



May 20, 2026

Minnesota Center for Health Care Affordability

RE: 5.20.26 Minnesota Center for Health Care Affordability Meeting

*Submitted via [health.affordability@state.mn.us](mailto:health.affordability@state.mn.us)*

Dear Director Caldwell,

Thank you for the opportunity to provide comments as the Center for Health Care Affordability (“the Center”) considers approaches to improving health care affordability for Minnesotans. USofCare is a non-partisan, non-profit organization working to ensure everyone has access to quality, affordable health care, regardless of who they are, where they live, or how much money they make. We work in states across the country to develop pragmatic policy solutions that meet the needs of people and have been engaged in efforts to increase affordability and reduce the underlying cost of care, including Minnesota. USofCare is unique in its commitment to advancing policies that are designed to respond to the needs of people that we hear through our research and community listening efforts. Through this work, we know that the high cost of care is the [biggest health care issue](#) for people across demographic backgrounds as people face rising premiums and out-of-pocket costs. According to the [2024 Minnesota Health Access Survey](#), almost a quarter (24.5%) of Minnesotans reported delaying or forgoing needed health care due to cost.

Minnesota has been a national leader in developing approaches to ensure people have high-quality, affordable health care, and we appreciate the opportunity to share our perspective on where further progress can be made. We believe The Center’s creation—and work of the Affordability Task Force—presents a great opportunity to put forward meaningful solutions that build on that strong progress and have the biggest impact on the lives of Minnesotans.

While we understand the affordability crisis is complex, we also know that the main driver of increased health care spending is due to the prices hospitals are charging, with [over 31%](#) of health care spending in Minnesota going towards hospitals. These higher costs [impact](#) patients, employers, and state governments in significant ways and without action, these problems will only get worse. We’re also seeing health care entities consolidating at a rapid pace, and hospitals, private equity, and unknown actors are purchasing up smaller, independent provider practices all so they can charge patients more. Private equity firms are also [increasingly entering into joint ventures with non-profit health care entities](#), which Minnesota is dominated by. Health insurance rates are skyrocketing, with health care premiums on the individual market [rising nearly 22% this past year](#) and 28.8% of Minnesotans [recently reported](#) that they are worried about health insurance becoming too expensive (compared to 17.5% in 2023).

Given these challenges, we urge the Center to focus on the following areas, which align with the Center’s mission to improve affordability and target some of the biggest issues facing health care for Minnesotans:

- High and variable prices:
  - Reducing commercial prices, including policies that regulate and limit hospital prices *and* hospital price growth;
  - Strengthening the ability for Minnesota to regulate health insurance, including through enhanced rate review processes.
- Non-value added spending:
  - Strengthening oversight and regulation of mergers and acquisitions;
  - Increasing safeguards around health care ownership, including increasing transparency around health care entities owned by private equity.

### ***High and Variable Prices***

We urge the Center to focus on policies that lower hospital prices given the outsized role they play in health care costs overall. While Minnesota has a unique health care landscape, there are many lessons learned from the states across the country that are dealing with similar challenges and have advanced policy solutions to address them. For example, as of March of this year, [13 states](#) have implemented [reference-based pricing](#) to establish a more reasonable rate for what hospitals can charge. We analyzed the impact of capping prices and [found](#) that three states alone could save \$26 billion if they had this type of reference-based pricing in place. In addition, Oregon’s policy to cap rates within their state employee health plan led to [\\$107 million](#) in premium and out-of-pocket savings in the first year alone, demonstrating the potential in Minnesota.

We also urge the Center to identify ways an enhanced rate review process can benefit residents and [look to states](#) that have already implemented them to understand how Minnesota’s process can be adapted. Minnesota needs more tools to be able to address those challenges, including the ability to “look under the hood” during the insurance rate review process and to have more leverage and control over what plans charge people. When combined with referenced based pricing, an enhanced rate review process with strong rate review measures would also ensure that savings are being passed on to consumers. Minnesota could also incorporate an [affordability standard](#) to ensure plans are affordable compared to other household needs.

### ***Non-Value Added Spending***

We appreciate the Center’s focus on also exploring spending that brings little value to the system, including [strengthening oversight/regulation of health care mergers and acquisitions](#) and improving transparency and safeguards around [health care ownership](#). The rapidly changing landscape requires Minnesota to have additional oversight authority so harmful mergers and acquisitions are prevented from happening. We also urge the Center to delve deeper into health care ownership and we’ve continued to support passage of the Health Care Accountability Act. With these trends continuing, it is imperative that these areas are better understood and that the state has the tools it needs to prevent further harm and higher prices.

We thank the Center for its work to improve affordability for Minnesotans and appreciate the opportunity to submit these comments.

Sincerely,

Shoshi Preuss  
State Advocacy Manager  
[spreuss@usofcare.org](mailto:spreuss@usofcare.org)