

Health Care Affordability Advisory Task Force Meeting #4

Date: February 25, 2026, 9:00 am – 12:00 pm

Amherst Wilder Foundation, Auditorium A

Meeting Summary and Key Themes

Alex Caldwell (Director, Center for Health Care Affordability) welcomed task force members and other participants attending both in person and online.

Where we're going and how we'll get there

Alex reviewed the progress the task force has made so far. Members have:

- Agreed on a draft roadmap for developing policy recommendations
- Adopted guiding values and principles
- Identified criteria for selecting topics and/or policies of interest
- Identified early priority topic areas, including:
 - Non-value added spending and costs (for example, administrative complexity and intermediary or investor-related spending)
 - High and variable prices in the commercial market
 - Population-based payment models
 - Benefit design (for example, standardizing to reduce administrative complexity and/or innovating to encourage use of high value health care providers)

She also reviewed the next steps in the roadmap, including plans for the April and May meetings and the goal of developing initial recommendations by June 2026, recognizing that initial recommendations may be more directional than specific.

Task force co-chairs Matt Anderson and Sheila Kiscaden shared their perspectives on the group's role. They emphasized that the task force is building a long-term foundation for improving health care affordability in Minnesota. They encouraged members to consider both near-term solutions and larger, long-term changes.

Members discussed the importance of using plain language so that Minnesotans can understand and engage with the group's work. They also noted that recommendations could be directed to different audiences, including the Commissioner of Health, the Legislature, other state agencies, or private sector stakeholders.

There was consensus among the task force members that both tactical (near term) and visionary (long term, structural) changes are needed.

Recap: Provider and Payer Advisory Task Force

Alex Caldwell and Julie Sonier, the task force's lead facilitator, summarized key themes from the Provider and Payer Advisory Task Force (PPATF) meeting and a follow-up survey to gather more information about non-value-added spending and opportunities to reduce the cost of providing care.

Common themes included:

- The heavy administrative burden in health care, especially prior authorization and credentialing
- The need for better data systems that can “talk to each other,” increased productivity, and licensing reform
- Interest in addressing the root causes of high health care costs and looking at other states and industries for insights

HCAATF members noted that efforts to reduce administrative complexity have been discussed for many years. They emphasized the need to understand why past reform efforts in Minnesota have not successfully addressed the problem.

Exploring HCAATF Topic of Interest: Non-value-added spending

The group discussed areas where health care spending may not directly improve patient care.

Administrative Complexity and Prior Authorization

Prior authorization is a process where health plans require approval before certain services are covered. Members discussed whether prior authorization is:

- Applied to the right services
- Worth the time, costs, and barriers it creates for the system and patients
- Effective at improving health outcomes or cost containment

Members expressed interest in:

- Understanding the total cost of prior authorization in Minnesota
- Reviewing prior authorization approval and denial rates
- Evaluating recent state laws designed to reform or automate prior authorization

They also discussed possible alternatives, such as:

- Eliminating prior authorization for services that are almost always approved
- Creating special rules for high-performing providers (those for whom prior authorization requests are usually approved)
- Using technology to simplify the process
- Making requirements more consistent across health plans

Members agreed it is important to look ahead, not just at past practices, especially as federal rules and technology continue to change. Members also emphasized that any reforms must consider rural providers and small practices, which often face higher administrative burdens.

Pharmacy Benefit Managers and Other Intermediaries

The group also discussed pharmacy benefit managers (PBMs). PBMs are companies that manage prescription drug benefits for health plans. Members discussed:

- Concerns about financial transparency
- The way rebates and fees are handled
- The role of vertically integrated companies
- Minnesota's current policies related to PBMs

Members clarified the difference between PBM practices and the pricing of drugs themselves. They discussed tools such as National Average Drug Acquisition Cost (NADAC) pricing and the role of Minnesota's Prescription Drug Affordability Board.

More broadly, members raised questions about other companies involved in the health care system that do not directly provide care. These include private equity firms and other investor-owned entities. Some members suggested learning from other industries, such as financial services, where states have addressed practices that are harmful or unfair to consumers.

Exploring HCAATF Topic of Interest: High and variable prices

Julie presented information showing that high prices, especially in the commercial insurance market, are a major reason why health care spending is much higher in the United States than other developed countries.

Members discussed:

- Large price differences for the same service across hospitals and within the same hospital
- Whether higher prices are linked to better quality
- How Medicare rates are sometimes used as a comparison point
- Differences in cost depending on where care is delivered
- Facility fees and how they affect total cost

Some members said that reducing prices overall, or just the outlier prices, may be more important than reducing variation in prices across hospitals. Others emphasized the need for better transparency so that employers can understand prices as they make decisions about which provider networks to include in employee health benefit plans, and so that patients can be aware of costs before receiving care.

Brainstorming session

Members participated in a structured brainstorming exercise and discussion. They generated ideas for additional study in three main areas (plus an “other” category) which are summarized below:

Administrative Complexity

- Standardizing processes across the state
- Rethinking prior authorization
- Addressing other administrative burdens such as capping administrative fees charged by insurers

Intermediaries and Investor-Related Spending

- Increasing transparency in PBM practices
- Limiting profit-taking in publicly funded care
- Examining the role of private equity and other investors

High and Variable Prices

- Considering price caps or payment limits for hospitals
- Conducting more research on the causes of price variation before recommending policy changes
- Improving price transparency for consumers

Additional ideas offered for future consideration

- Limiting facility fees
- Addressing medical debt and interest rates
- Providing tax relief for certain insurance premiums
- Strengthening primary care and rural access
- Exploring value-based payment models
- Encouraging the use of generic drugs
- Considering how artificial intelligence may affect future health care costs

Members also agreed that it is important to learn from past reform efforts in Minnesota and understand why some did not lead to lasting change.

Prioritizing ideas and next steps

Following the brainstorming session, members discussed how to prioritize the many ideas generated. They shared the importance of grounding decisions in data and in the real-life experiences of Minnesotans, especially those who delay or skip care due to cost.

Closing and next steps

Alex closed the meeting by outlining key next steps, including the next Provider and Payer Advisory Task Force meeting on March 27 and the next Health Care Affordability Advisory Task Force meeting on April 21.

ABOUT THE CENTER FOR HEALTH CARE AFFORDABILITY

The Minnesota Center for Health Care Affordability at the Minnesota Department of Health is committed to making health care more affordable for all Minnesotans.

The Center identifies cost drivers, provides transparent research, and advances solutions that stabilize health care spending so that Minnesotans can afford the high-quality care they need.

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