



1753 Cottonwood Circle • Saint Cloud, MN 56303 • www.machp.org

March 1, 2023

HF1677/SF1491 – Network adequacy, credentialing, commissioner report

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 and Committee Members,

We appreciate that this bill seems aimed at improving conditions for those needing mental health and substance use disorder care. County-Based Purchasing (CBP) plans do an outstanding job with provider network adequacy, access, credentialing, partnering and innovation, and in prior authorizations for mental health and substance use disorder services.

We are somewhat puzzled as to why **HF1677/SF1491 would require CBP plans to change what is working so well to mirror DHS FFS standards and processes** in timely filing timelines and prior authorization:

- (i) The commissioner must require health plans with contracts under section 256B.69 to use the timely filing timelines and prior authorization processes consistent with medical assistance fee-for-service for mental health and substance use disorder services covered under medical assistance.

DHS's timely claims filing timeframe is 1 year from the date of service for providers to file claims, whereas ours and most health plans' timely filing timeframe is 6 months. **A shorter timely filing is necessary for risk bearing entities like health plans including CBP plans to effectively manage our financial risk and ensure plan solvency.** The longer the timeframe for timely filing the larger the IBNR that would need to be held by plans. The increase in IBNR would be driven by both an increase in the average lag time from date of service to receipt of claim and a higher level in uncertainty in the claims runout due to the longer time frame. Increases to IBNR result in reductions to the amount of capital as calculated on an RBC report. And since capital is reduced, the RBC percentage would be decreased. – something DHS does not need to account for as DHS is not a risk-bearing entity like health plans.

Our prior authorization processes are in place to provide appropriate and timely access to covered mental health and substance use disorder services. In general the prior authorization processes that FFS uses align in terms of timelines for decision with a slightly longer pend period with FFS when more information is needed. However, there are several services that FFS requires prior authorization on that we do not. It is unclear from this language to what level of detail the processes need to be consistent. If the list of services that require authorization need to be aligned, FFS requires authorization on a larger

amount of service in the mental health category. According to the following website:


https://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=ID_008925#forms it states that Kepro will usually take initial action (approve, deny, or pend for additional information) on a prospective prior authorization request within 10 business days. If additional information is required, Kepro will place the case in pending for at least 15 days. **Health plans are held to the 10-day timeliness standards as defined in our contracts with DHS and on which we are regularly audited.** If additional information is required, we can request a 14-day extension with notice to member/provider with appropriate rights that corresponde to this situation. There are also variations between the methods in which FFS service authorizations are submitted in comparison to CBP plans. We look for ways to streamline the process for a quicker and more timely response. FFS process requires following these steps using MN-ITS:

- Complete and submit the Authorizations (278) transaction. After you submit your authorization request, you will receive an Authorization Response (278) with a unique number.
- Print the response.
- Write the unique number assigned from the Authorization Response on each document you will submit as supporting documentation, including any other authorization forms you may need to submit.
- Fax the supporting documentation (and additional authorization form, as appropriate) to the review agent.

HF1677/SF1491 would force CBP plans to step backwards from essential claims filing timelines and prior authorization processes we need to deliver the public programs benefits which DHS contracts with us to provide. This does not serve our enrollees or providers. We respectfully ask that you either **delete the above referenced section from the bill, or exempt County-Based Purchasing.** Without such changes, CBP plans and the 33 counties that own and govern them cannot support this bill.

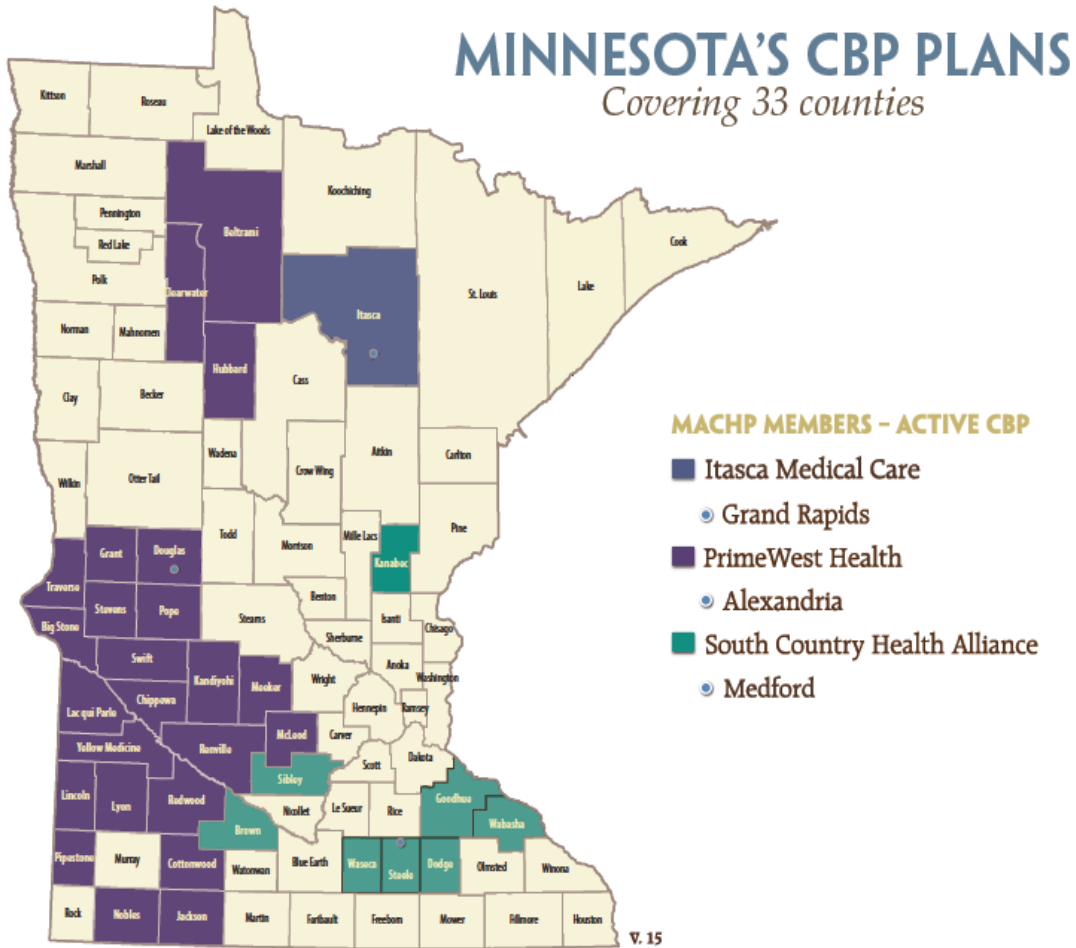
We appreciate the opportunity to provide input on this important matter. Please contact me with any questions or concerns.

Sincerely yours,



Steve Gottwalt | Executive Director | 952-923-5265 | steve@machp.org

Cc: MACHP Board – Itasca Medical Care; PrimeWest Health; South Country Health Alliance
Julie Ring – Association of Minnesota Counties (AMC) Executive Director



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.