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## SF404 - 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 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 Wiklund and Committee Members,

We respect your desire for meaningful change. In fact, County-Based Purchasing (CBP) is a meaningful change that has improved access and care outcomes for people across rural Minnesota who need and deserve access to quality, cost-effective care. We would like to support this legislation, but have serious **concerns that SF404 as written will undermine the good work of CBP plans** and the outstanding results this model delivers 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 are concerned SF404's PMAP opt out will erode what the counties and legislature have achieved with the CBP model, and **inadvertently harm the access to care public program enrollees need and deserve**.

SF404 would **disrupt continuity of care management** as members could opt-out and opt-in with different payers. It would **deter investment in developing local health care infrastructure and capacity** needed to ensure access to care. It would **harm already financially fragile rural providers** who would have an increasing number of patients on FFS which pays less than CBP plans. Some **providers may decide to no longer serve MA/MnCare enrollees**, harming access to care for people in need. SF404 also would **make it impossible to do value-based care/payment in rural counties** as the enrollee population would be further split with another payer. This undermines the critical mass of members CBP plans need in rural counties to do value-based care/payment with rural providers.

**SF404 raises important practical concerns:** When an enrollee in one of our rural CBP counties opts out to DHS FFS, who will coordinate well-child check-ups, non-emergency medical transportation, dental care access, immunizations and other needed services CBP plans now provide on a locally responsive and accountable basis? How will FFS replicate the close integration of county social services, public health and other county services that members currently enjoy in CBP plans?

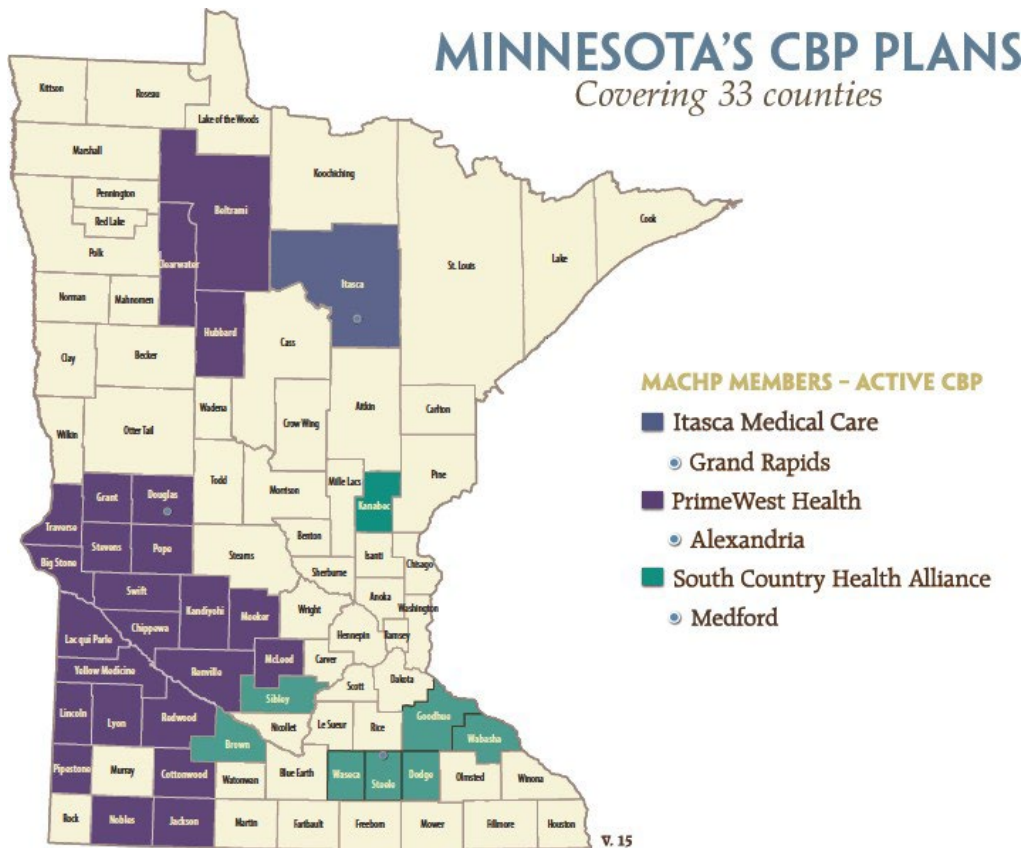
Because of these concerns, on behalf of the 33 Minnesota counties that own and operate CBP plans, their county commissioners, and the thousands of public program enrollees we serve, our association **cannot support SF404 as currently written**. We look forward to working with Senator Wiklund.

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  
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.