



CAPITOL OFFICE BUILDING
525 PARK STREET
SUITE 140
ST. PAUL, MINNESOTA 55103
651-645-0099 FAX 651-645-0098

May 7, 2025

House Ways and Means Committee
Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Dear Co-Chair Stephenson, Co-Chair Torkelson, and Members of the Committee,

Thank you for the opportunity to provide feedback on the proposed House Health Omnibus bill as reflected in the DE2 for HF 2435.

We appreciate no new taxes or assessments on health plans are included in the bill. At a time when health care is already expensive, we appreciate that the bill is not adding to those costs through higher taxes.

We also appreciate the inclusion of the Hospital DPP proposal, the Spoken Language Health Care Interpreter Working Group, the delay in the Dental Single Administrator language, and the repeal of the Public Option waiver authority.

We also draw your attention to three proposals in the bill that would detrimentally impact Minnesota Health Care Program enrollees who are currently served through our managed care model: CARMA, NEMT Carve Out, and the Single State PBM.

CARMA – As the Council testified before committee on the CARMA model, we firmly believe that choice is important – and choice is especially important when it comes to accessing the health care services you need. The CARMA model proposed in this bill eliminates enrollee choice and the benefits of market competition for Minnesotans in counties choosing the CARMA model. This bill would restrict enrollees residing in a county using the CARMA model to only a government-run county-based option. Currently, in most counties, enrollees have a choice of between two and five health plan options.

The state and the federal government have both recognized the value of ensuring public program enrollees have more than one choice, and this bill takes a significant step backward by eliminating options for vulnerable Minnesotans.

NEMT Carve Out – The managed care model provides several significant benefits to the state, but most importantly, it improves health outcomes because of care coordination performed by Managed Care Organizations (MCOs). Care coordination means serving the whole person. MCOs do not just help enrollees set up needed appointments with doctors, but also help to arrange transportation to and from that appointment. Carving out the NEMT benefit will mean that enrollees will no longer be able to have every detail of an appointment managed by their MCO care coordinator and will instead have to reach out to two entities to separately arrange rides and appointments. Minnesotans are best served when there are fewer hurdles to accessing the care that they need – maintaining the NEMT benefit under the MCOs provides or the most streamlined experience for this population.

Single State PBM – Prescription drugs are a central component of care coordination services and separating this benefit from the MCOs and moving them to a separate PBM will have a number of downstream impacts for enrollees. We should look to the other states who have implemented similar policies and learn from the challenges they have experienced.

- Member Experience: In other states, moving to a single PBM has created unnecessary challenges for enrollees. Enrollees have been faced with excessive call center wait times with the single PBM. When they eventually hang up and call their MCO, the MCOs have limited ability to answer questions related to their prescriptions or to help facilitate solutions. Despite the other states having established portals to assist with data access for MCOs, the data was not always current, and plans were not always receiving the data.
- Data: After moving to a single PBM, it has been difficult for MCOs to get clean data from the state's selected PBM. This makes it challenging for MCOs to understand which enrollees may have a new diagnosis as evidenced by new prescriptions, to do medication therapy management, to stratify for clinical program enrollment, to identify enrollees that may have medication adherence issues, and to manage the pharmacy lock-in program to assist enrollees with high potential for medication misuse. The lack of clean data has also caused concern for Medicaid risk adjustment purposes.
- Administrative Burden: Under a single state PBM, MCOs have no flexibility nor ability to negotiate a contract with the state-selected PBM. This has resulted in contracts requiring convoluted processes for MCOs to pay the PBM for services and validate invoices. In other states, it took over six months to implement the new vendor to include file exchanges and to operationalize.

Minnesota implemented managed care almost 40 years ago to provide better access to care for Minnesotans served by public programs and financial certainty for the state. Through care coordination, enrollees receive optimal care and there is less wasteful spending on unnecessary testing or duplicative procedures. Because we know that managed care is most

effective when care management extends across all health care services, we encourage the committee to continue working to preserve the benefits of managed care for the state and for enrollees by reconsidering these three provisions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lucas Nesse', with a stylized, cursive script.

Lucas Nesse

President and CEO