



Minnesota Department of
Human Services

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Health Care

Our Mission

The Minnesota Department of Human Services, working with many others, helps people meet their basic needs so they can live in dignity and achieve their highest potential.

Our Values

- We focus on people, not programs.
- We provide ladders up and safety nets for the people we serve.
- We work in partnership with others; we cannot do it alone.
- We are accountable for results, first to the people we serve, and ultimately to all Minnesotans.

We practice these shared values in an ethical environment where integrity, trustworthiness, responsibility, respect, justice, fairness and caring are of paramount importance.

Report to the Legislature

Compliance with County Involvement in Procurement for General Assistance Medical Care and the Medical Assistance Prepayment Program

Laws of Minnesota 2008
Chapter 326, article 1 section 35

December 2008

**Compliance with County Involvement in Procurement for General Assistance
Medical Care and the Medical Assistance Prepayment Program.**

Report to the Minnesota Legislature
December 2008

Prepared by:

Minnesota Department of Human Services

Health Care Administration – Managed Care Development and Payment Policy

For more information, contact:

Karen Peed, Director

651-431-2511

karen.peed@state.mn.us

Cost of Report

Pursuant to Minnesota Statutes, §3.197 the total cost of preparation of this report is \$997.88.

Two staff persons from the Managed Care Development and Payment Policy Division participated in the development of this report. It is estimated that 20.5 combined hours of time was spent in gathering the information, drafting and reviewing the report. The cost of salaries, including fringe benefits is \$1,042.85, and non-salary administrative costs such as printing, and supplies incurred in development and preparation of this report is \$20.00.

Copy costs are 25 cents per page. Eight copies of this ten-page report were prepared at 25 cents per page, a cost of \$20.00.

Introduction

Laws of Minnesota 2008, Chapter 326, Article 1, Section 35, requires the Department of Human Services (DHS) to provide a written report that details the activities undertaken by DHS to ensure full compliance with Minnesota Statutes, § 256B.69, subd. 3a and include an explanation of any decisions made by the DHS not to accept the recommendations of a county or group of counties required to be consulted under this section. The report is due at least 30 days prior to the effective date of a new or renewed prepaid or managed care contract for the county in which the procurement was solicited.

Background

In 2008, DHS issued three separate requests for proposals to provide health care services through managed care organizations to enrollees effective January 1, 2009. The first Request for Proposal (RFP) was issued in February of 2008 to provide Prepaid Medical Assistance, Prepaid General Assistance Medical Care and MinnesotaCare in Aitkin, Benton, Carlton, Cook, Fillmore, Houston, Isanti, Itasca, Kittson, Koochiching, Lake, Mahnomen, Marshall, Mille Lacs, Mower, Norman, Pennington, Pine, Polk, Red Lake, Roseau, Sherburne, St. Louis, Stearns and Winona Counties. Procurement for Minnesota Senior Care Plus (MSC+), Minnesota Senior Health Options (MSHO), and Special Needs Basic Care (SNBC) in these counties was completed within the last 5 years so was not included in this procurement. This procurement was in accordance with the published 5-year procurement schedule. (See Attachment A.)

Initially, Fillmore, Houston, Mower, and Winona Counties were scheduled for procurement in 2010, but these counties requested to be included in the 2009 procurement because of their interest in joining the StedFast Health Plan county-based purchasing entity. Chisago County also was interested in county-based purchasing and was scheduled to be part of the 2009 procurement but requested more time to consider the CBP option and asked to be moved to the 2010 procurement which was granted.

The second RFP was issued in April of 2008 to provide Prepaid Medical Assistance in the seven-county metro area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties). This procurement was specific to services for seniors through the Minnesota Senior Care Plus (MSC+) program and was the final step to complete the statewide conversion of Minnesota Senior Care (MSC) to MSC+. MSC+ adds Elderly Waiver and additional nursing home services (another 90 days for a total of 180 days) to the Medical Assistance benefit set delivered through managed care plans for all seniors already required to enroll in managed care.

The third RFP was issued in August of 2008 to provide health care services to Prepaid Medical Assistance which included MSC+, Prepaid General Assistance Medical Care, and MinnesotaCare to enrollees in the counties currently served by South Country Health Alliance (SCHA). These counties are Brown, Cass, Crow Wing, Dodge, Freeborn, Goodhue, Kanabec, Morrison, Sibley, Steele, Todd, Wabasha, Wadena and Waseca.

This procurement was unscheduled and the result of unusual circumstances. In April of 2008, SCHA notified DHS and the Minnesota Department of Health (MDH) that it wanted to discuss its financial situation, specifically financial losses it was incurring in 2008, and the effect of those losses on its risk-based capital and its operations. MDH reviewed the situation and required SCHA to provide a corrective action plan to remedy its financial situation, which SCHA provided to MDH on May 15, 2008. MDH monitored SCHA's quarterly financial statements which did not appear to be improving in the short term. DHS determined that it needed to be prepared for the possibility that SCHA or MDH might take action regarding SCHA's ongoing operations. In consideration of its contracting timetable and as a precautionary measure, DHS issued a RFP with shortened timelines to assure continuous access to health care services for SCHA enrollees in the event that SCHA would no longer be permitted to operate.

Procurement Process

1. Development and Issuance of the RFP

In September of 2007, DHS sent a letter to each of the counties identified for 2009 procurement. The letter explained that DHS has established a five-year procurement schedule for PMAP/PAMC and MinnesotaCare due to a change in law, which places a five-year limitation on procurement of grants, including the managed care contracts. The county was identified in the letter as being part of the upcoming procurement, and was asked to submit a board resolution or some other documentation of county board support no later than the end of November 2007, if they were considering county-based purchasing. The letter also informed the county that DHS staff would contact them within the next month to set up a meeting with the county to start the procurement process. At those meetings, staff would discuss timelines, county input and development of the RFP. The goal was to have the RFP ready for issuance the late part of January or the early part of February.

DHS received notification of interest in pursuing county-based purchasing from Fillmore, Houston, Mower and Winona counties. These counties expressed interest in joining StedFast Health Plan. DHS and MDH held a joint meeting in November with the counties interested in county-based purchasing. The purpose of this meeting was to review county-based purchasing requirements and to review MDH's regulatory compliance checklist for certification as a county-based purchasing entity, as well as the DHS procurement timeline and what the counties need to do in order to meet the requirements of both. (See Attachments B and C.)

During November and December, DHS staff traveled to each county or group of counties to discuss the procurement process, timelines, and the role that the county plays in the development of the RFP. These meetings involved the county director and several county staff members. DHS provided the county with an RFP template that included a number of sections that the county must provide input for. The county must identify information regarding its county administration, demographics, how services are currently provided, and identification of providers that are available and accessed by

county residents. Each county was also asked to provide its input regarding general service delivery, dental, transportation, chemical dependency, mental health for adults and children, public health, special health programs, and any other health related issue or concern the county wants identified, such as access to services or the availability of specific providers. The information from each county is included in its own county specific section of the RFP. In addition, information from various policy areas in the Department (i.e. chemical dependency, mental health, public health, quality and performance measurement) is received and incorporated into the RFP.

As a matter of practice, the final draft of the RFP is reviewed by the Appeals and Regulation Division of the Department to ensure that the RFP meets legal requirements. The RFP is then put in final form and a notice is published in the State Register with a link to the RFP. The notice includes very specific information about the purpose of the RFP, the list of counties involved in the procurement, and also indicates how a paper copy of the RFP may be requested.

Within two weeks of the RFP being posted, a scheduled potential bidders' conference is held at the Department. Potential bidders can submit questions or seek clarification regarding the RFP. If the question or clarification involves county specific information, the county is contacted and asked to respond. Answers are provided verbally at the conference, and are posted as a Q&A document on the DHS public website within a week of the bidder's conference. Questions received after the bidder's conference are answered and also posted on the website. Potential bidders are notified when the Q&A document or additional information is posted on the website.

For each of the procurements done in 2008 for 2009, dates of publication of the RFP, dates for the bidder's conferences, dates the proposals were due and dates for selection of successful proposers are shown in Attachment D.

2. RFP Submission and Evaluation

A timeline is included in the RFP which includes the date the proposals are due. There are a number of instructions regarding the submission and completeness of the Proposal and failure to follow the instructions can mean that the proposal will be disqualified for nonresponsiveness.

The proposer must be licensed or certified by MDH in the county or counties for which it is submitting a proposal. The licensure or certification must be complete in accordance with the MDH regulatory checklist. (See Attachment B) If the proposer is expanding its service area, the proposer must get approval from MDH for the expansion area. Such was the case for StedFast Health Plan, which was expanding its service area (Olmsted County) to include Fillmore, Houston, Mower and Winona Counties. MDH notifies DHS when the proposer is licensed, certified, or approved for a service expansion. DHS received notification of MDH's approval of StedFast's service expansion in May of 2008.

All proposals received by the due date are reviewed for completeness. Each proposal must include a CD for each county included in the proposal. The CD is an electronic

version of the complete proposal. A CD of each proposal accepted by the Department, the RFP, the proposal review and scoring tool along with instructions are forwarded to the county director to be distributed to county appointed reviewer(s). County staff who are appointed the reviewers review and score the sections containing the county information and are reminded that the information contained in the proposals is to be kept confidential until there is a final contract executed. They are required to sign a confidentiality agreement that includes a statement indicating that they have no conflict of interest. This becomes even more important when the counties are part of a joint powers agreement that make up a CBP and the CBP has submitted a proposal that must be reviewed and evaluated. DHS as a participant in the federal Medicaid program must safeguard against conflicts of interest in the Medicaid procurement process in accordance with U.S. Code, title 42, sections 1396a(a)(4) and 1396u-2(d)(3); and Minnesota Statutes, section 256B.0914. The State must ensure that a person who participates in the review and evaluation of the RFP responses does not have a conflict of interest. Therefore, all evaluators and other staff are required to sign the agreement in order to participate as a member of the evaluation team.

At the same time, proposal information is sent to a number of DHS targeted reviewers along with the review/scoring tool. These targeted reviewers review and score the sections pertinent to their policy area. They also are required to sign a confidentiality agreement. Both counties and DHS staff receive instructions on the review and evaluation of the proposals and the deadline for the scoring information to be returned to DHS.

When the county reviewers complete the review of all of the proposals, they then present the information to their county board. The County Board then takes an official action to make its recommendation as to which of the proposers (Managed Care Organizations (MCOs)) should be selected to serve its county. The County Board then submits its recommendation(s) to DHS.

Once the RFP reviews have been completed and returned to DHS, the information is entered into a spreadsheet which lists the scores received from the county or counties, DHS staff, the combined average score, and the County Board recommendations. This information is provided to the Assistant Commissioner for a final decision.

Analysis

A meeting is scheduled with the Assistant Commissioner of Health Care and the Director of Managed Care Development and Payment Policy. Contract management staff who are responsible for the procurement activities of managed care present the information from the evaluation.

Factors considered and discussed in making final decisions include, but are not limited to:

- County Board recommendations;
- the ability of the MCO to provide access to the entire county;
- the number of current enrollees in each program enrolled in the MCO;

- the value of having one or more MCOs serve a specific county;
- legal requirements related to counties identified as Metropolitan Statistical Areas (MSAs) – these counties must have more than one choice of MCO;
- if the MCO is also serving the integrated programs in the county;
- whether the MCO is new to the county or is currently operating in the county, if new, what is the added benefit of adding a new MCO, and the viability of already existing MCOs; and
- if a single MCO is being proposed, what are the transition issues, such as continuity of care.

When the decisions are finalized about MCO selection, letters of intent to contract are mailed to the selected MCOs. Notification of the selected MCOs are also provided to the counties involved in the specific procurement. After completion of the procurement process, DHS facilitates follow up meetings with county staff, county providers and the MCOs to promote good relationships and communications between all parties.

There were no challenges to the decisions about MCO selection between the State and the counties involved in these three procurements. If there was disagreement the State would follow the mediation process outlined in Minnesota Statutes, §256B.69, subd. 3a(d).

1. Final Decisions for Procurements conducted in 2008

RFP Issued in February of 2008

County Board recommendations were accepted for Aitkin, Benton, Carlton, Cook, Itasca, Kittson, Lake, Mahnommen, Marshall, Mille Lacs, Norman, Pennington, Pine, Polk, Red Lake, Roseau, Sherburne, St. Louis, and Stearns Counties.

For Fillmore, Houston, Mower and Winona counties, the board recommendation was for a single plan, StedFast Health Plan and the decision was made to maintain the two existing MCOs (Blue Plus and UCare) in Fillmore, Houston and Winona and the three existing MCOs (Blue Plus, Metropolitan Health Plan and UCare) in Mower, and add StedFast Health Plan as an additional choice in the four counties. Consideration was given to the fact that all of the existing MCOs had significant enrollment in those counties and would remain in these counties to administer the MSC+ and MSHO program for seniors.

The award letter was sent to StedFast Health Plan on June 30, 2008, and on July 8, 2008 DHS received a letter from StedFast Health Plan informing DHS that they were terminating their 2008 contract to provide services to Olmsted County effective 10/1/08 because they were one of three MCOs (Blue Plus, StedFast Health Plan, and UCare) selected to provide services in that county when they had hoped to be one of two MCOs. In the letter they also declined the offer to enter into negotiations with DHS to provide services in Fillmore, Houston, Mower and Winona Counties due to similar reasons and the Governor's veto of their bill for the automatic assignment process to StedFast Health Plan when an enrollee failed to select an MCO.

DHS did accept the County Board recommendation from Isanti County to accept three of the four MCOs recommended to provide services in that county. The consideration was that the existing MCOs (Blue Plus, Medica and UCare) were the three largest in the state and had the service area of the county covered. The fourth MCO (Metropolitan Health Plan) would have been new to the county and there was concern whether it would be viable for them start providing services in the county. Metropolitan Health Plan also received the lowest scores from the country of all four MCOs that proposed for Isanti.

DHS also accepted the County Board recommendation from Koochiching County to accept three of the four MCOs (First Plan, Itasca Medical Care, Medica and UCare) recommended to provide services in that county. The consideration was the enrollment in Itasca Medical Care (IMC) which was six members total (1-GAMC, 1-MA, and 4-MinnesotaCare) in June of 2008. Another consideration was that IMC's network did not cover the county's entire service area.

RFP Issued in April of 2008

Proposals were accepted for Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties. County Directors provided county background information that was included in the RFP. County Board approval was not required for this RFP, because this RFP converted an existing program (MSC) to another existing program (MSC+) and if did not expand or change MCO service areas. Furthermore, proposing MCOs were given preference if they partnered with counties for the delivery of care coordination services. Counties, therefore, would have had a conflict of interest in the review of proposals. All existing MCOs in the seven-county metro area were recommended to continue to serve seniors under the MSC+ program. An important consideration for this procurement was ensuring a smooth transition from MSC to MSC+ and maintaining the link with the MSHO program. All of the existing MCOs in these counties were already administering the MSC and MSHO programs enabling a smoother transition to MSC+ for enrollees.

RFP Issued in August of 2008

On October 21, 2008, DHS received information from MDH, indicating that after an independent financial review, MDH had determined that SCHA would be able to continue its operations with ongoing monitoring by MDH of SCHA's quarterly and annual financial statements. Therefore, DHS withdrew the procurement for Brown, Cass, Crow Wing, Dodge, Freeborn, Goodhue, Kanabec, Morrison, Sibley, Steele, Todd, Wabasha, Wadena, and Waseca Counties on November 3, 2008 with notice in the State Register.

Counties involved in this procurement were not pleased with the procurement process. They felt that timelines were too short and that they were not given adequate notice of the decision to procure for Prepaid Medical Assistance, Prepaid General Assistance and MinnesotaCare. As stated previously this was an unscheduled procurement and the normal process to notify counties of a procurement was not used due to the shortened timelines DHS was working under.

The counties expressed significant concerns about the fact that they were being asked to provide their county specific information within two weeks when they usually would be given a month to complete that task. Two of the 14 counties indicated that they would not be able to supply the requested information due to resource issues and to directives received from their county boards. The other 12 counties worked hard to supply the necessary information for the RFP and supported the efforts to ensure a easy transition for its enrollees should that transition become necessary. All 14 counties were very relieved when it was determined that SCHA would continue operations and provide health care services to enrollees of those counties.

Contract Renewal

DHS sent a letter to 87 counties on July 3, 2008, explaining that DHS would begin negotiations with the managed care organizations for calendar year 2009 for renewal of Prepaid Medical Assistance, Prepaid General Assistance and MinnesotaCare. (See Attachment E.) The purpose of the letter was to seek input from the counties regarding performance of the MCOs operating in their respective counties. The letter encouraged counties to provide feedback on specific MCOs and identify any issues or concerns with access or service delivery. Responses were received from 26 counties and were shared with MCOs during contract negotiations. Counties were also asked if they wanted to identify their public health goals. Information regarding county specific public health goals was received from 7 counties and shared with the respective MCOs operating in the county.

Conclusion

The Department of Human Services (DHS) is committed to making procurement for managed care a fair and competitive process for all MCOs, whether the MCO is a licensed HMO or a CBP operating under a certification, and ensuring that the counties involved in the procurement are involved throughout the process. Both the counties and DHS take seriously their respective responsibilities in providing accessible and affordable health care to the citizens of this state.

Barring unanticipated events, DHS has established a process that allows for the counties where procurement is being carried out to have access to the process of developing the RFP, participating in the review of proposals and making recommendations to the commissioner regarding the selection of successful bidders.



Managed Care 5-year Procurement Schedule by County (2008-2012)

DHS is required to procure for managed care every five years. The information below indicates the year of procurement for the counties listed. The year in parentheses indicates the last procurement in that county.

2008 Procurement (5 counties)

Beltrami (n/a)	Hubbard (n/a)	Olmsted (03)
Clearwater (n/a)	Lake of the Woods (n/a)	

2009 Procurement (25 counties)

Aitkin (98)	Koochiching (96)	Polk (05)
Benton (96)	Lake (96)	Red Lake (98)
Carlton (96)	Mahnomen (97)	Roseau (98)
Cook (96)	Marshall (98)	Sherburne (96)
Fillmore (98)	Mille Lacs (98)	St. Louis (96)
Houston (98)	Mower (05)	Stearns (96)
Isanti (97)	Norman (97)	Winona (99)
Itasca (85)	Pennington (98)	
Kittson (98)	Pine (99)	

2010 Procurement (18 counties)

Chippewa (98)	Lac Qui Parle (98)	Redwood (98)
Chisago (98)	Lincoln	Rock (98)
Cottonwood (98)	Lyon (98)	Swift (97)
Faribault (97)	Martin (97)	Watonwan (98)
Jackson (98)	Murray (98)	Wright (97)
Kandiyohi (97)	Nobles (98)	Yellow Medicine (98)

2011 Procurement (22 counties)

Becker (97)	Goodhue (01)	Steele (01)
Blue Earth (03)	Kanabec (01)	Todd (07)
Brown (01)	LeSueur (98)	Wabasha (06)
Cass (07)	Morrison (07)	Wadena (07)
Clay (97)	Nicollet (98)	Waseca (01)
Crow Wing (07)	Ottertail (99)	Wilkin (99)
Dodge (06)	Rice (99)	
Freeborn (01)	Sibley (01)	

2012 Procurement (17 counties)

Anoka (03)	Hennepin (03)	Renville (03)
Big Stone (03)	McLeod (03)	Scott (03)
Carver (03)	Meeker (03)	Stevens (03)
Dakota (03)	Pipestone (03)	Traverse (03)
Douglas (03)	Pope (03)	Washington (03)
Grant (03)	Ramsey (03)	

Attachment B



**Minnesota Department of Health
County-Based Purchasing
Regulatory Compliance Checklist**

County-Based Purchasing (CBP) arrangements do not need to obtain a Health Maintenance Organization (HMO) certificate of authority or a Community Integrated Service Network (CISN) license. However, Minnesota Statutes, section 256B.692 requires CBP arrangements to meet the regulatory requirements that apply to HMOs or CISNs. CBPs may choose which regulatory model they will follow.

The attached County-Based Purchasing Regulatory Compliance Checklist includes the items that prospective CBPs must submit to the Minnesota Department of Health (MDH) in order for MDH to determine whether the prospective CBP has satisfied the applicable regulatory requirements.

Prospective CBP arrangements must complete the checklist and submit all applicable information to MDH in accordance with the instructions on the attached form.

Instructions:

- Provide the contact information requested (page 1).
- Indicate whether the prospective CBP intends to meet the regulatory requirements that apply to HMOs or CISNs (page 1).
- Check the applicable box (CBP document, HMO document or N/A) for each item on the checklist (pages 2 – 9).
- Attach all relevant documents, including copies of any documents that will be provided by a contracted HMO and were previously approved by MDH.
- Clearly label all items submitted with section numbers that correspond to the items in the checklist.
- Submit three copies of the completed checklist and all related documents to:

Mailing address:

Mary Ann Fena
Minnesota Department of Health
Managed Care Systems Section
P.O. Box 64882-0882
St. Paul, MN 55164-0882

Courier address:

Mary Ann Fena
Minnesota Department of Health
Managed Care Systems Section
85 East Seventh Place, Suite 220
St. Paul, MN 55101

MDH regulatory review process:

- MDH will complete its review of the materials within 60 days of the receipt of a complete application.
- The 60-day review period will not begin until the prospective CBP submits the completed checklist and all required documents.
- MDH will notify the prospective CBP and the Minnesota Department of Human Services (DHS) when the 60-day review period begins.
- MDH may ask for additional information during the course of its review of the items submitted by the prospective CBP.
- MDH will inform the prospective CBP and DHS when 1) the review is complete, or 2) the 60-day review period ends, whichever comes first, about whether the prospective CBP arrangement is in compliance with all of the applicable statutes and rules.

Additional information:

Contact Mary Ann Fena at (651) 201-5164, maryann.fena@health.state.mn.us, or the mailing address listed above with any questions.

Minnesota Department of Health	
County-Based Purchasing Regulatory Compliance Checklist	
Applicant contact information	
County-Based Purchaser	
Organization name	
Address	
Telephone number	
Contact person	
Name	
Title	
Address	
Telephone number	
Fax number	
E-mail address	
Signature	I hereby swear that information submitted with this application is true to the best of my knowledge.
Date	

Regulatory model			
Indicate whether the CBP will comply with the HMO or CISN regulations by marking an "X" in the appropriate box.			
Health Maintenance Organization		Community Integrated Service Network	

**Minnesota Department of Health
County-Based Purchasing
Regulatory Compliance Checklist**

Mark an "X" in the box that applies:						
Section	Item	Statute/Rule	CBP document	Contractor document	N/A	
A.1	A copy of any basic organizational document (joint powers agreement and/or any other applicable documents) of the <i>county-based purchasing arrangement</i> , if such documents exist.	Minn. Stat. ' 62D.03, Subd. 4 (a)				
A.2	A copy of any basic organizational document (articles of incorporation and/or any other applicable documents) of each <i>major participating entity</i> .	Minn. Stat. ' 62D.02, Subd. 13				
B.1	A copy of any bylaws, rules and regulations (or other similar documents) that regulate the rules of conduct of the affairs of the <i>county-based purchasing arrangement</i> , if such documents exist.	Minn. Stat. ' 62D.03, Subd. 4 (b)				
B.2	A copy of any bylaws, rules and regulations (or other similar documents) that regulate the rules of conduct of the affairs of each <i>major participating entity</i> .	Minn. Stat. ' 62D.03, Subd. 4 (b)				
C.1	The names, addresses and official positions of all members of the governing board of the <i>county-based purchasing arrangement</i> .	Minn. Stat. ' 62D.03, Subd. 4 (c) (1)				
C.2	The names of the members of the governing body who own more than ten percent of any voting stock of any <i>major participating entity</i> .	Minn. Stat. ' 62D.03, Subd. 4 (c)				
C.3	The names of the principal officers of each major participating entity who own more than ten percent of any voting stock of any major participating entity.	Minn. Stat. ' 62D.03, Subd. 4 (c) (2)				

Minnesota Department of Health County-Based Purchasing Regulatory Compliance Checklist

Mark an "X" in the box that applies:

Section	Item	Statute/Rule	CBP document	Contractor document	N/A
C.4	An organizational chart for the county-based purchasing arrangement showing the names of staff members (who will perform functions related to the county-based purchasing arrangement) and their responsibilities.	Minn. Stat. ' 62D.03, Subd. 4 (u)			
D.1	A full disclosure of the extent and nature of any contract or financial arrangements between the CBP and the persons listed in Section C.1.	Minn. Stat. ' 62D.03, Subd. 4 (d) (1), and Minn. Rule 4685.0300, Subp. 2 (A) and (B)			
D.2	A full disclosure of the extent and nature of any contract or financial arrangements between the CBP and the persons listed in Section C.3.	Minn. Stat. ' 62D.03, Subd. 4 (d) (2), and Minn. Rule 4685.0300, Subp. 2 (A) and (B)			
D.3	A full disclosure of the extent and nature of any contract or financial arrangements between each <i>major participating entity</i> and the persons listed in Section C.1 concerning any financial relationships with the county-based purchasing arrangement.	Minn. Stat. ' 62D.03, Subd. 4 (d) (3), and Minn. Rule 4685.0300, Subp. 2 (A) and (B)			
D4	A full disclosure of the extent and nature of any contract or financial arrangements between each <i>major participating entity</i> and the persons listed in Section C.3 concerning any financial relationship with the county-based purchasing arrangement.	Minn. Stat. ' 62D.03, Subd. 4 (d) (4), and Minn. Rule 4685.0300, Subp. 2 (A) and (B)			
E.1	A copy of the conflict of interest policy applicable to all members of the governing board and principal officers of the county-based purchasing arrangement.	Minn. Stat. ' 317A.255, Subds. 1 and 2 and Minn. Stat. ' 62D.03, Subd. 4 (r)			
E.2	Evidence that each member of the governing board has signed the policy.	Minn. Stat. ' 317A.255, Subds. 1 and 2. Minn. Stat. ' 62D.03, Subd. 4 (r)			

Minnesota Department of Health **County-Based Purchasing** Regulatory Compliance Checklist

Mark an "X" in the box that applies:					
Section	Item	Statute/Rule	CBP document	Contractor document	N/A
F.1	The name and address of each provider with which the proposed county-based purchasing arrangement has signed a contract.	Minn. Stat. ' 62N.25, Subd. 7			
F.2	A copy of each contract between each provider and the county-based purchasing arrangement. If the form of a provider contract is the same for multiple providers, the county-based purchasing arrangement needs to file only one copy of the contract.	Minn. Stat. ' 62D.123			
F.3	Evidence that the provider contracts have been signed. Acceptable evidence is a copy of the signature page of each provider contract, or a sworn affidavit from the CBP stating that the providers are under contract with the CBP.	Minn. Rules 4685.3300, Subp. 9 (G)			
G.1	A signed copy of each administrative or management services agreement between the administrative services provider and the county-based purchasing arrangement.	Minn. Stat. 62D.03, subd. 4(g)			
H.1	A description of the county-based purchasing arrangement=s health services contracts with its participating or owned facilities and personnel.	Minn. Stat. ' 62D.03, Subd. 4 (h)			
H.2	A description of the care delivery model (i.e. primary care gatekeeper, multi-specialty group practice, open choice within a network of providers, or a combination of more than one model) through which the county-based purchasing arrangement proposes to provide enrollees with comprehensive services.	Minn. Stat. ' 62D.03, Subd. 4 (h)			

Minnesota Department of Health County-Based Purchasing Regulatory Compliance Checklist

Mark an "X" in the box that applies:					
Section	Item	Statute/Rule	CBP document	Contractor document	N/A
I.1	A copy of the form of each evidence of coverage (sometimes referred to as Acertificate of coverage") that the county-based purchasing arrangement proposes to issue to enrollees.	Minn. Stat. ' 62D.03, Subd. 4 (i) and Minn. Stat. ' 62D.07			
J.1	A description of how the county-based purchasing arrangement will meet the annual and quarterly reporting requirements of Minn. Stat. ' 62D.08. This response shall include a description of the administrative and computer systems that the county-based purchasing arrangement will use to generate these reports, a verification that the systems are in place, and evidence that the appropriate staff members have been trained in how to use the systems.	Minn. Stat. ' 62D.08			
K.1	Evidence that the county-based purchasing arrangement has deposited sufficient funds in an acceptable custodial or controlled account (i.e. a copy of the trust agreement or bank document and a dated statement showing balance of funds in the account).	Minn. Stat. ' 62D.03 and Minn. Stat. ' 62D.041, Subd. 3 and Subd. 9			
K.2	Evidence that the county-based purchasing arrangement has met the requirements for net worth by depositing sufficient funds in a restricted account.	Minn. Stat. ' 62D.042 and Minn. Stat. ' 62N.28			
L.1	A three-year projection of calendar year balance sheets, including admitted assets and liabilities, for the enterprise fund supporting the county-based purchasing arrangement.	Minn. Stat. ' 62D.03, Subd. 4 (k)			

Minnesota Department of Health County-Based Purchasing Regulatory Compliance Checklist

Mark an "X" in the box that applies:

Section	Item	Statute/Rule	CBP document	Contractor document	N/A
L.2	If an accredited capitated provider is to accept risk for the purpose of reducing the net worth and/or deposit requirements, provide a copy of the risk agreement, the calculation showing the risk accepted by the accredited capitated provider, and the total risk of the county-based purchasing arrangement. Submit a qualified actuarial statement to represent the expected direct costs to an accredited capitated provider for providing the contracted, covered health care services.	Minn. Stat. ' 62N.31 and Minn. Stat. ' 62N.28, Subd. 6.			
L.3	If the net worth requirement has been reduced by reinsurance, provide a copy of the reinsurance, stop-loss or other insurance agreement and evidence of the annual premium.	Minn. Stat. ' 62N.28, Subd. 3			
L.4	A description of the proposed method to establish a separate enterprise fund for the county-based purchasing activity.	Minn. Stat. ' 62D.03, Subd. 4 (u)			
L.5	A description of the source of funds for payment of unexpected services and claims. This source is separate from the source for expected claims and incurred but not reported (IBNR), predictable claims.	Minn. Stat. ' 62D.03, Subd. 4 (u)			
L.6	A three-year projection of calendar year income statements for the enterprise fund, including projected monthly enrollment.	Minn. Stat. ' 62D.03, Subd. 4 (u)			
L.7	A detailed operating plan that includes a three-year projection of the income and expenses for the enterprise fund and other sources of future capital, including projected monthly enrollment.	Minn. Stat. ' 62D.03; Minn. Stat. ' 62D.041, Subd. 3 and 9; and, Minn. Stat. ' 62N.25, Subd. 6			

Minnesota Department of Health County-Based Purchasing Regulatory Compliance Checklist

Mark an "X" in the box that applies:

Section	Item	Statute/Rule	CBP document	Contractor document	N/A
M.1	A copy of board resolution indicating that the county or counties will agree to act as a guarantee organization, thereby agreeing to assume responsibility for meeting the net worth and deposit requirements (only if following the CISN regulatory model).	Minn. Stat. ' 62N.29			
M.2	The most recent audited financial statement for the preceding year for each county involved in the county-based purchasing arrangement.	Minn. Stat. ' 62D.03, Subd. 4 (u)			
M.3	A monthly cash-flow analysis showing the fund balance for the general fund for the previous two years for each county involved in the county-based purchasing arrangement.	Minn. Stat. ' 62D.03, Subd. 4 (u)			
M.4	The tax capacity, including the tax levy limit (dollar amount and percentage), that applies to each county involved in the county-based purchasing arrangement.	Minn. Stat. ' 62D.03, Subd. 4 (u) and Minn. Stat. ' 275.70 – 275.74			
M.5	A copy of the signed guarantee agreement, letter of credit, fully subordinated note, grant, or other documentation showing that another organization has agreed to accept liability (only if following the CISN regulatory model).	Minn. Stat. ' 62D.03, Subd. 4 (u) and Minn. Stat. ' 62N.29			
M.6	An audited financial statement for the proposed non-governmental guarantee organization for the previous year.	Minn. Stat. ' 62D.03, Subd. 4 (u) and Minn. Stat. ' 62N.29			
N.1	A detailed map with the proposed service area outlined.	Minn. Stat. ' 62D.03, Subd. 4 (m), Minn. Stat. ' 62D.124, Minn. Rules 4685.3300, Subp. 9			

**Minnesota Department of Health
County-Based Purchasing
Regulatory Compliance Checklist**

Mark an "X" in the box that applies:					
Section	Item	Statute/Rule	CBP document	Contractor document	N/A
N.2	Provider locations charted on the map.	Minn. Stat. ' 62D.03, Subd. 4 (m), Minn. Stat. ' 62D.124, Minn. Rules 4685.3300, Subp. 9			
N.3	A description of the driving distances, using major transportation routes, from the borders of the proposed service area to the participating providers.	Minn. Stat. ' 62D.03, Subd. 4 (m), Minn. Stat. ' 62D.124, Minn. Rules 4685.3300, Subp. 9 (C) and Minn. Rules 4685.1010, Subp. 3			
N.4	A description of the providers= hours of operation.	Minn. Stat. ' 62D.03, Subd. 4 (m), Minn. Stat. ' 62D.124, Minn. Rules 4685.3300, Subp. 9 (D)			
N.5	Evidence that the physicians have admitting privileges at the hospitals that enrollees in the proposed service area will use.	Minn. Stat. ' 62D.03, Subd. 4 (m), Minn. Stat. ' 62D.124, Minn. Rules 4685.3300, Subp. 9 (E)			
N.6	The name, address and specialty of each provider in the proposed service area.	Minn. Stat. ' 62D.03, Subd. 4 (m), Minn. Stat. ' 62D.124, Minn. Rules 4685.3300, Subp. 9 (F) and Minn. Rules 4685.1010.			
N.7	Evidence that comprehensive health maintenance services are available to enrollees on a 24-hour per day, seven days per week basis within the proposed service area.	Minn. Stat. ' 62D.03, Subd. 4 (m), Minn. Stat. ' 62D.124, Minn. Rules 4685.1010, Subp. 1 (A) and Subp. 1 (B).			
O.1	A written quality assurance plan that includes each of the requirements listed in Minn. Rules 4685.1110, Subp. 1 - 13.	Minn. Rules 4685.1110, Subp. 1 - 13			

Minnesota Department of Health

County-Based Purchasing

Regulatory Compliance Checklist

Mark an "X" in the box that applies:					
Section	Item	Statute/Rule	CBP document	Contractor document	N/A
O.2	A description of how the CBP arrangement will conduct ongoing quality evaluation activities, including problem identification, problem selection, corrective action and evaluation of corrective action.	Minn. Rules Chapter 4685.1120 and Minn. Rules Chapter 4685.1115			
P.1	A description of the CBP arrangement=s internal grievance and appeal procedures.	42 CFR 438.400, 402, 404, 406, 408, 410, 414, 416, 420 and 424; DHS/MCO Contract sections 8.1 – 8.7; Minn. Rules Chapters 4685.1900 and 9500.1462			
P.2	A description of the CBP arrangement=s plans for meeting the utilization review requirements of Minn. Stat. ' 62M.	Minn. Stat. ' 62M.04 – 62M.12.			
P.3	A copy of the county-based purchasing arrangement=s prior authorization procedures.	Minn. Stat. ' 62M.07 and Minn. Stat. ' 62D.03, Subd. 4 (s)			
Q.1	A description of the mechanism by which enrollees will be afforded an opportunity to participate in matters of policy operation.	Minn. Stat. ' 62D.06			
R.1	Evidence that the proposed county-based purchasing arrangement will meet the requirements of Minn. Stat. ' 72A.201, concerning the regulation of claims practices. If the county-based purchasing arrangement will purchase claims processing services from another entity, include a copy of the signed contract between the county-based purchasing arrangement and the claims processing entity.	Minn. Stat. ' 72A.201			

Estimated DHS 2009 Procurement Timeline

(Subject to Change)

MAJOR TIMELINE TASKS	START DATES	FINISH DATES
Procurement Strategy	November 2007	January 2009
Notice to DHS		October 2007
DHS/MDH Meeting		November 2007
Meeting with Counties/DHS/MDH		November 2007
Identify County Project Manager		December 2007
Arrange Individual/Group County Meetings		November 2007
Meet with Individual/Group Counties	November 2007	December 2007
RFP Development	November 2007	January 2008
Issue RFP		January 2008
Bidder's Conference		February 2008
Complete Submission Sent to MDH for Certification Approval		March 2008
60-day Review	March 2008	June 2008
RFP Proposals Due		March 2008
Review and Evaluate Proposals	April 2008	May 2008
Status on MDH Approval Process		May 2008
Formal Notice of MDH Approval	May 2008	June 2008
Notice to Winning Bidder(s) and all other Bidders not Selected		June 2008
Open Enrollment (OE) for 2009	July 2008	January 2009
PCNL Submission, Review and Approval		August 2008
County and Provider Informational Meetings w/Successful Bidder(s)	September 2008	October 2008
Contract Negotiations for 2008	September 2008	November 2008
Negotiation Letter and Model Contract Sent to Prospective Contractors		August 2008
Negotiations Sessions	September 2008	November 2008
Services begin January 1, 2009	January 2009	
Post Implementation Meetings with Counties		February 2009

Attachment D

**Schedule of County Meetings
To Discuss Procurement Process**

Prior to an RFP being issued, DHS staff members travel to meet with each of the counties scheduled for procurement. The meetings are held to discuss the procurement process, timelines and the roles that the county plays in the development of the RFP.

DATES	COUNTIES
October 24	Kittson; Mahnomen; Marshall; Norman; Pennington; Polk; Red Lake; Roseau
November 1	Benton; Isanti; Mille Lacs; Pine; Sherburne; Stearns
November 13	Fillmore; Houston; Mower; Winona
November 15	Aitkin; Carlton; Cook; Itasca; Koochiching; Lake; St. Louis
December 17	Chisago



Minnesota Department of Human Services

Attachment E

DATE: July 3, 2008
TO: All County Directors
FROM: Karen Peed, Director
Managed Care and Payment Policy Division
SUBJECT: County Input for 2009 Contracts

Beginning in September, the Minnesota Department of Human Services (DHS) will begin negotiations with managed Care Organizations (MCOs) for calendar year 2009, for renewal of Prepaid medical Assistance, General Assistance Medical Care, and MinnesotaCare contracts in your county. The contracts are:

- Families and Children MA, GAMC and MinnesotaCare;
- Minnesota Senior Care Plus (MSC+) and Minnesota Senior Health Options (MSHO);
- Minnesota Disability Health Options (MnDHO); and
- Minnesota Special Needs Basic.

The renewal contracts will be effective January 1, 2009 to December 31, 2009.

Pursuant to Minnesota Statutes 256B.69, subd.3a, the commissioner is required to seek input for contract requirements from the county or single entity representing a group of county boards at each contract renewal and incorporate those recommendations into the contract negotiation process.

You can review the current model contract by going to the DHS public website and accessing the following link:
http://www.dhs.state.mn.us/dhs16_139710.pdf.

The purpose of this letter is to ask you and your staff for feedback regarding the performance of the MCOs operating in your county. We are specifically soliciting your input as to areas of concern in your county and proposed solutions to these concerns. These may include, but are not limited to timeliness, access and quality of services. If a particular MCO is involved, please be specific. We have included charts that identify some general areas for you to consider. Please use a separate chart for each contract.

Also, if your county intends to recommend public health goals for possible inclusion in the contract, please list your county's public health goals on the attached sheet.

We would like to hear from you about any other issues you are having regarding the prepaid health care programs in your county. We would also like feedback as to what has worked well. You may email your list(s) of county issues to Pam Olson at pam.r.olson@state.mn.us, regular mail to Pam at: P.O. Box 64984, St. Paul MN 55164-0984 or FAX it to her at 651-431-7426.

We appreciate your input and request that you respond by **August 8, 2008**. Please include the name of a county contact person and telephone number for any clarification of the information you submit.

We look forward to receiving your comments about important issues affecting our enrollees.

CONTRACT: Families and Children

COUNTY: _____

CONTACT NAME: _____

EMAIL ADDRESS and/or TELEPHONE NUMBER: _____

Area of Concern:	County's Comments	Specific MCO involved
Customer Service		
Dental		
Mental Health		
Chemical Dependency		
Pharmacy		
Public Health		
Transportation		
Other Areas of Concern		

CONTRACT: Seniors Contract – including MSC+ and MSHO

COUNTY: _____

CONTACT NAME: _____

EMAIL ADDRESS and/or TELEPHONE NUMBER: _____

Area of Concern:	County's Comments	Specific MCO involved
Customer Service		
Dental		
Mental Health		
Chemical Dependency		
Elderly Waiver		
Pharmacy		
Public Health		
Transportation		
Other Areas of Concern		

CONTRACT: Special Needs Basic Care

COUNTY: _____

CONTACT NAME: _____

EMAIL ADDRESS and/or TELEPHONE NUMBER: _____

Area of Concern:	County's Comments	Specific MCO involved
Customer Service		
Dental		
Mental Health		
Chemical Dependency		
Pharmacy		
Public Health		
Transportation		
Other Areas of Concern		

PUBLIC HEALTH GOALS

Please list your county's public health goals below: