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- **Protect patients and medical professionals.** Outdated laws and loopholes allow private investors in health care to make profit-driven medical decisions affecting care quality, service delivery, and access.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.

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Minnesota Farmers Union

COMMITTEE TO PROTECT HEALTH CARE

SEIU Healthcare MN & IA

MINNESOTA CHAMBER OF COMMERCE

GROWING MINNESOTA

February 27th, 2026

Dear Co-Chair Bierman and Co-Chair Backer:

On behalf of the Minnesota Chamber of Commerce and our 6,300 members across the state, thank you for the opportunity to provide feedback on the unofficial engrossment of HF 2779. While the Chamber supports transparency that improves understanding of health care markets, this bill raises concerns about the scope of information that would be publicly disclosed.

Health care entities already report extensive ownership and financial information to federal and state authorities, including CMS, the IRS, and, under Minnesota's 2023 transaction review law, to the Department of Health and the Attorney General. Given these existing requirements, it is reasonable to question what specific policy gap this proposal addresses.

HF 2779 would require ongoing annual reporting regardless of whether any transaction or structural change has occurred. This is a significant shift from targeted to permanent, recurring structural disclosure subject to substantial civil penalties. Broad rulemaking authority would also raise concerns about expanded reporting obligations, changes in compliance standards and increased administrative burdens – all without additional legislative approval.

The bill requires detailed disclosures of ownership interests, affiliates, organizational structures and financial information across a wide range of health care entities. Many health systems operate through complex but lawful arrangements that include joint ventures, foundations, and management entities. Requiring this level of disclosure is a major administrative task and will introduce ongoing operational costs. In addition, yearly public disclosure raises concerns about competitive harm and misuse of organizational data.

Article 2 represents a significant shift in how medical practices may be structured and operated in Minnesota. The proposed restrictions on ownership, management services arrangements, and compensation structures would greatly impact existing models such as integrated systems and management services organizations (billing, collections, payroll, etc.). The breadth of the proposed prohibitions, combined with enforcement authority vested in the Attorney General, creates uncertainty regarding current arrangements and may disrupt care delivery models. The committee should carefully consider the negative impact on innovation and investment in Minnesota that would come because of the uncertainty introduced by this regulatory oversight.

The Chamber respectfully urges careful consideration of the impact this proposal would have on health care providers, employers, and businesses across the state. Transparency is an important objective, but it must be balanced with respect for legitimate business confidentiality.

380 St. Peter Street, Suite 1050, St. Paul, MN 55102
www.mnchamber.com

Sincerely,

Jonathan Cotter
Director, Health Care and Commerce Policy

Minnesota Farmers Union

305 Roselawn Ave E | Suite 200 | St. Paul, MN 55117
Phone: (651) 639-1223 | www.mfu.org

March 2, 2026

Co-Chair Robert Bierman
Co-Chair Jeff Backer
House Health Finance & Policy Committee
2nd Floor Centennial Office Building
658 Cedar St.
St. Paul, MN 55155

Dear Co-Chairs Bierman and Backer and committee members:

On behalf of Minnesota Farmers Union (MFU), I am writing to share our support for Representative Reyer's HF2779 – the Healthcare Accountability Act – which responds to the alarming increase in private equity investment in our healthcare system that spurs greater consolidation, reduces healthcare access and erodes the control of healthcare professionals.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918. In recent years MFU has helped lead efforts to address the extreme consolidation in our healthcare system that is driving up costs, reducing access and limiting opportunities for independent healthcare providers. This includes working with legislators in 2023 to pass new tools for cracking down on large health system mergers. HF2779 builds off that work by addressing the role private equity is playing in monopolizing Minnesota's healthcare system to the detriment of patients, taxpayers and providers.

Private equity firms and other corporate investors have started using management services organizations, vendors used by medical practices to provide administrative services, as a legal workaround to avoid corporate practice of medicine (CPOM) requirements. CPOM laws are meant to ensure medical professionals retain control over medical decision making. The loophole management service organizations are exploiting has enabled further consolidation of our healthcare system, which is a key driver of the unsustainable costs squeezing Minnesotans.

Between January 2019 and 2024 Minnesota lost more than 50% of its independent physicians and according to 2018 data, just 15% of Minnesota physicians remain independent.[i] In more than 13 percent of metropolitan areas nationwide, including the Twin Cities and St. Cloud, a single private equity firm owns more than half of the physician market for certain specialties.[ii] In 2012 neither of those markets in Minnesota experienced that sort of private equity control, meaning this is a growing issue that demands immediate action. HF2779 will do that.

HF2779 creates much more robust reporting of investor ownership in Minnesota medical providers so policymakers can better 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. HF2779 would also codify CPOM prohibitions and address loopholes like the use of management service organizations to tighten investor control of medical practices. Medical decisions must be driven by patients and providers, not shareholders.

We urge the committee to support HF2779 and thank Rep. Reyer for her leadership in authoring this bill. MFU looks forward to working with members to improve rural healthcare access and drive down costs. If you have any questions, please contact our Antimonopoly Director, Justin Stofferahn, at justin@mfu.org or (612) 594-1252 (C). Thank you for considering the needs and perspectives of Minnesota's farm families.

Sincerely,

Gary Wertish
President, Minnesota Farmers Union

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[i] https://www.health.state.mn.us/data/workforce/phy/docs/cbphys.pdf

[ii] https://www.antitrustinstitute.org/wp-content/uploads/2023/07/AAI-UCB-EG_Private-Equity-I-Physician-Practice-Report_FINAL.pdf

Minnesota Hospital Association

161 Rondo Ave, St. 1010
St. Paul, MN 55103

March 2, 2026

Submitted Electronically

Chair Backer, Chair Bierman and Members of the House Health Finance and Policy Committee,

On behalf of the Minnesota Hospital Association (MHA) and the patients that our 139 hospital and health system members across the state serve, thank you for the opportunity to share the Minnesota Hospital Association's perspective on HF 2779.

Maintaining our current health care infrastructure—and ensuring that it is positioned to meet future needs—requires ongoing investment. We are concerned that the restrictions and regulatory requirements in HF 2779 could hinder the ability of Minnesota's hospitals and health systems to make those needed investments.

HF 2779 (unofficial engrossment) would establish some of the strongest limitations in the country on investment in medical practices. Among its provisions are prohibitions on non-licensees owning medical practices; removal of the ability to establish non-licensee, non-profit medical practice, restrictions preventing licensee-owners from residing outside Minnesota (11.24); and limitations that would prevent organizations from managing clinician employment (11.20-11.21) or exercising meaningful operational oversight.

Proposals could significantly deter investment in new medical practices, technology upgrades, facility expansions, and the long-term sustainability of rural and safety-net providers. Evidence from states with similar policies indicates heightened risks of service reductions and operational strain. Minnesota's rural and underserved communities would be most at risk.

States that have enacted comparable laws are experiencing delayed transaction timelines and reduced investment. While a few states have implemented medical ownership restrictions, the proposals before this committee are more stringent

Minnesota Hospital Association

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than most, making Minnesota comparatively less attractive for investment in the future of our health care systems.

While this is not an exhaustive list of considerations, we welcome continued dialogue.

Minnesota has long been known for thoughtful, effective oversight of regulated health care entities. We respectfully urge the committee to consider Minnesota's long history of non-profit care providers, existing state oversight, and the flexibility needed to support essential investments that ensure high-quality care for patients now and into the future.

Sincerely,

Michelle Benson
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March 2, 2026

Minnesota House Health Finance and Policy Committee
Minnesota State Capitol Building, Room 120
75 Rev Dr Martin Luther King Jr Boulevard.,
St Paul, MN 55155

Dear Co-Chair Bierman, Co-Chair Backer, and House Health Committee Members,

On behalf of the Minnesota Nurses Association (MNA), I am writing in strong support of House File 2779, the Health Care Accountability Act. As the professional association representing registered nurses across Minnesota's hospitals, clinics, and communities, we see daily how healthcare consolidation, opaque ownership structures, and profit-driven decision-making policies, processes, and structures by individuals and corporate entities with no direct clinical experience harm patients, nurses, other healthcare workers, and the long-term sustainability of our state's healthcare delivery system.

HF 2779 expands transparency and accountability in our healthcare system by requiring health care entities to report ownership and control information to the Minnesota Department of Health and by ensuring standardized annual public reporting is available to policymakers and the public. This bill closes critical gaps in current law where ownership and financial arrangements have grown increasingly complex due to consolidation and private equity involvement, with limited visibility for those accountable to Minnesota taxpayers and patients.

The rapid consolidation of hospitals and healthcare systems across Minnesota has contributed to higher costs, reduced access to care, and unstable services in many communities. Without clear visibility into who is making the decisions that affect clinical operations (often far removed from direct patient care and without healthcare experience), policymakers and the public are left without the information needed to protect access and outcomes. Transparency on ownership and control is foundational to accountability. Bedside nurses and healthcare professionals believe:

- Patients deserve a healthcare system that prioritizes patient outcomes and access over opaque financial interests;
- Minnesota taxpayers deserve accountability from nonprofit (tax-exempt) systems that benefit from tax exemptions yet fail to demonstrate clear public benefit or reinvestment in care delivery;
- Healthcare policy should not be set in isolation by administrators with zero clinical experience whose decisions substantially impact staffing, patient safety, and service availability – while policies should also not be dictated, directly or indirectly, by the health insurance industry.

HF 2779's reporting requirements empower both policymakers and the public to understand and respond to consolidation, ownership change, and issues related to the corporate practice of medicine that affect costs, care quality, and community access to care. These provisions are consistent with statewide efforts

to strengthen oversight of healthcare markets and protect Minnesota families from unchecked corporate influence in health delivery, and to better regulate nonprofit entities.

The Minnesota Nurses Association respectfully urges the Committee to support HF 2779 and move the bill forward. Transparency and meaningful accountability are essential to protecting patients, sustaining our healthcare workforce, and ensuring a stable, equitable healthcare system for all Minnesotans.

Thank you for your consideration.

Sincerely,

Chris Rubesch, RN
President, Minnesota Nurses Association

MNASCA
Minnesota Ambulatory Surgery Center Association

February 25, 2026

Dear Co-Chair Bierman, Co-Chair Backer and Members of the House Health Finance and Policy Committee:

On behalf of the Minnesota Ambulatory Surgery Center Association (MNASCA), which represents a statewide network of ambulatory surgery centers (ASCs) dedicated to delivering high-quality, cost-effective outpatient surgical care, I am writing to express our concerns regarding HF 2779 (Reyer). While MNASCA supports efforts to increase transparency in health care, we are concerned that the bill's extensive reporting requirements would impose a significant administrative burden on providers - especially as ASCs continue to navigate a growing array of complex regulatory changes adopted in recent years.

HF 2779 would require the submission of detailed information related to ownership structures, business affiliations, and financial arrangements. Although we understand the intent behind this proposal, the breadth and complexity of the requirements raise serious concerns for ASCs.

Minnesota's health care providers are navigating an increasingly difficult landscape marked by staffing shortages, provider burnout, and persistent financial pressures. Adding another layer of complex, resource-intensive reporting threatens to divert critical attention and resources away from patient care. For many smaller and independent ASCs, compliance with these requirements could necessitate hiring legal counsel or additional administrative staff - steps that may be financially infeasible and could ultimately reduce access to care for Minnesotans.

We urge the Committee to consider the practical implications of HF 2779 and to work collaboratively with stakeholders to craft a more balanced approach that enhances transparency without imposing unwieldy administrative burdens on providers.

MNASCA appreciates your ongoing efforts to improve health care access and affordability, and we look forward to working with you and the bill authors to ensure that any new requirements are thoughtfully implemented with patient care at the forefront.

Sincerely,

Melissa Jones

Melissa Jones,
MNASCA Chair of the Board

TWIN CITIES ORTHOPEDICS

February 27, 2026

Representative Liz Reyer
5th Floor Centennial Office Building
St. Paul, MN 55155

Re: Opposition to HF2779 – Health Care Ownership Reporting and Corporate Practice of Medicine Provisions

Dear Representative Reyer:

We are writing to express strong concerns and opposition to **HF2779**, also known as the Minnesota Health Care Accountability Act. While we share the goal of protecting clinical independence and ensuring appropriate transparency in health care, this legislation—particularly its reporting and administrative provisions—would impose a significant and disproportionate burden on independently owned medical practices operating in Minnesota.

Disproportionate Administrative Burden on Independent Practices
HF2779 requires health care entities to submit an expansive and detailed set of ownership, control, affiliation, and financial information to the Minnesota Department of Health on an annual basis, as well as following certain transactions.

For independently owned practices, many of which are actively trying to grow and invest in Minnesota communities, these requirements represent a substantial administrative and financial burden. Smaller and mid-sized practices often lack the compliance infrastructure of large health systems, making the time, staffing, and cost required to meet these obligations particularly onerous. Even where limited exemptions exist, practices may still be required to report following transactions, creating ongoing uncertainty and compliance risk.

Excessive Financial Exposure and Privacy Concerns
The bill authorizes significant civil penalties for noncompliance, up to $50,000 for smaller entities and up to $500,000 for others, along with audit and inspection authority for the commissioner. These penalties, combined with annual fees and audit requirements, create meaningful financial exposure for practices whose core focus should be patient care and overall reducing the cost of healthcare.

In addition, HF2779 raises serious privacy and confidentiality concerns. As currently drafted, reported records may be subject to open records requests, with no clear protection for sensitive financial data, compensation information, or proprietary business arrangements. While some transactional transparency is reasonable, the depth and breadth of disclosure required under this bill goes well beyond what is necessary and lacks appropriate safeguards.

Risk to Independent, Community-Based Care

TWIN CITIES ORTHOPEDICS

Independent practices rely on efficient administrative support and shared infrastructure to remain viable, particularly as they seek to expand access and services in a competitive market. The cumulative effect of HF2779's reporting requirements and compliance risks will discourage growth, divert resources away from patient care, and make it harder for independent providers to compete with large health systems. Over time, this dynamic is likely to accelerate consolidation rather than prevent it, reducing competition and limiting patient choice.

In summary, while the intent of HF2779 may be to promote transparency and protect clinical judgment, the bill as drafted places an excessive administrative and financial burden on independently owned practices without adequate protections for sensitive information. We respectfully urge you to oppose HF2779 or, at a minimum, significantly revise it to reduce reporting complexity, limit punitive exposure, and ensure that independent practices can continue to grow and serve Minnesota patients.

Thank you for your time and consideration. I would welcome the opportunity to discuss these concerns further.

Sincerely,

Dr. Chris Meyer
CEO and President, Twin Cities Orthopedics