MINNESOTA ASSOCIATION OF
County Health Plans

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HF3363 - Medical Assistance enrollees can opt out of managed care

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 90,000 MHCP enrollees in 22 counties, with another 11 counties starting CBP in 2023. 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 Liebling and Committee Members,

We respect your desire for meaningful change, but **HF3363** is a **huge step backwards for Minnesota**, and a slap-in-the-face to Minnesota's rural counties that have done heroic good work ensuring access to quality, cost-effective care for people enrolled in Minnesota's public health care programs through County-Based Purchasing (CBP) plans.

County commissioners started CBP more than 40 years ago because of the failure of Metro-based health plans to recognize the unique needs of rural patients and providers. Rural health care is very different from care delivered in urban settings. Differences include: transportation capabilities, access to specialty and subspecialty care, dental care access, an overall older and less healthy population, and limited numbers of providers. **In 1997**, county commissioners felt their counties' MHCP enrollees and health care providers were not priorities for the Metro health plans, and that local control and partnerships would better serve their communities. The legislature agreed, and passed legislation empowering counties to adopt CBP. That view hasn't changed, and there is **concern that returning to a distant third-party administrator based in the Metro or out-of-state will allow the problems CBP has addressed to return**.

Getting a Medicaid card does not guarantee access to care. CBP plans, for example, have done outstanding work **expanding dental care access and utilization for Medical Assistance enrollees** by partnering with local dental providers, and even helping open new dental clinics in underserved areas of Minnesota. This is just one example of how CBP plans, owned and operated by the counties they serve, have assured access to providers who might not take FFS enrollees. And this is the case for many other providers.

In rural counties, **the impact of this proposal to the risk pool for PMAP could be fatal**. The numbers of enrollees needed to support the risk taken-on by CBP counties in rural areas is tenuous, even before allowing enrollees to opt out. Current Minnesota law (256B.692 and 256B.694) gives counties the authority to choose a single plan, and that should remain in place. **HF3363 could destroy CBP for rural communities**.

Also, for CBP plan enrollees, **opting out of managed care will not increase their choice of providers**, improve their quality of care, or even save the state money. **CBP plans contract with all licensed providers** in their service areas, so enrollees in CBP counties see the same providers either way. But FFS enrollees

won't have access to the extra programs, services and benefits that CBPs provide their enrollees: **Opting out of managed care in one of the state's 22 CBP counties means losing benefits**.

For these reasons, and on behalf of the **22 Minnesota counties that own and operate CBP plans, and their county commissioners**, our association **strongly opposes HF3363**. We appreciate the opportunity to provide input on this important matter. Please contact me with any questions or concerns.

Sincerely yours,

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Cc: MACHP Board – Itasca Medical Care; PrimeWest Health; South Country Health Alliance
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