

Minnesota Health Care Accountability Act

SF2939 (Mann) / HF2779 (Reyer)

Across Minnesota, rapid system **consolidation** has led to **skyrocketing health care costs** and **service reductions** that **limit people's access to care**. Increased **private equity takeovers** and **corporate interference in medicine** harms patients and medical professionals.

Why Minnesota needs the Health Care Accountability Act:

While Minnesotans spend a record \$66 billion per year on health care, we need the Health Care Accountability Act to:

- **Understand how corporate ownership is impacting care costs and access.** Minnesota needs transparency requirements to understand the complex web of healthcare ownership and assets and how vertical integration and private equity takeovers impact care costs, consolidation, closures, and access to care.
- **Protect patients and medical professionals.** Outdated laws and loopholes allow private investors in health care to make profit-driven medical decisions affecting care quality, service delivery, and access.
- **Rein in out-of-control health care costs.** Rising health care costs hurt all of us. The state needs tools to address profiteering, monopoly power, and corporate interference in medicine that are driving up costs and reducing care access and quality.

How does consolidation impact health care costs and access?

- **Health care spending is rising due to higher prices**, not increased use of services and consolidation is a key driver of those rising costs. [1]
- As large hospital or health care systems merge or buy previously independent clinics like labs, primary care practices, and imaging centers, **consolidated systems increasingly have the market power to raise prices and limit services without competition.**
- Minnesota has taken important steps to strengthen oversight of health care mergers. However, the state needs **transparency around the opaque web of ownership** and financial backing and **protections against the harms of consolidation, private equity, and other investors** driving up costs and limiting access to care.

Minnesota needs the Health Care Accountability Act to address **consolidation** in health care, **private equity takeovers**, and **corporate interference** in medicine.

KEY FACTS

- ◆ Health system **consolidation** leads to increased prices for care services—**up to 65% more—and often to decreased services in rural areas**. **Private equity investments** in health care lead to up to **32% higher costs** for patients and payers. [2]
- ◆ In Greater Minnesota, **rural communities are facing a severe shortage of primary care providers**, surgery service declines, and average drive times over an hour for mental health, maternity/neonatal services, and surgery. [3]
- ◆ In Minnesota, **45% of rural hospitals no longer provide labor and delivery services**. Twelve counties lost hospital birth services between 2012 and 2022. [4]
- ◆ **Half a million Minnesotans live in a pharmacy desert**. Nearly 70% of independently owned pharmacies have been driven out of business in the last two decades. [5]
- ◆ As growing health care costs raise premiums, **18% of adults reported a claim denial** by their insurance company in the past year. [6]
- ◆ **1 in 5 medical professionals** in Minnesota reported plans to leave their field in the next five years, often citing burnout. [7]

Minnesotans spent a **record \$66.8 billion on health care** in 2022, a 15% increase from the previous year due to price spikes. [8]

[1] Trends in health care spending, American Medical Association, July 2024.

[2] Hospital Mergers and Healthcare Price Increases: A Primer, Association of Health Care Journalists, September 2024; Ten Things to Know About Consolidation in Health Care Provider Markets, KFF, April 2024 and New findings show private equity investments in healthcare may not lower costs or improve quality of care, University of Chicago Medicine, July 2023.

[3] Rural Health Care in Minnesota: Data Highlights, Minnesota Dept. of Health, November 2023.

[4] Nearly half of Minnesota's rural hospitals don't offer labor and delivery, Axios Twin Cities, January 2024.

[5] More Minnesotans face 'pharmacy deserts' with chain drugstore closures, Star Tribune, November 2024.

[6] Consumer Survey Highlights Problems with Denied Health Insurance Claims, KFF, September 2023.

[7] Minnesota's Health Care Workforce, MDH, 2022.

[8] Prices for medical care surged in Minnesota. Here's what the state is trying to do about it, Star Tribune, December 2024.

