



1753 Cottonwood Circle • Saint Cloud, MN 56303 • www.machp.org

MACHP Raises Concerns Over HF 1937/SF 2755:

The Minnesota Association of County Health Plans (MACHP), representing the state's three county-based purchasing (CBP) plans owned by 32 rural Minnesota counties, urges caution regarding HF1937/SF2755, which establishes the Program of All-Inclusive Care for the Elderly (PACE) in Minnesota.

While we support expanding options for dually eligible individuals, we are concerned with the ability of CBP plans to continue providing a locally governed, community-based alternative to non-local corporate health plans and large corporate-run long-term care systems.

Under this proposal, dual-eligible individuals must choose between traditional Medicare, Medicare Advantage Dual Eligible Special Needs Plans – DE-SNPs, or PACE. This directly undermines DE-SNPs, particularly those operated by CBP plans. CBPs only serve rural counties with relatively small dual-eligible populations, and they already struggle to maintain adequate enrollment size due to competition with multiple Medicare DE-SNPs in their rural counties. By further dividing an already limited pool of enrollees, this bill will financially weaken or eliminate CBP-operated DE-SNPs altogether.

Unlike corporate health plans, CBP plans do not have the ability to offset ongoing enrollment losses by offering commercial health plans or expanding their geographic service area. CBP plans only administer Minnesota Health Care Programs health plans in the limited number of rural counties that own them. Without adequate enrollment, CBP plans will be unable to sustain their programs, leaving seniors in Greater Minnesota with fewer options and forcing them into non-local, corporate-managed plans.

PACE should not come at the expense of locally owned and governed CBP plans that have successfully served Minnesota seniors in Greater Minnesota for decades. PACE should complement, not compete with, successful county-based solutions. We urge the committee to include protections ensuring DE-SNPs remain viable and preventing unintended negative consequences that would destabilize CBP plans.

We appreciate your time and consideration of these concerns, and welcome the opportunity to discuss with the authors potential solutions to the challenges we see with the current language. Thank you.

Sincerely yours,

Steve Gottwalt
Executive Director
952-923-5265
steve@machp.org

Cc: MACHP Board of Directors
Assoc. of MN Counties