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March 31, 2023

Senate Health and Human Services Committee
95 University Avenue W.
Saint Paul, MN 55155

RE: SF 2995 – Senate Health and Human Services Omnibus Bill

Dear Chair Wiklund and Members of the Committee:

The Minnesota Council of Health Plans' nonprofit members provide more than 4.6 million Minnesotans with health care coverage. Five of the Council members also serve as managed care organizations which together serve 84 percent of Minnesota's public program enrollees. Throughout this legislative session, the Council has expressed support for policies that maintain stability in the market, lower costs, and increase access to high-quality care. To achieve outcomes that meet these goals, the Council appreciates the opportunity to express our support for several items included in the House Health Omnibus Bill, to provide constructive feedback on other provisions, and to voice our concerns with provisions that would negatively impact those receiving care through our member plans.

Items of Support

Expansion of Dental Access and Coverage

The Council supports efforts to improve access and coverage of dental services for Minnesotans in managed care by expanding the adult Medical Assistance dental benefit set to include medically necessary dental services, the rebasing of dental rates, and the establishment of Clinical Dental Education Innovation Grants.

Access to Doula Services

Access to doula services is an essential component to addressing disparities in health outcomes for Minnesota's communities of color. The Council supports the language included in the bill to increase the Medicaid reimbursement rates for doula care during the prenatal and labor and delivery periods and the provisions allowing direct enrollment and reimbursement of doulas.

Tobacco Cessation Treatment and Prevention

As a member of the Minnesotans for a Smoke Free-Generation coalition, the Council is appreciative of the inclusion of the creation of a dedicated smoking prevention account for any potential funds from the JUUL lawsuit.

Continuous MA Coverage for Children

The continuous MA coverage provisions included in the bill will help reduce churn and will ensure children have consistent access to health care. Importantly, while 4 in 10 Minnesota kids are on Medicaid, 64% of Black Minnesotan children are covered by Minnesota Health Care Programs so we

know from a health equity perspective that this policy change will be especially impactful for communities of color.

Systems Modernization and Information Technology Upgrades

The Council supports the inclusion of investments in systems modernization that will provide a simpler, more efficient, more intuitive, and more transparent experience for public program enrollees. Additionally, these investments will improve the experiences of counties and other agencies which interact with Department systems.

Requested Changes

Adjust Effective Dates of Benefit Mandates

All health carriers in the fully-insured market (which is the only commercial market impacted by the new requirements in this bill) must submit all insurance products proposed for sale in these markets to the Department of Commerce for their approval. Submission of these plans for an upcoming plan year occurs in April of the year prior. Health carriers will soon be submitting their plans for 2024 and will do so before this bill is enacted. This means, if new coverage mandates are passed effective for January 1, 2024, carriers will need to reconfigure their plans in the summer. We therefore request any effective dates take effect January 1, 2025.

Items of Concern

MA Prescription Drug Carve Out

Care coordination means serving the whole person and managed care is most effective when care management extends across all health care services. Prescription drugs are a central component of these services and carving out this benefit will remove vital opportunities to coordinate care. MCOs have invested significantly in their pharmacy areas to support members beyond the traditional dispensing of drugs, such as the use of pharmacy navigators who directly reach out to enrollees to assist with care. MA enrollees currently receive medical and pharmacy coverage through one entity and have a single point of contact to turn to with concerns or issues on either front. By carving out the pharmacy benefit, enrollees would have to contact two different entities depending on the services they have questions about – DHS for pharmacy and MCOs for all other services.

The Council also has significant concerns about the likely increased overall cost of this approach, given the experience of pharmaceutical carve-outs in other states when states attempted to maximize drug rebates by favoring the use of brand name drugs. Several studies also show that keeping the pharmacy benefit within managed care is more cost effective compared to carving it out.

Before embarking on this proposal, the legislature should ensure this will improve the health of MA enrollees because we know that cost savings does not always mean better care.

Managed Care Opt Out

The Council believes that managed care is the best way to access care compared to FFS. However, if this option is allowed in managed care, we urge the legislature to instruct DHS to monitor and report back on the results and impact of granting a managed care opt out. We should be cautious about setting up a situation where a Minnesotan could receive worse care because FFS was not the best option for them. We also urge caution on this proposal and ask if this is the right time to proceed. DHS, counties, and MCOs will be extremely busy over the next year supporting current MA and MinnesotaCare

enrollees through the redetermination process and the legislature should be cautious about impacting this work.

We look forward to continuing working with you as this bill progresses to ensure its impact is to lower health care costs, maintain stability in the market, and help Minnesotans gain access to needed care.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lucas Nesse', enclosed in a thin black rectangular border.

Lucas Nesse
President and CEO