



March 27, 2024

Re: County Administered Rural Medical Assistance (CARMA) Development Bill

Dear Senate Health and Human Services Chair, Senator Melissa Wiklund, and Committee Members:

The Association of Minnesota Counties (AMC), on behalf of Minnesota's 87 counties, urges you to support **SF3372**, the **County Administered Rural Medical Assistance (CARMA)** development bill.

This legislation is the result of a year-long process of collaboration among AMC and Minnesota's three county-based purchasing (CBP) plans, in cooperation with the Minnesota Department of Human Services (DHS).

The DHS managed care Medical Assistance procurement process has been challenging over the past decade. These procurements have often resulted in counties disagreeing with the results and seeking mediation, and lawsuits over existing state CBP law concerning county authority in procurement. These mediations and lawsuits have been expensive, delayed action on renewing contracts, and frustrated local county commissioners throughout the state, including those whose 33 counties own and operate CBP plans in rural Minnesota.

We believe we can and must do better together. That is why we have been meeting over the last year to find areas of agreement and opportunities for innovation in serving public programs enrollees.

SF3372 directs DHS, in close collaboration with AMC and the state's CBP plans to meet over the interim to develop a new and improved county-based model, County-Administered Rural Medical Assistance proposal (CARMA). The resulting detailed proposal will be presented to the 2025 Legislature with the goal of enactment.

AMC, and the county commissioners who manage Minnesota's three CBP plans, are excited about working with DHS on CARMA. They hope that the final CARMA proposal will highlight and build upon CBP's 40+ year history of success at innovation, responsiveness, transparency, reinvestment in the rural health care infrastructure, increasing access to care, achieving better outcomes for enrollees and administering managed Medical Assistance in a cost-effective manner.

You'll notice in the final portion of the bill that the appropriation number is blank. DHS is still determining the level of funding needed to complete the CARMA process. Our expectation is that it will be minimal.

AMC is excited about this opportunity to create the next generation of county-based innovation to better serve rural residents and communities with even stronger, more cost-effective outcomes.

Again, we encourage you to **support SF3372** to move forward with developing an even stronger county-based model. Please let me know if you have any questions and thank you for your careful consideration of this important legislation.

Sincerely,

Julie Ring, Executive Director
Association of Minnesota Counties