

SF3372 / HF3533 COUNTY-ADMINISTERED RURAL MEDICAL ASSISTANCE (CARMA): THE NEXT STEP IN COUNTY-BASED PUBLIC PROGRAMS SOLUTIONS

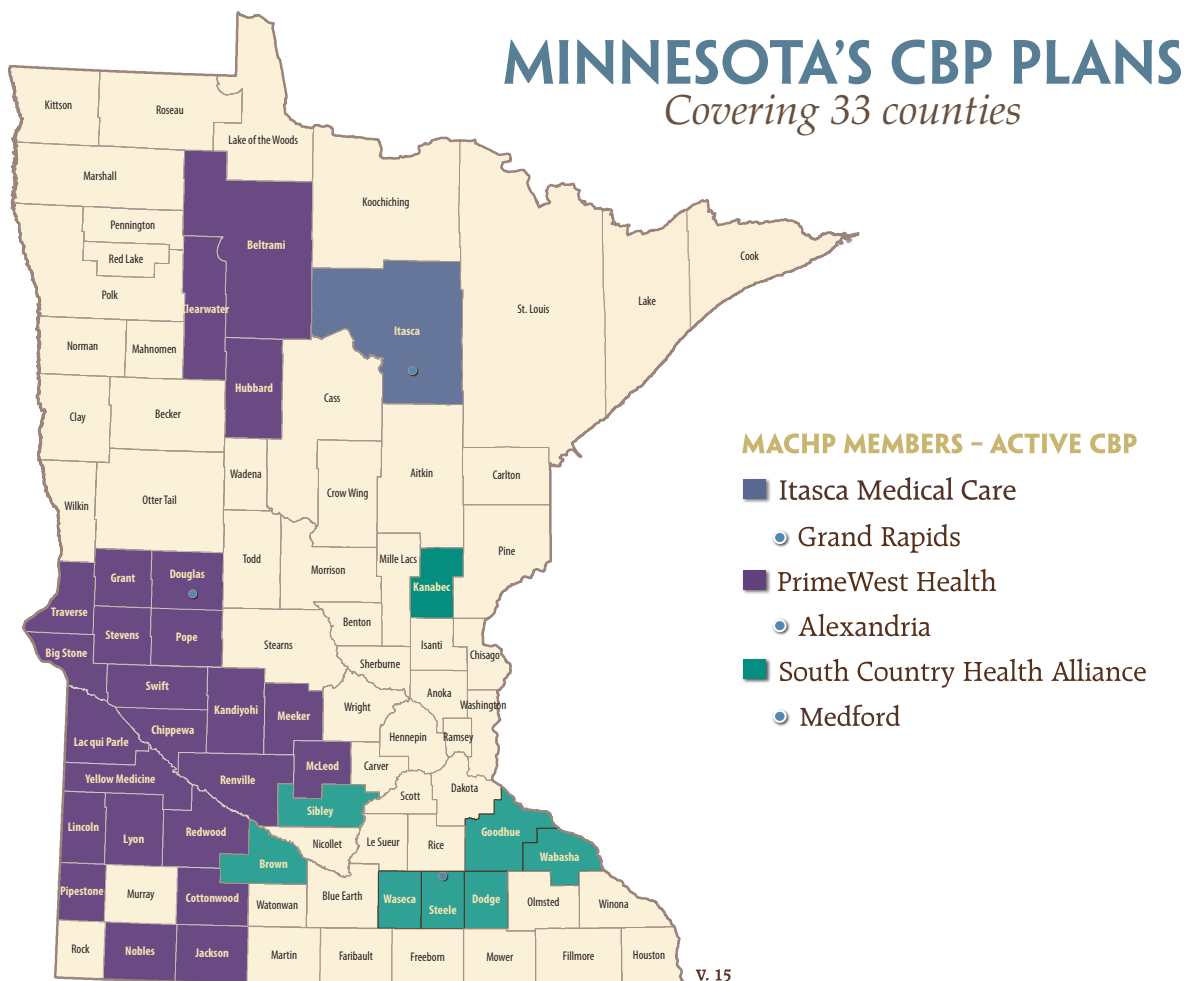
Minnesota's three County-Based Purchasing (CBP) health plans, owned and operated by the 33 counties they serve, developed this proposal in collaboration with the Association of Minnesota Counties (AMC) and the Department of Human Services (DHS). For more than 40 years, county-based plans have successfully administered Medical Assistance (MA) benefits, bringing added value by integrating care with county public health, social services and other services, delivering dependable access and improving outcomes, partnering with local providers, applying local innovation and accountability, and reinvesting in rural communities. **This proposal is an opportunity to achieve the next step in rural, county-based solutions for Minnesota Health Care Programs (MHCP) enrollees.**

- Advancing the results of close collaboration and agreement between counties and DHS
- **2024** legislation authorizing, directing and supporting development of CARMA, and requiring a detailed **2025** proposal for implementing the CARMA model, including model legislation
- Exploring opportunities to move beyond traditional public programs procurement to a risk-sharing model that partners more closely with rural counties, addressing rural needs
- Leveraging local, county-based and community resource integration potential, accountability, transparency, innovation, responsiveness, reinvestment, access, outcomes, and cost-effectiveness
- Enabling greater integration of county social services, public health, and other services to better address Social Determinants Of Health (SDOH)
- Building on the 40+ years success of County-Based Purchasing (CBP) plans across rural Minnesota
- Embracing bi-partisan/non-partisan support for local, county-based health care solutions in rural areas
- Providing rural counties that can demonstrate the capability and capacity to administer CARMA the ability to choose between traditional PMAP and CARMA
- Promoting accountability and transparency without undue administrative burdens that detract from care delivery

CARMA BILL SUMMARY:

- **Sect. 1** – Commissioner of DHS to collaborate with the Association of Minnesota Counties (AMC) and county-based purchasing (CBP) plans in developing the CARMA model
- **Subd. 1** – CARMA model designed to:
 - 1) provide a distinct, county-owned and administered alternative to traditional Prepaid Medical Assistance Program (PMAP)
 - 2) facilitate greater integration of health care and social services to address SDOH in rural communities
 - 3) better account for smaller numbers of enrollees and of locally available behavioral health, oral health, specialty and tertiary (hospital) care, non-emergency medical transportation (NEMT), and other health care services in rural communities
 - 4) promote greater accountability for health outcomes, health equity, customer service, community outreach and cost of care
- **Subd. 2** – Each rural county will have the option of applying to participate in the CARMA model, with the Commissioner of DHS determining whether and how a county can participate
- **Subd. 3** – Commissioner of DHS must report back to the Legislature in 2025 with a plan for implementing CARMA, including model legislation and any clarifications or waivers needed from (federal) CMS
- **Sect. 2** – Small appropriation to cover costs of developing the CARMA model

The Minnesota Association of County Health Plans (MACHP) is an alliance of County-Based Purchasing (CBP) plans serving **more than 90,000 members** enrolled in Minnesota Health Care Programs (MHCP) each month across **33 counties**. Minnesota legislators wrote CBP into state law in the 1990s—a distinct and unique model, owned and operated by the counties they serve. CBP empowers participating counties to exercise local decision-making, self-determination, and community-specific innovation toward improving individual health, population health, and health equity, while reducing health care costs. The result is better health outcomes and quality of life for residents enrolled in MHCP.



MACHP MEMBERS – ACTIVE CBP

- Itasca Medical Care
 - Grand Rapids
- PrimeWest Health
 - Alexandria
- South Country Health Alliance
 - Medford



Itasca Medical Care

Headquartered in Grand Rapids and owned and governed by Itasca County. Serves over 8,700 MHCP enrollees.



PrimeWest Health

Headquartered in Alexandria and owned and governed by 24 counties. Serves over 54,100 MHCP enrollees.



South Country Health Alliance

Headquartered in Medford and owned and governed by 8 counties. Serves over 27,500 MHCP enrollees.



February 16, 2024

Re: County Administered Rural Medical Assistance (CARMA) Development Bill

Dear House Human Services Policy Chair, Representative Peter Fischer, and Committee Members:

The Association of Minnesota Counties (AMC), on behalf of Minnesota's 87 counties, urges you to support **HF3533**, the **County Administered Rural Medical Assistance (CARMA)** development bill.

This legislation is the result of a year-long process of collaboration among AMC and Minnesota's three county-based purchasing (CBP) plans, in cooperation with the Minnesota Department of Human Services (DHS).

The DHS managed care Medical Assistance procurement process has been challenging over the past decade. These procurements have often resulted in counties disagreeing with the results and seeking mediation, and lawsuits over existing state CBP law concerning county authority in procurement. These mediations and lawsuits have been expensive, delayed action on renewing contracts, and frustrated local county commissioners throughout the state, including those whose 33 counties own and operate CBP plans in rural Minnesota.

We believe we can and must do better together. That is why we have been meeting over the last year to find areas of agreement and opportunities for innovation in serving public programs enrollees.

HF3533 directs DHS, in close collaboration with AMC and the state's CBP plans to meet over the interim to develop a new and improved county-based model, County-Administered Rural Medical Assistance proposal (CARMA). The resulting detailed proposal will be presented to the 2025 Legislature with the goal of enactment.

AMC, and the county commissioners who manage Minnesota's three CBP plans, are excited about working with DHS on CARMA. They hope that the final CARMA proposal will highlight and build upon CBP's 40+ year history of success at innovation, responsiveness, transparency, reinvestment in the rural health care infrastructure, increasing access to care, achieving better outcomes for enrollees and administering managed Medical Assistance in a cost-effective manner.

You'll notice in the final portion of the bill that the appropriation number is blank. DHS is still determining the level of funding needed to complete the CARMA process. Our expectation is that it will be minimal.

AMC is excited about this opportunity to create the next generation of county-based innovation to better serve rural residents and communities with even stronger, more cost-effective outcomes.

Again, we encourage you to **support HF3533** to move forward with developing an even stronger county-based model. Please let me know if you have any questions and thank you for your careful consideration of this important legislation.

Sincerely,

Julie Ring, Executive Director
Association of Minnesota Counties