

Position Statement

2021

Health Care Program Procurement and County Based Purchasing

Short Description

Issue: Currently there is no statutory separation for County Based Purchasing (CBP) in terms of operation and procurement. It is in the Prepaid Medical Assistance Program (PMAP) statute right now and that is not reflective of the differences between PMAP and CBP. CBP is owned and operated by the counties that are members and is operated via a joint powers board (JPB). Currently Minnesota has numerous mainly, rural counties, that participate in CBP. MACSSA supports the proposal of creating a new chapter of State law for CBP recognizing CBP as an alternative model for delivery of Minnesota Health Care Programs (MHCP). These changes would include procurement process that would not lead to barriers to implement CBP with the Minnesota Department of Human Services (DHS) for county residents. MACSSA supports federal legislative changes and/or waivers necessary to allow for procurement and full implementation of State CBP laws (256B.692). The existing process lacks transparency in how county input is evaluated and weighted, does not allow for a meaningful evaluation of plan performance, and makes no allowance for locally driven initiatives such as county-based purchasing. MACSSA seeks protection of County authority throughout the procurement processes and implementation of State CBP laws.

Administrative Simplification (optional):

Implementation Strategy: Move toward a procurement process that is transparent and reflect a county voice in the outcomes and provides a fair and unbiased process for appeal. The procurement process should not lead to barriers to implement CBP via state statute 256B.692. Support federal waivers or legislative changes, including proposed, new, Chapter 62W, necessary to allow that via current state statute. Honor County rights and authority.

Long Description:

More than 30 years ago, Minnesota was a national leader in developing prepaid, capitated managed care models in Medicaid service delivery and payment as a part of the demonstration project of an alternative to the traditional fee-for-service model. The prepaid medical assistance model program (PMAP) was structured as a strategy to reduce the growth in costs and improve health outcomes. While Dakota County went with the traditional PMAP model, Hennepin and Itasca Counties went with CBP model.

Recognizing the inherent difference between PMAP entities and CBP entities will lend critical support to stabilizing, clarifying, and strengthening the statutory environment and basis for CBP. The current statutory environment ties CBP too closely to Health Maintenance Organizations (HMO), creating unintended complications and harm each time a policy maker wants to change laws pertaining to HMOs.

Minnesota Senate Counsel has advised that the CBP statutory language needs to be updated and consolidated. Minnesota DHS has cited federal law and rules that tie their hands with the procurement process, which has created barriers for CBP implementation, lack of transparency and lack of county voice. This underscores the need for clarifying and enabling federal language. Counties utilizing CBP has saved state money by delivering dependable access to high quality, cost effective care, re-investing in strengthening local providers, and improving access to scarce providers. It also greatly improved the relationships,

planning, cooperation, communication and integration among the health plan members, health plans, county public health and social services, and healthcare and long-term care providers. The CBP has been a part of the PMAP landscape in Minnesota for over 30 years and is a growing, trusted model especially in rural settings.

Attached: A Rural Government Role In Medicaid Managed Care: The Development of County-based Purchasing in Minnesota – Working Paper Series #35 – University of Minnesota Rural Health Research Center.

Additional Information:



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Approved by: [insert the name of the program committee] on [insert date position was approved]

Date Approved by Legislative Committee: [insert date]