 projects are pending a fully approved budget.
- Additional Information: MN Rural Health Care Chartbook (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

Sparks for Discussion –Zora Radosevich & Nitika Moibi, MDH

Nitika presented the most recent findings on preceptorship/supervision from the MDH healthcare workforce survey from March 2025-March 2026. Highlights included the share of professions that train clinical learners (physicians were highest at 71.6%); time spent training/precepting (PAs precept the least compared to counterparts); time spent precepting by cohort sizes (when physicians are precepting, nearly half of them are working with more than 1 learner); autonomy to precept (highest for mental health professionals (54%) have complete control and decision over precepting); cross-profession supervising (physicians report doing more supervising across professions); supervision by organization affiliation type (for almost all professions that were compared except RNs, being affiliated with a larger system makes it more likely to supervise); supervision by setting practice (RNs tend to supervise more in rural settings compared to other provider types).

Discussion ranged from needing to minimize precepting-related admin functions on clinicians; flexible models of precepting where learners can be shared among preceptors; prioritizing learners with MN/Midwest-connections for better retention; funding concerns regarding precepting – payments for medical students and residents but not for APPs; MERC funds offsetting some admin costs associated with onboarding or offboarding learners

Feedback can be provided to: Health.workforce@state.mn.us

Next Steps & Meetings:

Virtual Meeting Schedule

- The time originally reserved for the committee meeting on November 4, 2026, is being repurposed. This time will instead be available for work by the expenditure workgroup.
- The committee will meet again in February. Dates for 2027 will be communicated by mid-November.
- Please submit agenda items to committee chair, vice chair, or health.merc@state.mn.us.
- Agendas will be posted on the MERC Committee website (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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10/26/2026

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