July 13, 2026

Re: Proposed Sutter Health - Allina Health Merger
Submitted via webform

Dear Attorney General Ellison,

Thank you for the opportunity to provide feedback on Sutter Health's intended acquisition of Allina Health.

United States of Care (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 know from our listening work that affordability tops the list of people's concerns about our country's health care system. Widespread research finds that health care consolidation is a key driver to rising hospital pricing. As prices rise, patients and systems bear the brunt of the increases, often with no increase in the quality of care provided and less competition and patient choice.

Minnesotans are not shielded from these burdens - a majority of Minnesotans have experienced hardship due to high health care costs in 2024. In fact, polling shows that Minnesotans are ready for their elected officials to ensure that transactions like this one improve health care affordability and access for patients. Another survey found that over half of Minnesotans polled would be worried about mergers impacting their health care, most frequently citing concerns about rising costs, limits on choices of providers, and general lack of access. Drawing on our national experience working on health care affordability and access— including our engagement in similar transactions in other states, we appreciate the opportunity to highlight concerns with the intended merger and recommendations for questions for Allina and Sutter leadership during the review process.

Impact on Prices and Minnesotan's Out-of-Pocket Costs

Lack of market competition due to the consolidation of hospitals and provider practices not only limits consumer choice, but also raises prices. A 2022 RAND Corporation review found that estimated price increases associated with hospital mergers have ranged from 3 to 65 percent. Evidence shows that just two years after a hospital merger, prices on average increased by 1.6% – in areas with heavily consolidated markets, like Minneapolis, prices rose nearly 5.2%. Recent research also suggests that cross-sector mergers, as is the case with California-based Sutter Health acquiring Minnesota-based Allina Health, are just as likely to harm competition and increase prices. This concern is particularly salient in light of recent cases in which Sutter Health's anticompetitive practices were found to have led to higher health care costs for consumers.

Rising prices lead to higher costs for Minnesotans, impacting people through higher insurance premiums and soaring out-of-pocket costs, like copays or deductibles. On average, 42% of Americans' premium dollars go to hospitals, resulting in an average increase of over $1,000 per year for families and over $370 per year for individuals enrolled in employer-sponsored health plans. The results of these high costs have real life implications as over half of all Minnesotans surveyed reported delaying or going without health care in the prior twelve months due to cost. Even when individuals do seek care, many are left struggling to pay the resulting medical bills.

Impact on Minnesotan's Health Care Access and Quality of Care

Rarely does lower market competition, less provider choice, and the higher costs associated with hospital consolidation lead to greater access and improved quality for people. In fact, hospital consolidation efforts often widen health care disparities for many communities, including rural communities, low-income people, LGBTQ+ people, disabled people and those with chronic conditions, and communities of color. Hospital consolidation often means communities face service line reductions or closures. Facilities are assessed on their profitability and are closed when they aren't viewed as money-makers, without regard for community need. Decades of research also does not find evidence that hospital mergers improve patient outcomes across a variety of quality measures.

Recommendations

To ensure that the merger protects affordability and access for Minnesotans, we recommend questioning and seeking written commitments from Sutter and Allina leadership on the following measures.

Protecting Affordability

- What specific, enforceable price protections will be written into the agreement to prevent cost increases for patients? Can Allina & Sutter commit to holding costs flat for several years or at most, limiting any cost increases to CPI inflation?
- How will the combined entity's contracting strategies with insurers be structured to ensure that patients are not steered away from lower-cost alternatives or subject to higher cost-sharing as a result of Sutter's presence?
- What monitoring and reporting mechanisms will allow the state and the public to assess the transaction's impact on healthcare prices in the region over time?

Preserving Access to Essential and Safety Net Services

To ensure continued access to services, we encourage seeking commitments on:

- Preserving essential services, such as including the Level I Trauma Center, Pediatric ICU, obstetrics, psychiatric care, and pediatric services for uninsured and Medicaid patients at current locations and volumes, and for a specified timeframe into the future.
- Expanding mental health capacity given the well-documented shortage of inpatient psychiatric beds in the region.

- Exploring how charity care standards will be maintained and whether the combined entity will take responsibility for proactively identifying and enrolling eligible patients in financial assistance, rather than placing that burden on individuals to navigate on their own.
- Maintaining community benefit programs. Research indicates that consolidated tax-exempt hospitals decrease their spending on charity care, compared to unmerged hospitals. As a condition of this transaction, the combined entity should be required to meet a minimum spending amount for community benefits, equal to or higher than the current level of community benefit provided, and should consider an emphasis on community benefit spending in the areas identified in the hospital's most recent community health needs assessments.

To the extent that can be done through the review process, we encourage pursuing conditions like those outlined in Connecticut's Hartford HealthCare-Prospect merger, which required maintenance of services, or in Indiana as part of the Union Health-Terre Haute merger, which established enforceable price protections.

The above prompts reflect the needs of the community and Allina and Sutter's public statement that the merger will "expand local access to high-quality, affordable care."

Transparency is a key component to accountability, so we applaud the Attorney General for the transparency into the current merger and for seeking the public's input through the public forum. We encourage continued transparency following the merger as well. We appreciate the opportunity to provide feedback. Please don't hesitate to reach out with any questions.

Sincerely,

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