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HF693 – Eliminating County-Based Purchasing plans in public programs

The Minnesota Association of County Health Plans (MACHP) is a non-profit association representing the state's three county owned and operated County-Based Purchasing (CBP) plans. For more than 40 years, CBP plans have been assuring access to quality, cost-effective care for people enrolled in Minnesota Health Care Programs (MHCP). CBP plans currently serve more than 107,000 MHCP enrollees in 33 counties. Minnesota law, passed in 1997 on a bi-partisan basis (256B.692, 256B.694), gives counties special authority to choose and adopt CBP.

Dear Chair Lieblich, Representative Fischer and Committee Members,

While there is a desire for meaningful change in delivering care to public programs enrollees, we have noted previously, County-Based Purchasing (CBP) is a meaningful change that has improved access and care outcomes for enrollees across rural Minnesota who need and deserve access to quality, cost-effective care.

HF693 as introduced would eliminate CBP plans and the outstanding results this model delivers to more than 107,000 public programs enrollees in the 33 rural Minnesota counties that have chosen CBP for delivering Minnesota Health Care Programs (MHCP) to their local residents.

Background: County commissioners started CBP more than 40 years ago because of the failure of traditional managed care plans to **address the unique needs of rural patients and providers**. Legislators agreed on a bipartisan basis and enacted CBP into state law in 1997. Likewise, the Prepaid Medical Assistance Program (**PMAP**) **began as a response to concerns about FFS MA** and a desire to leverage the good aspects of care management, network access and cost effectiveness.

We understand there are concerns about some managed care plans. But to completely “terminate... county-based purchasing plan contracts” **would eliminate CBP**, supplanting a proven local model and successful Minnesota innovation, and in the process disenfranchising and disengaging 33 rural counties that have spent years developing and refining the model to address their local rural residents’ needs would be devastating.

The bill raises **fundamental questions which need to be answered** before considering any change:

First and foremost: In our mutual quest to provide MHCP enrollees with the best care and outcomes possible, **what is the advantage of moving them from managed care back to FFS?** In the rural counties we serve, CBP delivers better access, better care coordination, better provider payments and better patient satisfaction than DHS FFS. **Eliminating PMAP and CBP plans will harm the people we serve.**

Is the Minnesota DHS prepared to transition and serve all MHCP enrollees via FFS? Can DHS FFS replicate CBP plan’s high access marks, care coordination, non-emergency medical transportation coordination, dental care access and utilization, payments to and partnerships with financially fragile rural providers, integrated coordination with each county’s other services including public health and social services, local governance and accountability, and more? Is there a **comprehensive fiscal note reflecting all costs among all state departments and with the**

third-party administrator for a complete shift back to FFS? Who would be the third-party administrator, and how much would they charge?

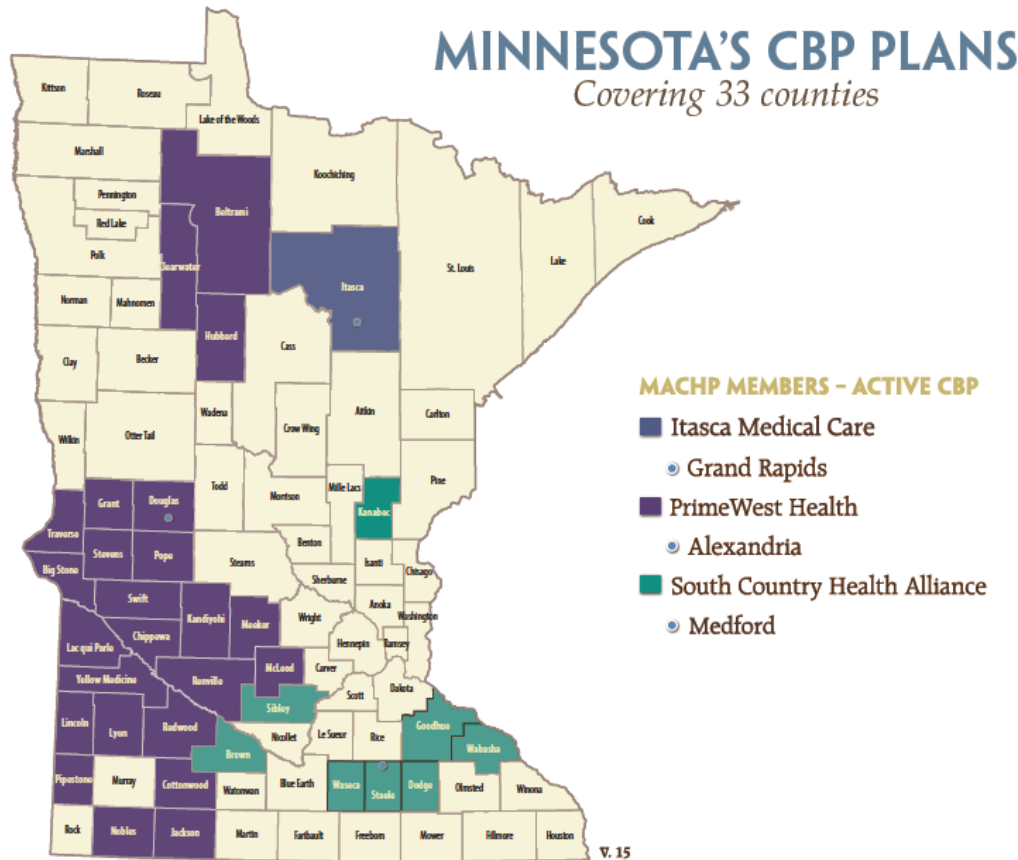
We understand Rep. Fischer supports CBP plans. However, because HF693 would do away with more than 40 years of innovative, important and successful work by 33 of Minnesota’s counties in providing a county-based model for delivering MHCP to local enrollees, **we oppose HF693** in the strongest terms.

We appreciate the opportunity to provide input on this important matter. Please contact me with any questions or concerns.

Sincerely yours,

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

Cc: MACHP Board – Itasca Medical Care; PrimeWest Health; South Country Health Alliance
Julie Ring – Association of Minnesota Counties (AMC) Executive Director
Joseph Schulte – AFSCME Political, Legislative Communications Coordinator



Itasca Medical Care – Owned and governed by **Itasca County**. Serves more than **10,700** MHCP enrollees.

PrimeWest Health – Owned and governed by **24 counties**. Serves more than **63,600** MHCP enrollees.

South Country Health Alliance – Owned and governed by **8 counties**. Serves more than **32,900** MHCP enrollees.