

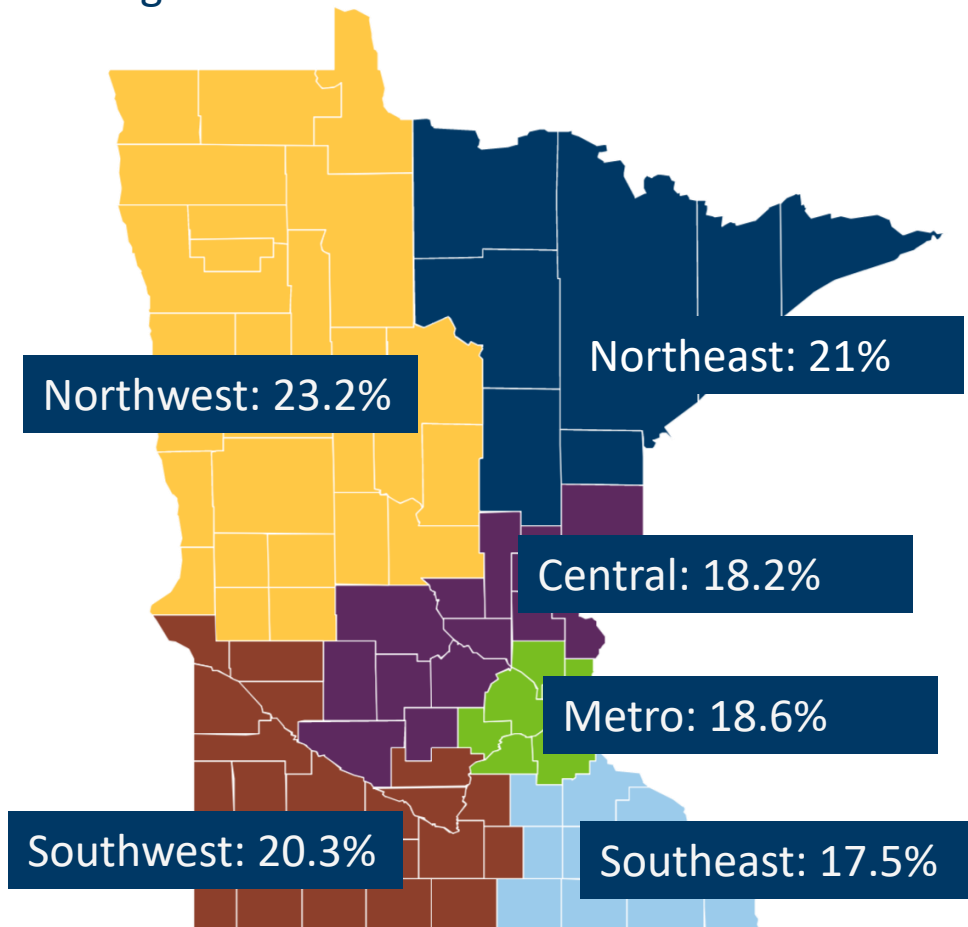


Medical Assistance spending, utilization during COVID-19

Health Care Administration

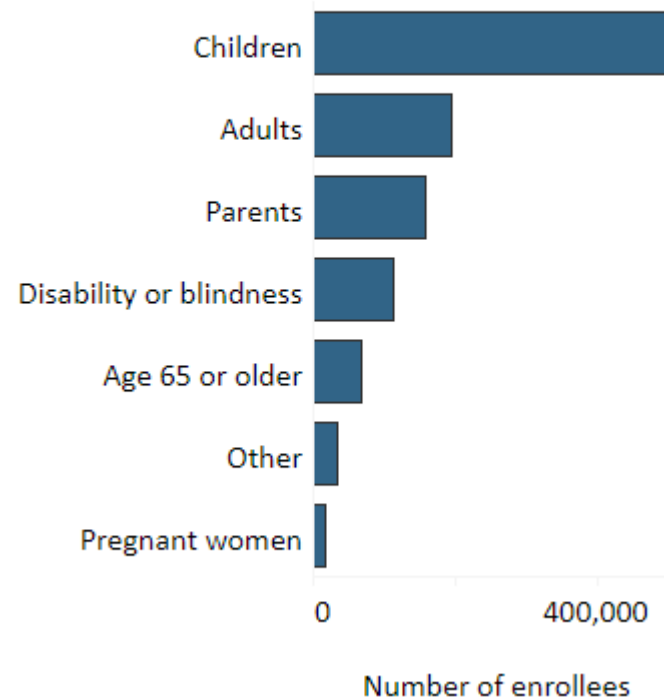
Medical Assistance enrollment Minnesota

Percentage of the population within the region enrolled in Medical Assistance

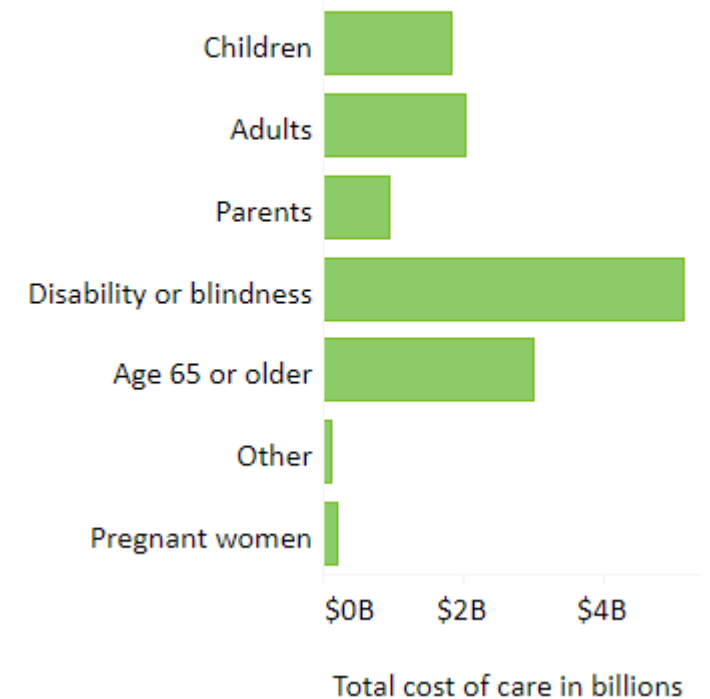


1/18/2021

Statewide enrollment by eligibility type



Statewide total cost of care by eligibility type



How Minnesota purchases health care for enrollees

Fee for service (25%)

- DHS processes claims and pays providers directly

Managed care (75%)

- DHS pays managed care organizations (MCOs) to provide benefits to enrollees. MCOs process claims and pay providers.

Integrated Health Partnerships (32% of total)

- Accountable care arrangement that layers across fee for service and managed care
- DHS calculates shared savings/shared loss and population payment based on quality

Managed care vs. fee for service



Prepaid monthly capitation fee per enrollee paid to MCO



Provider payment rates vary based on contracts between provider and MCO

Who is covered through managed care?



Families and children

- Metro area: 556,281
- Greater Minnesota: 429,277



Adults with disabilities

- Statewide: 60,188



Seniors

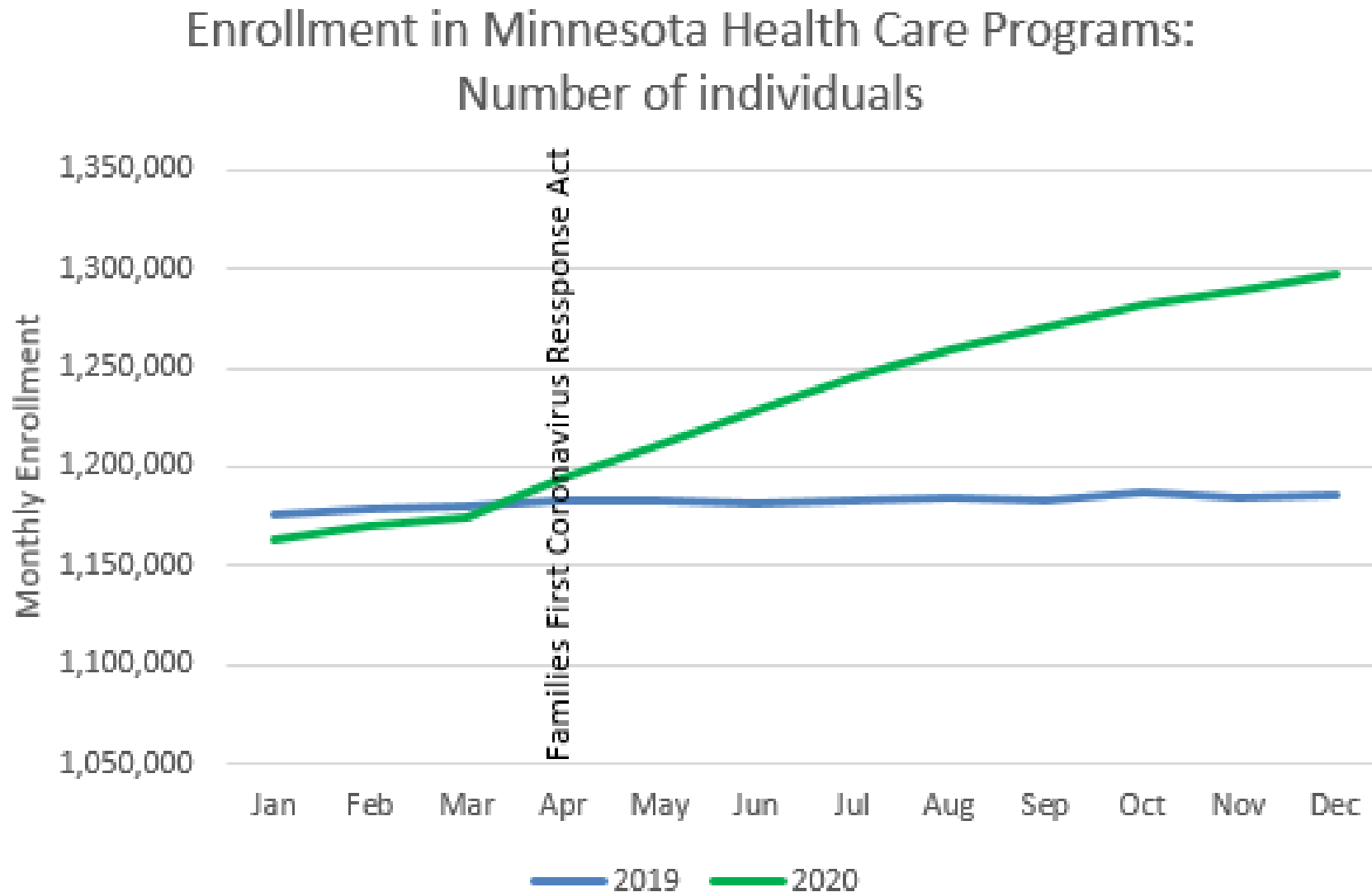
- Statewide: 60,194

Families First Coronavirus Response Act

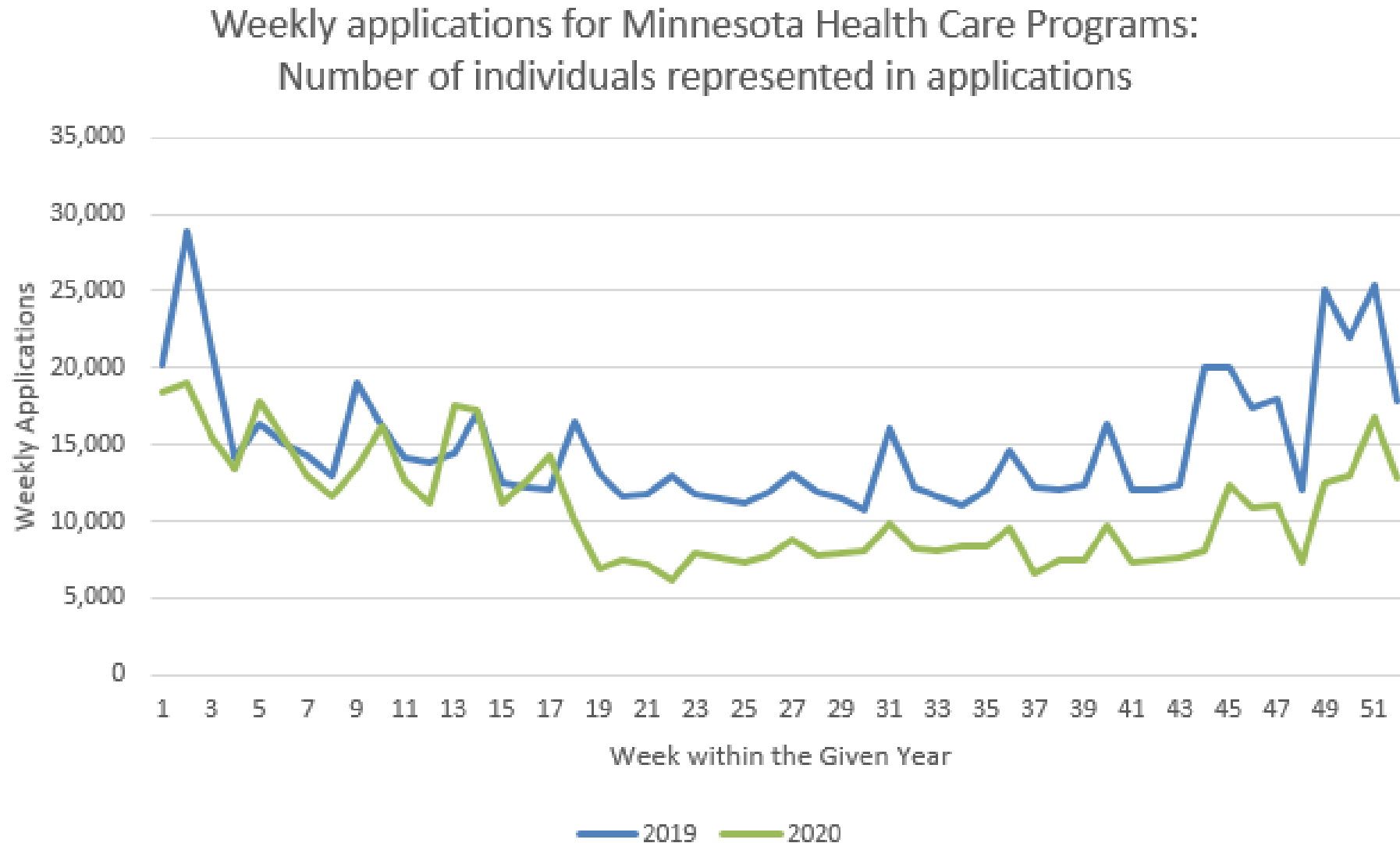


2020 calendar quarter	Value of 6.2% enhanced federal funding
First quarter (Jan. 1-March 31)	\$206 million
Second quarter (April 1-June 30)	\$124 million
Third quarter (July 1-Sept. 30)	\$250 million
Fourth quarter (Oct. 1-Dec. 31)	\$153 million (projected)

COVID-19 enrollment trends

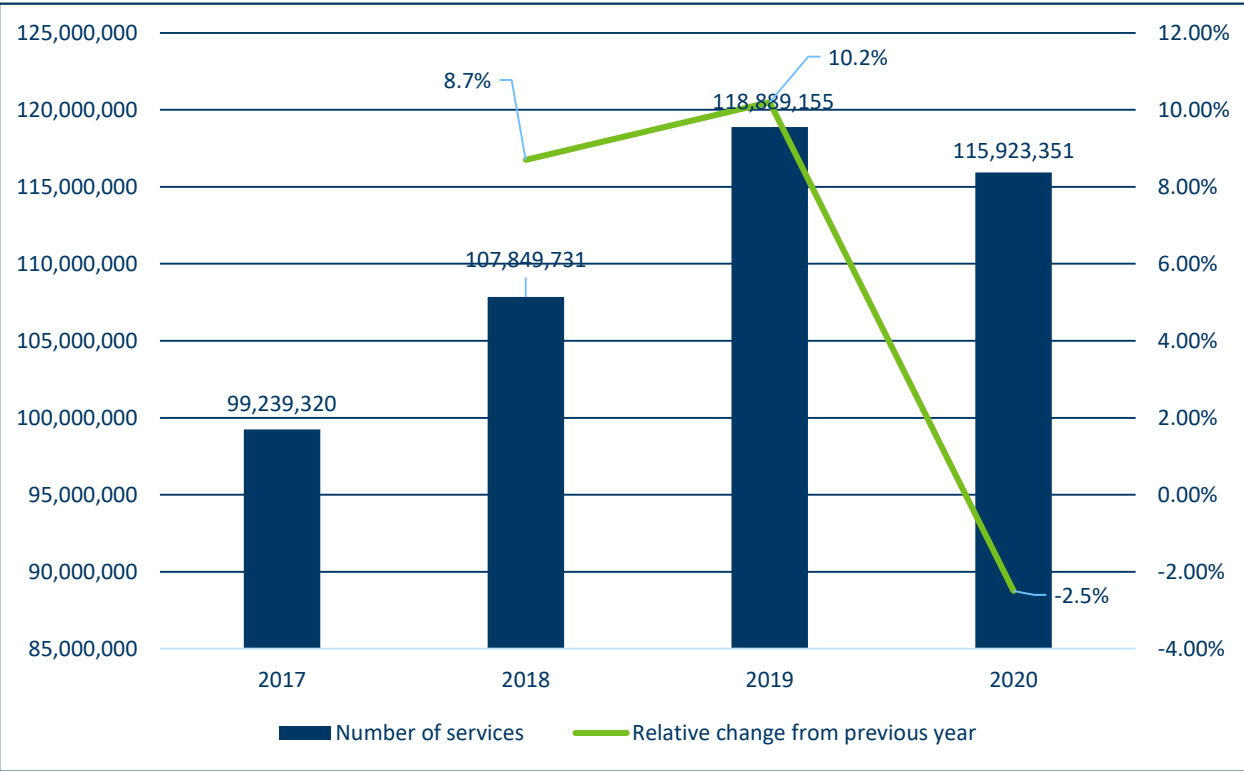


COVID-19 application trends

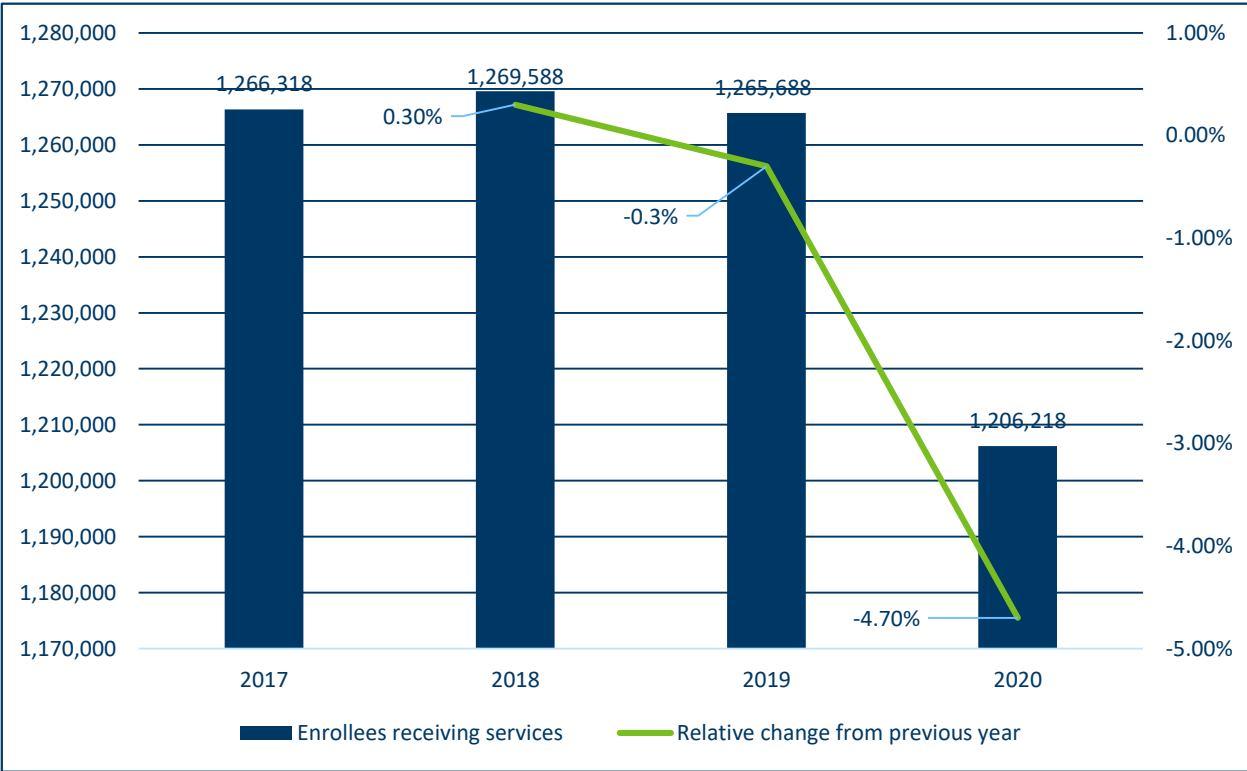


Acute care utilization trends during COVID-19

Number of services



Unique count of enrollees receiving services

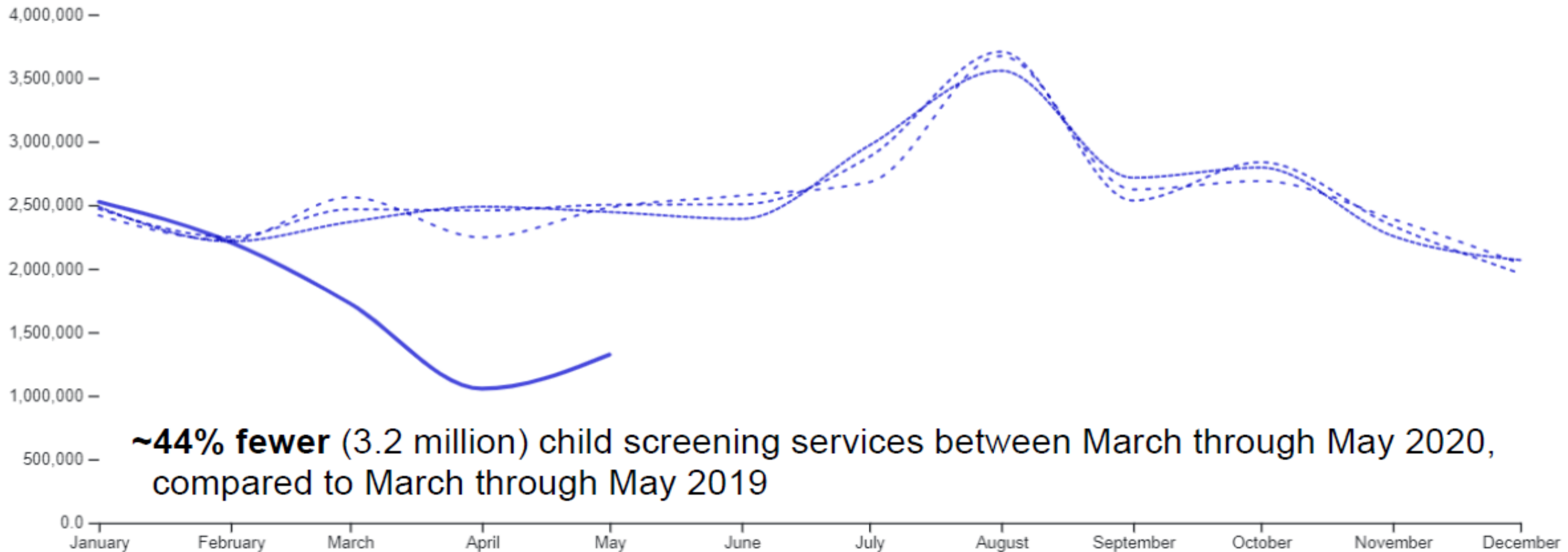


COVID-19 trends on national child-screening services

Child screening services: Child screening

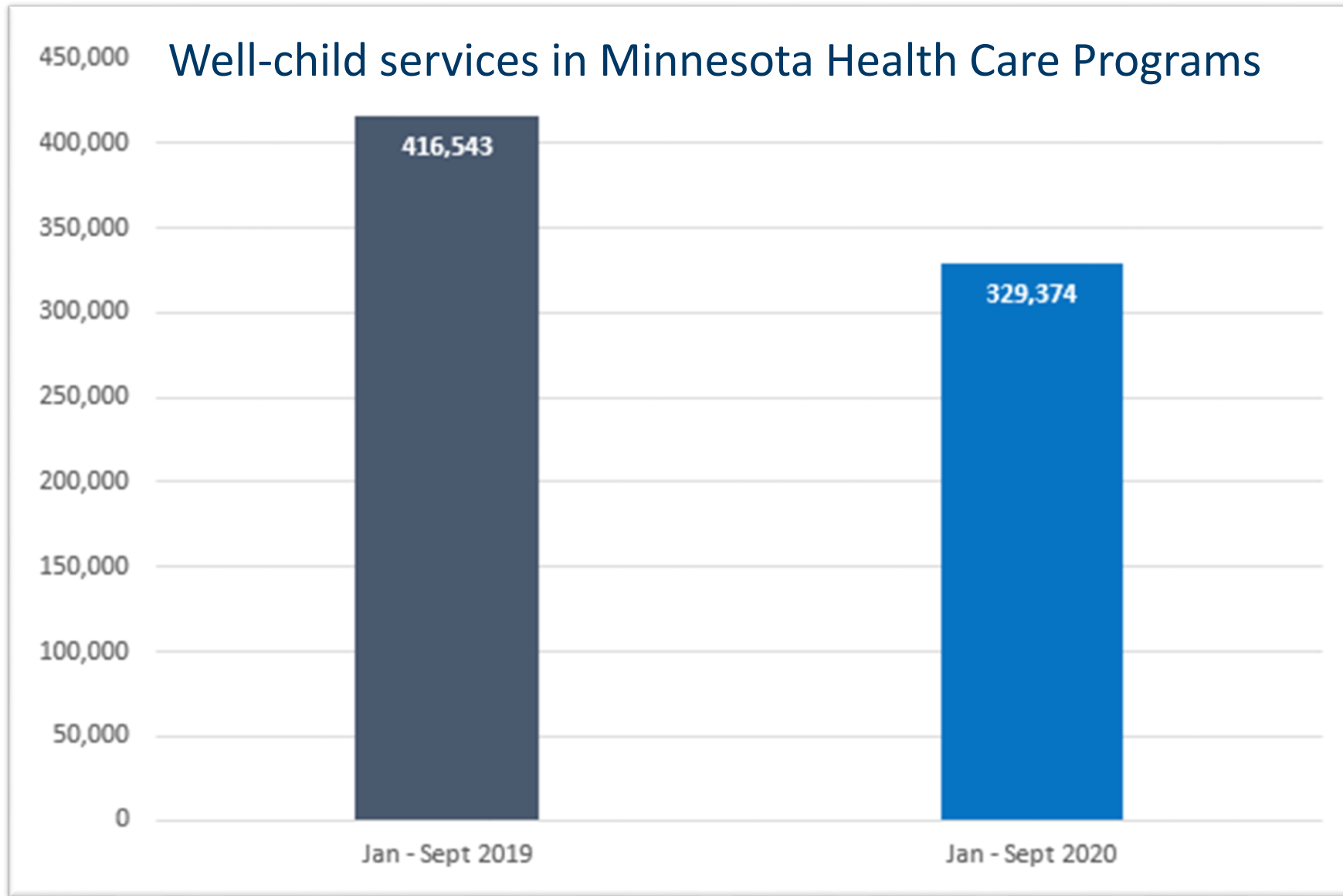
Years: 2017 - - , 2018 - - - , 2019 - - - - , 2020 —

Service use among selected Medicaid and CHIP beneficiaries 18 and under

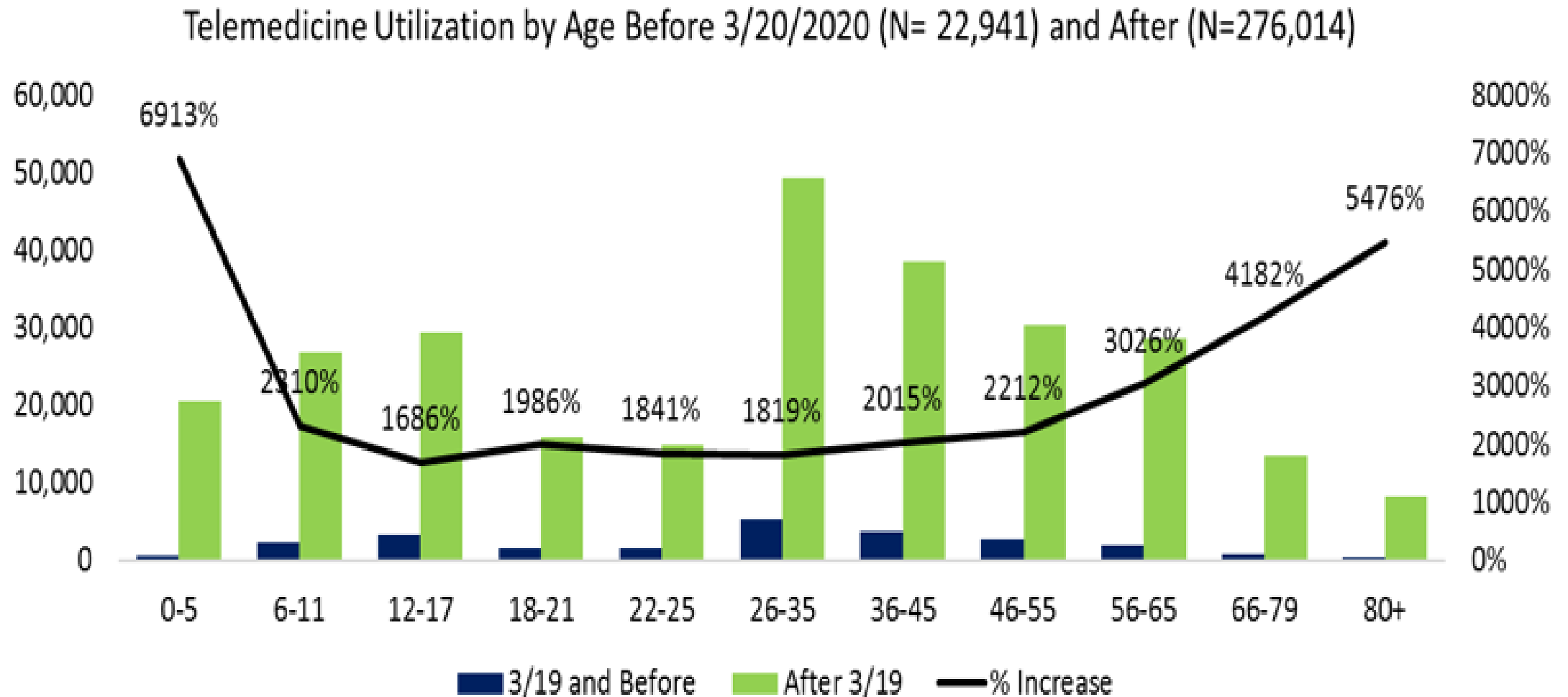


~44% fewer (3.2 million) child screening services between March through May 2020, compared to March through May 2019

COVID-19 trends on well-child services in Minnesota



COVID-19 telehealth trends in Minnesota by age

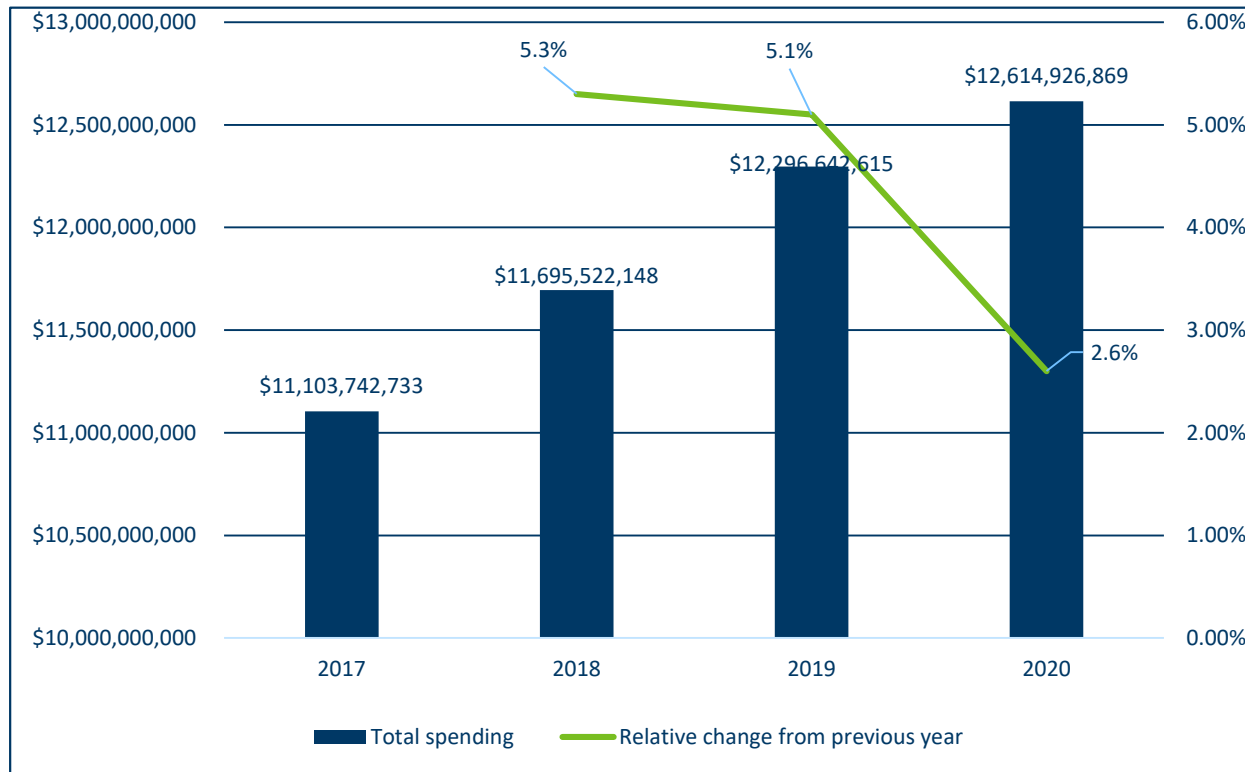


COVID-19 fee for service claim trends

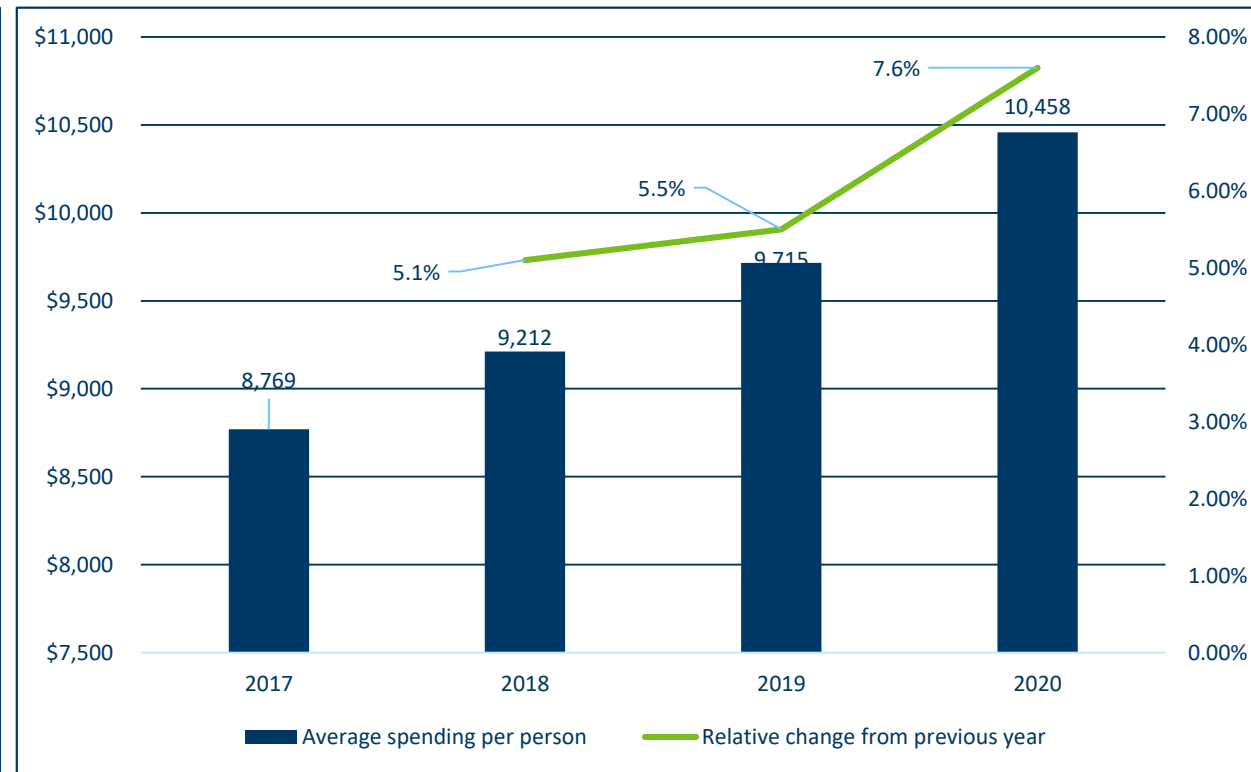
Service Category	April 1 – Sept. 30, 2019	April 1 – Sept. 30, 2020	% change
Inpatient hospital	\$173,772,030	\$131,319,847	-24.43%
Outpatient hospital	\$56,952,070	\$34,486,800	-39.45%
Physician	\$97,489,225	\$77,785,504	-20.21%
Other practitioners	\$27,500,556	\$19,059,359	-30.69%
Mental health	\$116,825,107	\$92,056,896	-21.20%
Pharmacy	\$96,973,350	\$88,186,692	-9.06%

COVID-19 spending trends

Total spending



Average spending per person¹



¹Per unique enrollee who utilized services. This does not reflect average spending per person for the total enrolled.

Managed care risk corridors

- DHS amended 2020 and 2021 managed care contracts to add risk corridors to mitigate unexpected gains or losses.
- Minnesota was one of several states that implemented risk corridors to address uncertainty of how the public health emergency will impact utilization, spending.
- Risk corridors tied to medical utilization
 - If MCO has lower than anticipated utilization, it will owe money back to the state.
 - If MCO has higher than expected utilization, it will receive additional money from the state.
- Anticipated utilization tied to state's target Medical Loss Ratio (MCO medical costs divided by capitation payments).



2019 MN Community Measurement report:


Major findings by race/ethnicity

DDS MEASURE	2019 MHCP Managed Care Statewide Rate*	RACE								ETHNICITY			
		American Indian/ Alaskan Native	Native Hawaiian/ Other Pacific Islander	Black/ African American	Asian	White	Multi- Racial	Some Other Race	Unknown Race	Chose Not to Disclose/ Declined	Hispanic	Not Hispanic	Unknown Ethnicity
Colorectal Cancer Screening	56.4%	▼	▼	▼	●	▲	▼	●	▼	▼	●	●	▼
Optimal Diabetes Care	46.0%	▼	●	▼	▲	●	●	▲	▲	●	▲	●	●
Optimal Vascular Care	33.8%	▼	●	▼	▲	●	▼	▲	●	▲	▲	●	▼
Optimal Asthma Control - Adults	43.6%	▼	●	▼	●	▲	●	▼	●	●	●	●	●
Optimal Asthma Control - Children	54.0%	▼	●	●	●	●	●	●	●	●	●	●	●
Adolescent Mental Health and/or Depression Screening	86.2%	▼	●	●	●	▲	●	▼	▼	●	▼	▲	▲
Adult Depression: Remission at Six Months	4.9%	●	●	▼	●	▲	●	●	●	●	●	●	●

▲ Significantly above MHCP Managed Care statewide rate ● Average ▼ Significantly below MHCP Managed Care statewide rate

* Statewide rate in tables 3 and 4 were re-calculated for those with race/ethnicity information available

COVID-19 managed care risk corridor quality incentive



DHS identified outcome measures with the greatest disparities, including:

- Well-child visits and vaccinations
- Cancer screenings
- Initiation and follow up of behavioral health treatment
- Managing chronic conditions
- Avoiding unnecessary Emergency Department use and hospitalizations

Managed care plans can retain additional payment if they reduce racial disparities while maintaining quality outcomes for enrollees.

Why do we re-procure MCO contracts?



Federal law requires competitive procurement



State law requires re-procurement every five years



Procurement promotes highest quality care for best value



Managed care contracts cost more than \$5 billion annually

2021 procurement update

- DHS, Association of Minnesota Counties, and Minnesota Association of County Social Service Administrators established workgroup in May 2020 to explore changes to procurement process
- Metro-area families and children RFP released Jan. 4, 2021
 - DHS and metro-area counties jointly developed RFP; will score proposals together
 - RFP reflects shared DHS and county priorities of better health, fuller lives, equitable outcomes, at lower cost growth
- Contract awards anticipated in May



Upcoming procurement schedule

- **January 4, 2021** RFP for **2022 contracts**: Metro counties families and children and MinnesotaCare
- **October 2021** RFP for **2023 contracts**: Statewide Seniors and SNBC
- **January 2022** RFP for **2023 contracts**: Greater Minnesota families and children and MinnesotaCare



Questions?