

Investor Ownership and Influence in Healthcare Working Group Statement of Scope (2026-27)

This document defines the scope and intended outcomes of the Investor Ownership and Influence working group convened by the Center for Health Care Affordability (“the Center”) at the Minnesota Department of Health as part of its task force engagement.

Background

Across the country, private equity firms and other investor-owned entities are playing an increasingly significant role in the ownership and management of physician practices, hospitals, ambulatory surgery centers, dialysis providers, dental clinics, health plans and other healthcare entities.

Minnesota's health care market has historically been shaped largely by nonprofit hospitals, health systems and health plans. However, investor-backed entities and complex ownership and management arrangements are increasingly present in the state's healthcare system. For example, Minnesota's healthcare market is already seeing increased involvement of investor-backed entities through ambulatory surgery center joint ventures, long-term care facilities, behavioral health and other specialty practice acquisitions, and the increasing role of third-party organizations that support care delivery, billing and payment processes, value-based payment arrangements, and clinical operations.

The scale and nature of these arrangements in Minnesota are not fully understood or visible to the State or public.

Research suggests that some of these arrangements may increase healthcare spending, through both increased prices and increased service volume -- creating incentives that are not aligned with high-quality patient care or long-term affordability -- and reducing access to care through closure of specific sites of care or service lines. Minnesota policymakers have considered potential safeguards, including proposals to strengthen disclosure requirements for ownership transparency, restrict non-clinician ownership of professional medical entities, and limit corporate interference in clinical judgment.

Working Group Objective

Working group members will develop a shared understanding of the affordability issues created by investor ownership and influence in Minnesota's healthcare system. The group will also identify gaps in Minnesota's current abilities to learn about and monitor changes in ownership structure as well as prevent or hold parties accountable for problematic outcomes resulting from these changes.

Potential areas of focus may include transparency of investor ownership and influence in Minnesota's healthcare system, especially in outpatient settings; Minnesota's corporate practice of medicine framework; and other possible topics.

The working group will propose a set of policy options to address the State's and public's awareness of investor-related involvement in Minnesota's healthcare markets and the impact of market conduct related to these or other ownership interests. The group will include pros and cons of these policy options, and they will offer a recommended policy approach to the HCAATF for their consideration in consultation with the Provider and Payer Advisory Task Force.

Key Background Information

MDH will bring relevant information and analysis to support the group's consideration of the issues. Examples include:

- What forms of private equity ownership, investor influence and control, or management structures are most relevant to healthcare affordability challenges?
- Where are these arrangements most common or emerging nationally and in Minnesota? How do they differ across healthcare sectors?
- Which practices or behaviors facilitated through these ownership arrangements are likely to contribute the most to higher overall spending, higher out-of-pocket costs for patients, or other undesirable impacts on Minnesota's healthcare markets?
- To what extent are these arrangements present and/or impacting healthcare in Minnesota today?
- What ownership or management/control information does Minnesota currently collect on healthcare organizations today? What gaps exist in Minnesota's oversight?
- What policies have other states implemented to increase transparency and/or curb concerning investment behavior, and how do they affect existing arrangements versus future transactions? Policies to consider may include but are not limited to:
 - Modifications to existing healthcare transaction oversight,
 - Increased ownership transparency, and
 - Strengthening the corporate practice of medicine doctrine.

Potential Discussion Topics for Working Group Members

- What Minnesota-specific context is important to consider with this issue?
- What issues should Minnesota think about with respect to various policy approaches taken by other states? What are the pros and cons of various policy options?
- Are there new innovative policy strategies beyond those used by other states that working group members would like to consider?
- How would working group members recommend addressing this issue?

Working Group Commitment and Timing

The working group will conduct its work over 3-5 meetings to be conducted between fall 2026 – early 2027.

Members

Working Group members include participants from both of the Center’s advisory task forces.

Health Care Affordability Advisory Task Force

- Andrew Knox III
- Jamie Rancour
- Justin Stofferahn
- Michael O’Brien
- Phillip Cryan
- Sheila Kiscaden
- Sheila Moroney

Provider and Payer Advisory Task Force

- Amy McNally
- Cassandra Beardsley
- Jim Wilson
- Joel Beiswenger
- Lin Nelson

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