Minnesota Innovations in Delivery Models: County-Based Purchasing and Integrated Health Partnerships

Lynn A. Blewett, PhD
Professor of Health Policy
Director, State Health Access Data Assistance Center

SCHOOL OF PUBLIC HEALTH
UNIVERSITY OF MINNESOTA

Division of Health Policy and Management

Minnesota Health Care Programs Service Delivery Models: Medical Assistance MA, MinnesotaCare

1. Fee for Service (FFS): Per service provider payments for services provided

2. Managed Care Organizations (MCOs): Per member per month full risk model for covered services

3. County Based Purchasing (CBP): Per member per month full risk model with county or affiliated counties

4. Integrated Health Partnerships: Direct contracting with affiliated provider groups

Apx 1 million enrolled in Medicaid MCOs 100,000 in CBP

Source: Adapted from© 2023 Minnesota Association of County Health Plans

MN County Based Purchasing

- A health plan operated by a county or group of counties to provide services MN Health Programs-Medical Assistance and MinnesotaCare
- An alternative to MN Medicaid Managed Care Organizations
- Counties accept financial risk through a capitated payment (per-member-per-month fee) and agree to provide full range of MA-covered services
- 1982 Initial county-based demonstrations in Hennepin,Dakota,Itasca
  1985 Federal authority to expand program
  1997 State authority
  1998 South Country Health Alliance is first multi-county CBP

Itasca Medical Care is longest running MN County-Based Purchasing Plan

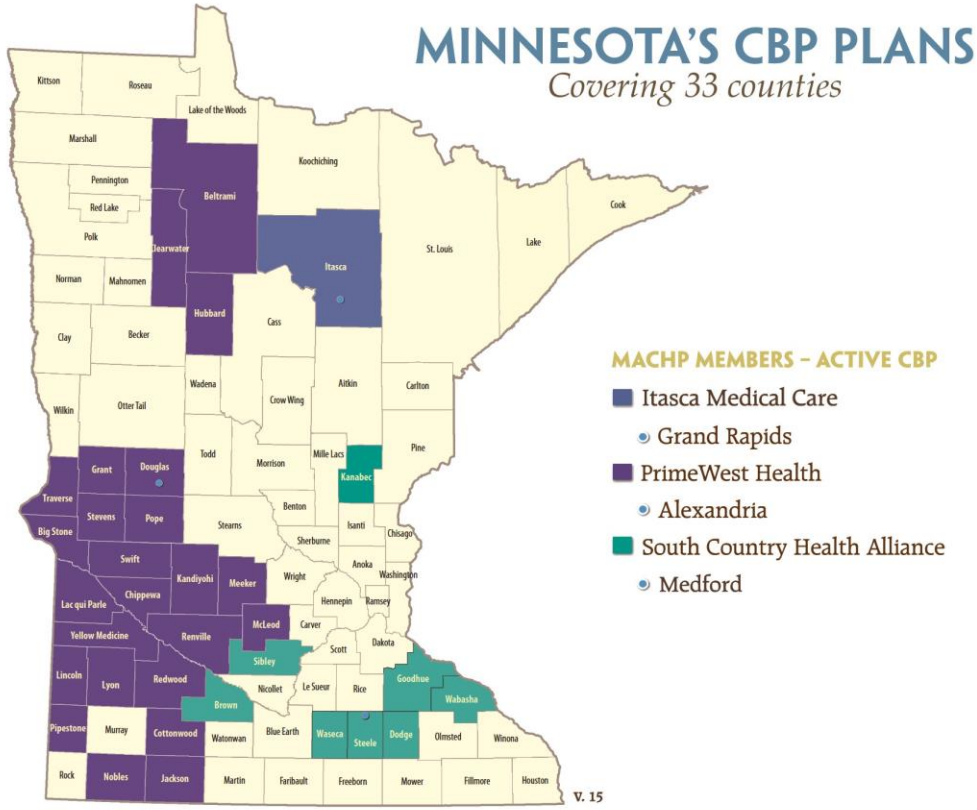
County Boards are in Charge

- County boards or affiliated county boards administer the program contracting with DHS to receive Minnesota Public Health Care Program financing
- Capitated payment rates to counties cannot exceed rates to Medicaid MCO plans
- Must meet all Medicaid MCO requirements from DHS and MDH MCO regulations
- Develop local provider networks and payment rates, contract with Third Party Administrators to process claims

Operate similar to Medicaid MCOs but locally administered through the county of affiliated counties and governed by County Boards

County Based Purchasing now in 33 Counties serving 100,546 enrollees

MINNESOTA ASSOCIATION OF
County Health Plans



- **Itasca Medical Care** (www.imcare.org), headquartered in Grand Rapids, owned and governed by Itasca County, serving over **9,778** MHCP enrollees.
- **PrimeWest Health** (www.primewest.org) headquartered in Alexandria, owned and governed by 24 counties, serving over **59,955** MHCP enrollees
- **South Country Health Alliance** (https://mnscha.org), headquartered in Medford, owned and governed by 8 counties, serving over **30,813** MHCP enrollees.

Enrollment numbers - November 2023

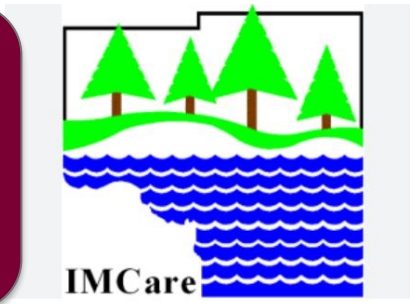
Objectives of County Based Purchasing

- Historic Federal CMS Policy: To increase the number of Medicaid beneficiaries served under managed care
  - cost savings, administrative simplicity, consistency in policies statewide, and/or enhanced access to some services
- County advantages of working directly with local communities
  - Autonomy at the local level in clinical decision making
  - Local-based care management to meet unique rural health care needs
  - Keep revenue in rural areas and support locally-based providers
  - Opportunities for coordination with county-based social and public health services

Competitive Bidding

- DHS administers a competitive procurement process for Medicaid MCOs and County Based Purchasing for MA families, children, and MinnesotaCare enrollees.
- Managed Care Plans and CBP plans submit bids that are evaluated and scored on Performance, Service Deliverables, and Care Coordination Model (among other items…)
- DHS focus has been to select at least two plans to serve each county

Itasca County is the only county served by one plan Itasca Medical Care (IMCare)



Policy Issues

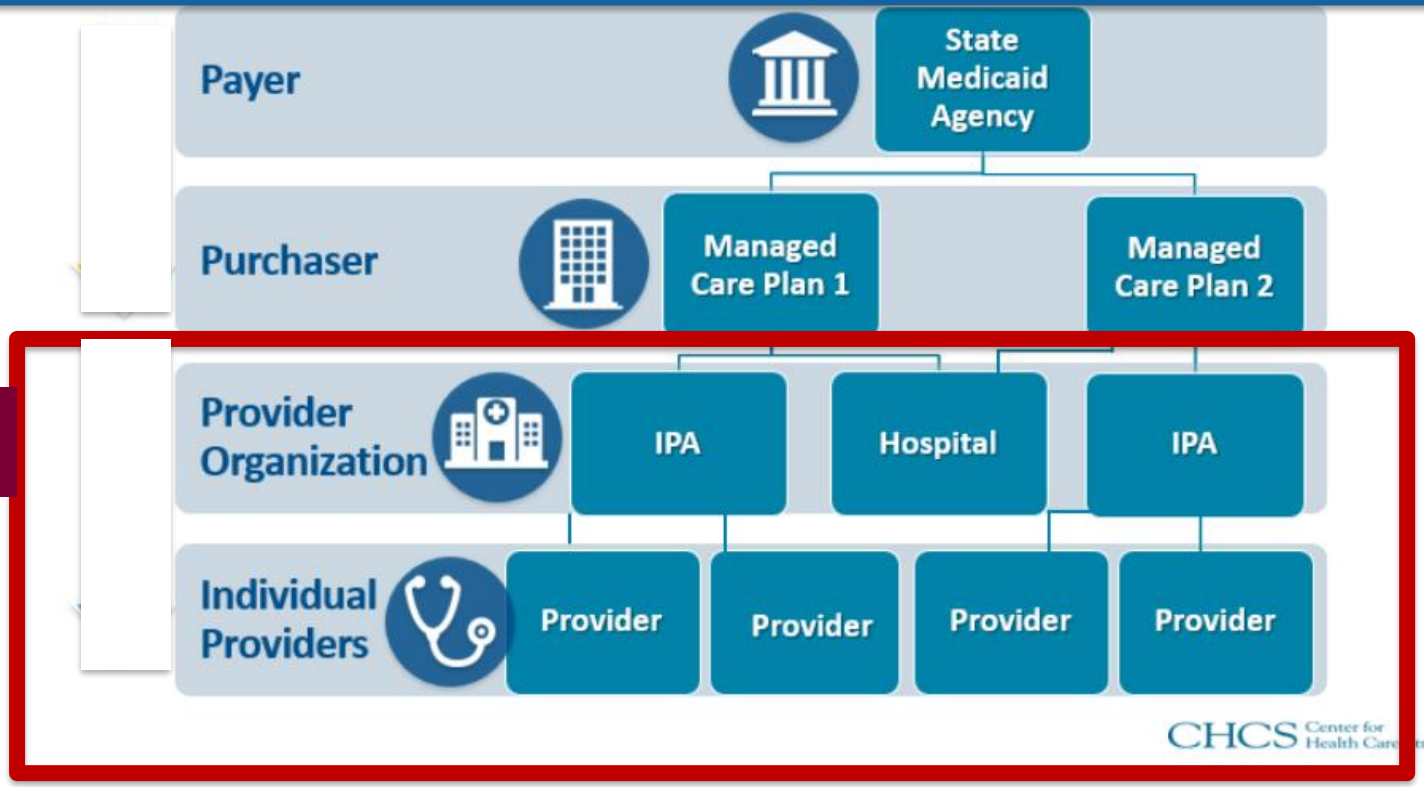
- Should CBPs be required to compete with Medicaid MCOs?
  - Counties acting as purchasers of needed care in areas with limited provider supply where a competitive model may not be feasible
  - Consumers have limited choice if only one plan offered
- DHS-County tension over the procurement process
  - Main issue is whether CBP can be the only plan per county
  - Three lawsuits over the past few years over the procurement process
  - Supreme court has recently agreed to hear the third lawsuit
- Should there by separate rules for CBP from current MCO requirements
  - Are there barriers to expansion of the CBP model with current state and federal MCO requirements?
  - Or should CBPs and MCOs compete on an even playing field?

Integrated Health Partnerships

- MN Medicaid Value-Based payment model
- Authorized in 2010, implementation in 2013
- DHS directly contracts with affiliated ***provider organizations***
  - Provides incentive payments for Total Cost of Care, Quality and Equity goals and other incentives
- Populations covered can include MHCP in the Fee For Service delivery model or enrollees in Medicaid MCOs
  - IHPs contract directly with DHS

Direct Contracting with Integrated Health Partnerships

IHPs



Source: Center for Health Care Strategies

Integrated Health Partnerships

- Provides and coordinates the full scope of MA services through a voluntary contract with DHS
- Has the capacity to accept financial risk under a Total Cost of Care risk arrangement
- Be able to submit and receive routine data on cost of care and quality metrics
- Address social determinants of health
- Coordinate with local community-based organizations, counties, and local agencies

Minnesota's Version of a Medicaid Accountable Care Organization - ACO

Provide incentives at provider-patient level for achieving quality care within cost targets

- Attributed population for each IHP
- Establish a baseline total cost of care typically the prior year of a thee-year contracting cycle
- Trend forward to set ***Total Cost of Care*** targets for performance period
  - Adjusted for changes in population risk
- Then measure whether projected TCC targets were met
  - Assess and score quality metrics
  - Calculate loss/savings to the IHP
  - Payment is coordinated through Medicaid managed care

Direct Contracting with Integrated Health Partnerships

IHP Payments

Three Specific Payments

1. **Loss/Gain payment** arrangement based on two key metrics: Total Cost of Care and Quality Measures
2. Quarterly **population-based payments** tied to health equity intervention, care coordination and other activities
3. Quarterly payments to support **Child and Teen Check-up** outreach

Table 2: Quality domains in the TCOC measure set and weights

Domain	Key Elements	Weights
Quality Core Set	Prevention and Screening for Adults (4%)	20%
	Care for at Risk Populations (4%)	
	Behavioral Health (4%)	
	Patient-Centered Care (6%)	
	Quality of Outpatient Care (2%)	
	(Category weights are noted in parenthesis next to each category in the Quality Core Set section.)	
Care for Children and Adolescents	Focus on well-visits, immunizations, and oral health	20%
Quality Improvement	Quality improvement focus for selected measures	30%

Domain	Key Elements	Weights
Closing Gaps	Closing disparities between the MHCP and commercial populations	10%
Equitable Care	Improving care for racial and ethnic groups	20%

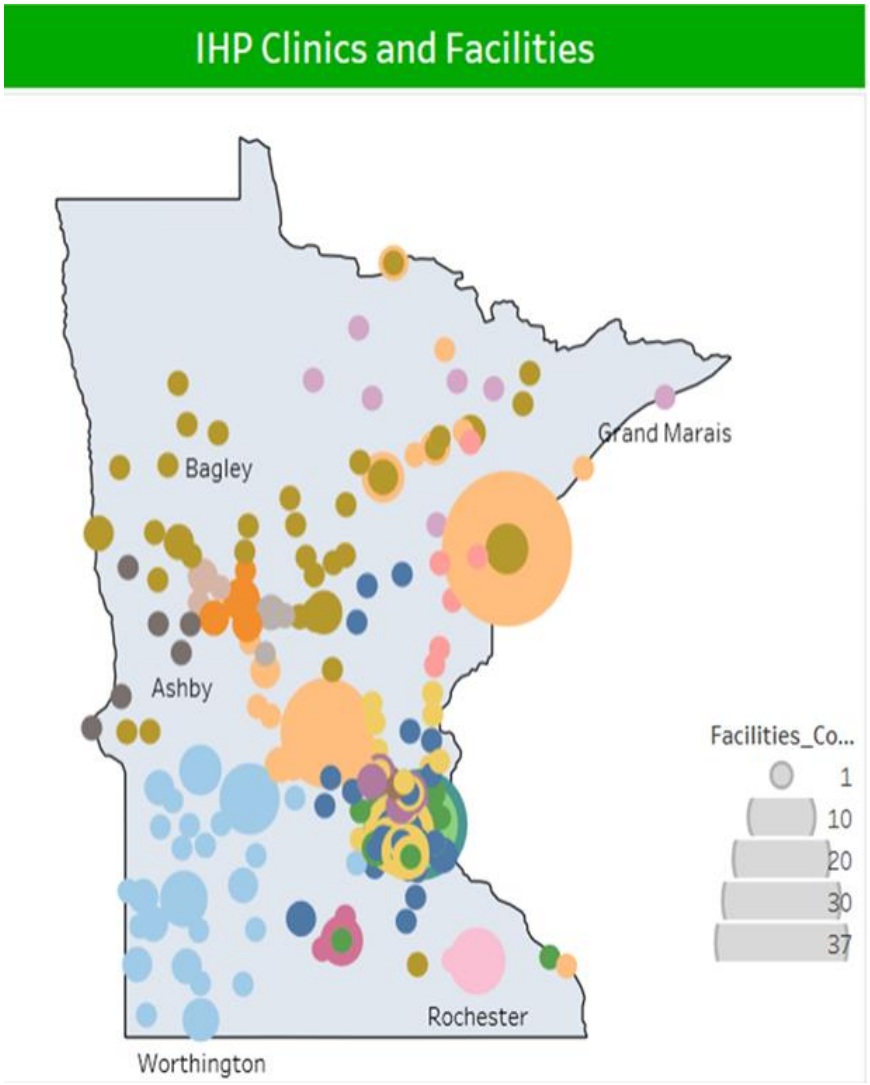
IHPs across Minnesota

-First 6 IHPs started in 2013, covering about 100,000 Medicaid beneficiaries

-Currently, 28 IHPs, covering about 550,000 beneficiaries

-More than 500 different provider locations

-More than 10,000 practitioners



Source: Minnesota Department of Human Services

Outcomes

- DHS estimated that **total savings** for the program for the five-year period from 2013 to 2021 was

$444 million

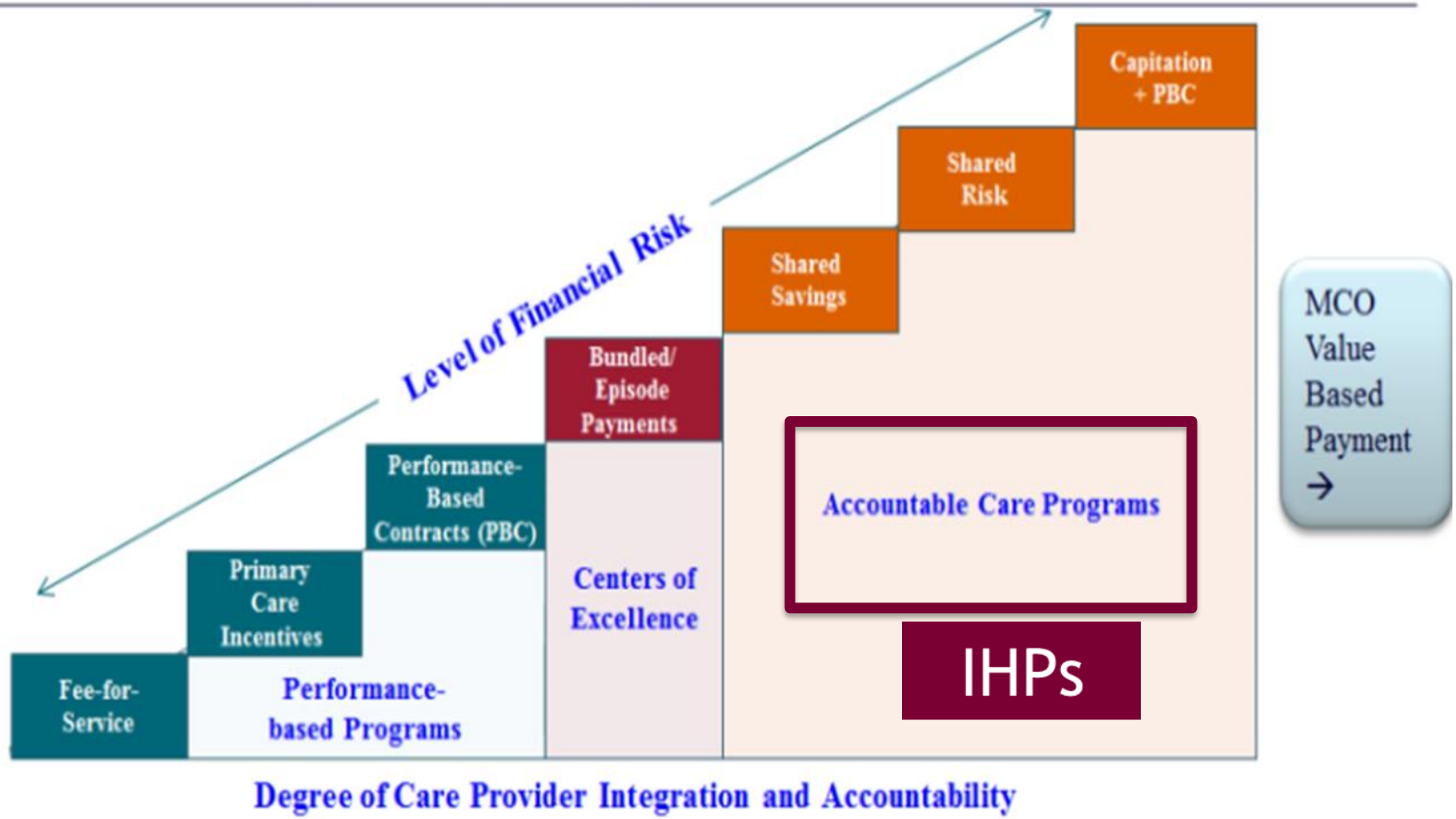
- Shared **savings returned to IHPs providers** over same time period

$172 million

CMS National ACO Strategy

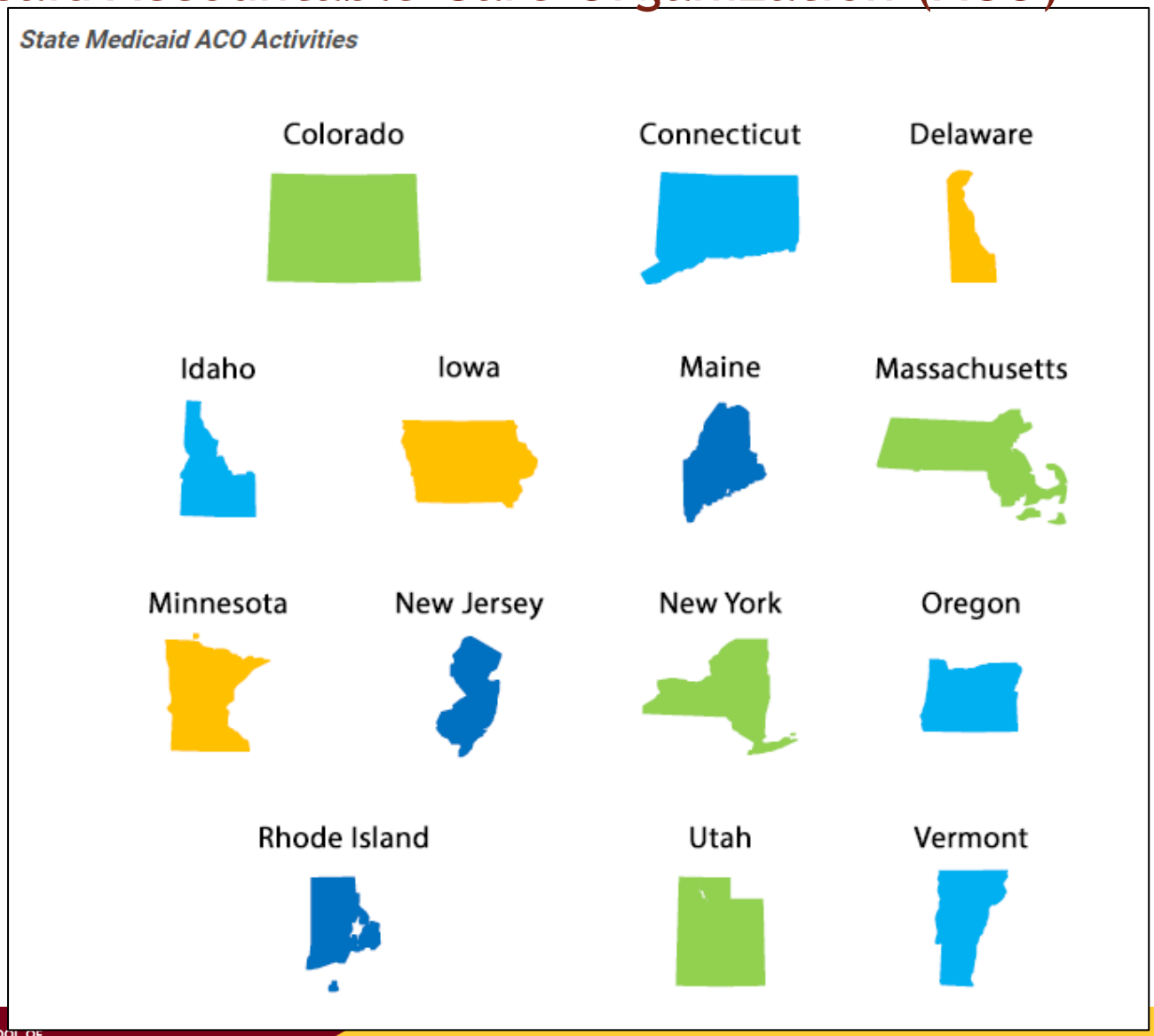
- Minnesota and other state Medicaid ACO strategies supported by grants from the Center for Medicaid and Medicare Innovation (CMMI) at HHS
- CMS continues to focus on a Medicaid ACO strategy
  - Targeted focus on equity
  - Push for both Medicare and Medicaid to pay for health care based on value to the patient instead of volume of the services provided
  - Goals is to deliver affordable, person-centered care

Value-based Payment (VBP) Models



Source: Arizona Health Care Cost Containment System
https://tinyurl.com/4f9dun8j

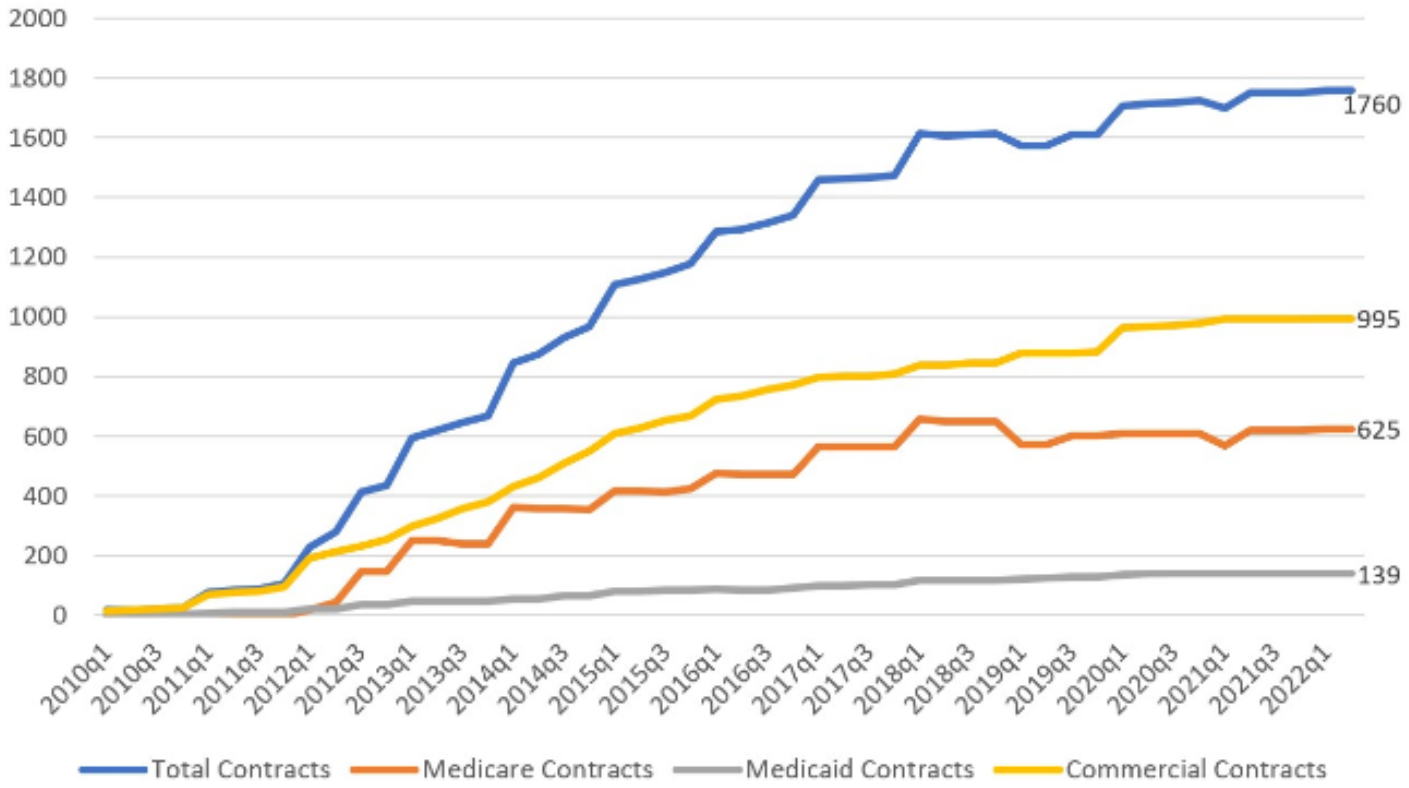
National Scope: Minnesota's is one of 14 versions of a Medicaid Accountable Care Organization (ACO)



Source: https://www.naacos.com/medicaid-acos

Medicaid behind Medicare and Commercial in ACO Contracts

Exhibit 3: ACO contract growth by payer type over time, 2010 to Q1 2022



Commercial

Medicare

Medicaid

Source: Milliman Torch Insight.

MN IHP 2024 Request for Proposals
(*Reflects 2018 Updates to Model*)

- Expand model to new geographic areas
- **Integrate** chemical and mental health services, safety net providers, and social service agencies
- **Social Determinants**: IHPs must propose an intervention to address social determinants of health and will be held accountable for agreed upon **health equity measures** related to the proposed intervention
- Demonstrate **Coordination** with community-based organizations, social service agencies, counties, public health resources
- Demonstrate coordination with other providers, organizations, including county-based purchasing (CBP) plans on issues related to local **population health goals**

IHP Policy Issues

- Complexity in populations enrolled in Medicaid MCOs and also part of an IHP patient population
  - How to attribute cost and outcome achievements
- Layering of IHP onto an existing Medicaid MCO structure of care delivery – how to encourage collaboration; who is accountable for what outcome?

Program evaluations are key to evaluate outcomes of care from different delivery systems both for IHPs and for County Based Purchasing

Thank you!!

Lynn A. Blewett, PhD
Director of SHADAC, University of Minnesota School of Public Health
www.shadac.org
blewe001@umn.edu

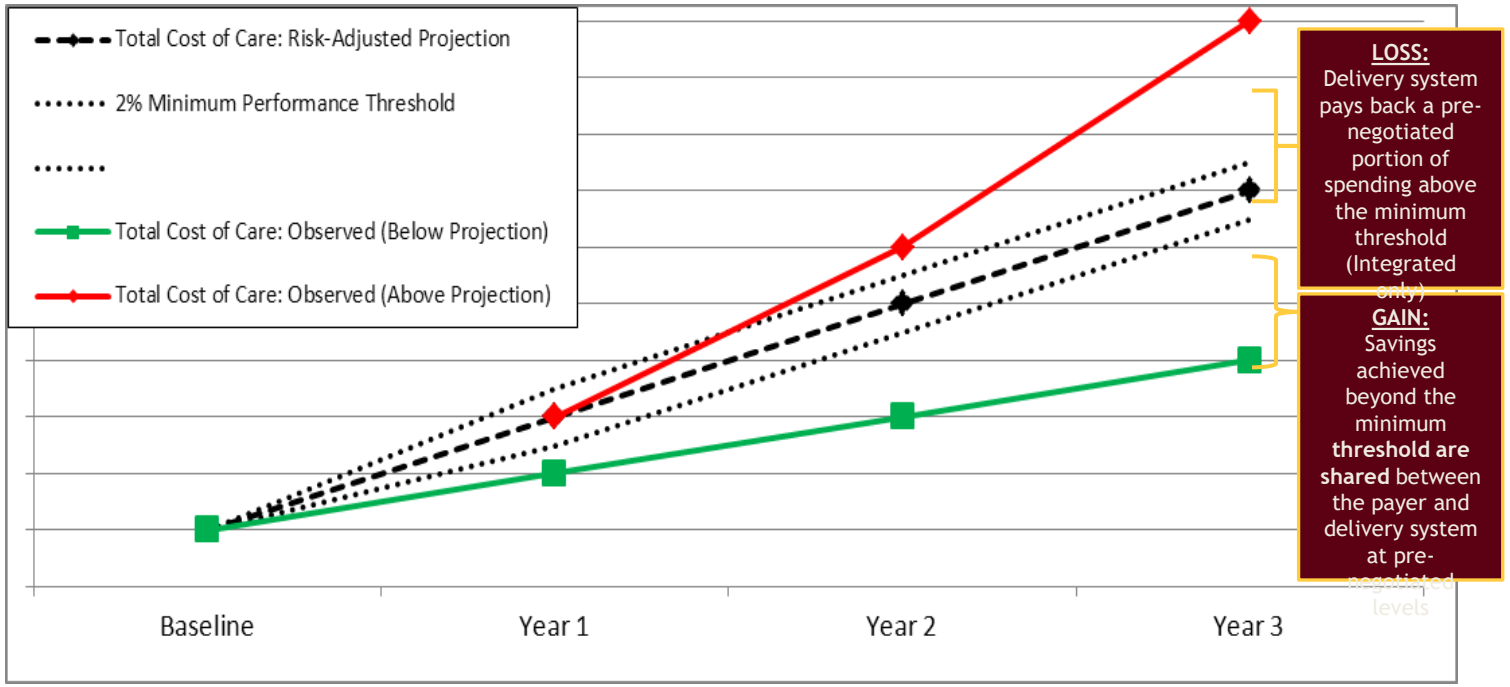
shadac
STATE HEALTH ACCESS DATA ASSISTANCE CENTER

Join our mailing list here: https://www.shadac.org/subscribe

SCHOOL OF PUBLIC HEALTH
UNIVERSITY OF MINNESOTA

The Financial Incentive

Total Cost of Care financial target is measured against actual enrollee medical expenses to determine shared savings or loss if providers go above or below their target



Source: DHS IHP Basics 2017