

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

Health Care Administration

March 2010



Minnesota Department of **Human Services**

Legislative Report

Cost of Report

Pursuant to Minnesota Statutes, §3.195 the total cost of preparation of this report is \$569.44.

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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

Minnesota Statutes, § 256B.69, subd. 3a (h) 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 2009, DHS issued four separate requests for proposals (RFPs) to provide health care services through managed care organizations to enrollees effective January 1, 2010.

The first RFP was issued February 9, 2009 to provide Medical Assistance (MA), General Assistance Medical Care (GAMC) and MinnesotaCare to enrollees in Blue Earth, Chippewa, Chisago, Cottonwood, Faribault, Jackson, Kandiyohi, Lac Qui Parle, Lincoln, Lyon, Martin, Murray, Nobles, Redwood, Rock, Swift, Watonwan, Wright and Yellow Medicine counties. This procurement was in accordance with the published 5-year procurement schedule. (See Attachment A.).

Blue Earth County was scheduled for procurement in 2011. However, in November 2008 the Office of Management and Budget (OMB) issued Bulletin 09-01 publishing that Blue Earth County was determined to be a Metropolitan Statistical Area (MSA). The federal managed care regulation requires that if a county is classified as a MSA, the State must provide Medicaid recipients a choice of at least two entities in that county. At the time of publication, only one MCO was providing health care in Blue Earth County. To comply with the federal regulation, Blue Earth County was added to the 2010 procurement to ensure choice of at least two MCOs to provide health care services to the recipients of that county.

The second RFP was issued February 17, 2009 to provide Medicare-Medical Assistance Integrated Health Care and Long Term Care Services in eighty seven counties for Minnesota Senior Health Options (MSHO) to complete the statewide voluntary option for seniors, and also to provide Integrated Health Care Services for People with Disabilities for Special Needs Basic Care (SNBC) in Anoka, Beltrami, Carver, Clearwater, Dakota, Hennepin, Hubbard, Lake of the Woods, Ramsey, Scott and Washington Counties

The third RFP was issued April 20, 2009 to provide Integrated Health Care and Long Term Care Services for MSHO and Integrated Health Care for SNBC in Carlton, Cook, Koochiching, Lake and St. Louis Counties. This RFP was issued in response to MCOs that were approved for service area expansion through the Centers for Medicare and Medicaid Services (CMS) and the notification from First Plan Blue about their decision to exit the Health Maintenance Organization (HMO) market effective January 1, 2010.

The fourth RFP was issued July 13, 2009 to provide health care services to MA, including Minnesota Senior Care Plus (MSC+), GAMC, and MinnesotaCare enrollees in Carlton, Cook, Koochiching, Lake and St. Louis counties, and MSC+ in Blue Earth County. This RFP was issued for the non-integrated products in response to the First Plan Blue notification, and the need to offer choice of at least two entities in Blue Earth County for MSC+. In consideration of DHS' timetable for managed care contracting, the RFP was issued with shortened timelines, seeking only additional MCOs as responders, to be added to the MCOs already operating in these counties to ensure adequate capacity for access to health care services in the First Plan Blue counties and compliance with the federal regulation in Blue Earth County.

Procurement Process

1. Development and Issuance of the RFP

In September of 2008, DHS sent a letter to each of the counties identified for 2010 procurement. The letter explained that DHS has established a five-year procurement schedule for PMAP/PGAMC 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 2008, 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 later part of January or the early part of February.

DHS received notification from Chippewa, Cottonwood, Jackson, Kandiyohi, LacQuiParle, Lincoln, Lyon, Murray, Nobles, Redwood, Rock, Swift, and Yellow Medicine counties expressing interest in pursuing county-based purchasing (CBP). Their interest was in joining an already existing CBP entity. DHS held a meeting in October 2008 with the 13 counties to review county-based purchasing requirements and discuss the DHS procurement timeline. (See Attachments B and C.) There was no interest from an existing county-based purchasing entity to add these counties, so the 13 counties did not pursue the CBP option.

During November and December, DHS staff traveled to each county or group of counties included in the 2010 procurement 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 is responsible to 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. The county is also asked to provide county input on general service delivery for 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 has identified, such as access to services or the availability of specific providers. The information provided from each county is included in its own county specific section of the RFP. In addition, information from various policy areas within the Department (i.e. chemical dependency, mental health, public health, quality and performance measurement) is also 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's 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.

In March 2009, DHS was contacted by Becker, Clay, Ottertail and Wilkin Counties that were scheduled for the 2011 procurement to indicate their interest in pursuing county-based purchasing. A joint meeting with DHS and the Minnesota Department of Health (MDH) was held April 17, 2009 via video conference with the counties to review the county-based purchasing requirements and discuss the DHS procurement timeline. A letter was mailed on September 18, 2009 to all counties identified in the 2011 procurement with a request for any county interested in pursuing CBP to notify DHS and submit a board resolution no later than October 15, 2009. DHS received no notifications or board resolutions indicating any interest in the CBP option.

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.

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 of the proposers (Managed Care Organizations (MCOs)) it selects 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 Medicaid Director for a final decision.

Analysis

A meeting is scheduled with the Medicaid Director and the Director of Managed Care Development and Payment Policy. Contract management staff responsible for the procurement activities of managed care presents 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 administering 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 is also provided to the counties involved in the specific procurement. After completion of the procurement process, DHS facilitates follow up meetings with county staff, health care providers serving county residents 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 four procurements. If there was disagreement the State would follow the mediation process outlined in Minnesota Statutes, §256B.69, subd. 3a(d).

Final Decisions for Procurements conducted in 2009

RFP Issued in February 9, 2009

County Board recommendations were accepted for Blue Earth, Chippewa, Chisago, Cottonwood, Faribault, Jackson, Kandiyohi, Lac Qui Parle, Lincoln, Lyon, Martin, Murray, Nobles, Redwood, Rock Swift, Watonwan, Wright and Yellow Medicine counties. The recommendations received from the County Boards in these counties were to maintain the MCOs that were already operating in the specific county, with the exception of Blue Earth County, which had to select a new MCO to enter the county due to its designation as a MSA. The County Board from Blue Earth recommended UCare and Blue Plus as the additional MCO, and DHS accepted the board's recommendation.

RFP Issued in February 17, 2009

Proposals were accepted for 87 counties to complete the voluntary option of MSHO statewide for seniors, and to include expansion of SNBC in Anoka, Dakota, Hennepin, Ramsey, Scott and Washington Counties, and to add SNBC to Beltrami, Carver, Clearwater, Hubbard, and Lake of the Woods Counties. Specific county background information was provided by the counties and was included in the RFP. Counties may also review and provide comment on specific county issues for MSHO and SNBC. County Board recommendations are not required for the integrated products, since the Centers for Medicaid and Medicare Services (CMS) approve the service area expansions and determine which MCOs will provide the Medicare services in the counties.

The following changes for MSHO were a result of either expansion of the program or changes in the service area of the MCO:

- UCare - Expanded its service area to include Chippewa and Otter Tail Counties.

- Metropolitan Health Plan – Withdrew from Polk County.
- HealthPartners – Expanded its service area to include Benton, Chisago, Sherburne, Stearns and Wright Counties.
- Medica - No changes.
- Blue Plus – Expanded the MSHO program to Lake of the Woods.
- SCHA – Expanded its service area to include Cass, Crow Wing, Morrison, Todd, and Wadena Counties.
- PrimeWest Health – Expanded the MSHO program to Beltrami, Clearwater and Hubbard Counties.
- IMCare – Withdrew from Koochiching and Aitkin Counties.
- First Plan – Withdrew its proposal for Carlton, Cook, Koochiching, Lake and St. Louis Counties because of its decision to withdraw from the HMO marketplace.

The following changes for SNBC were a result of either expansion of the program or changes in the service area of the MCO:

- UCare – Expanded its service area to include Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties.
- Blue Plus – Expanded the SNBC program to Beltrami, Clearwater, Hubbard, and Lake of the Woods Counties.
- PrimeWest Health – Expanded the SNBC program to Beltrami, Clearwater, and Hubbard Counties.

RFP Issued April 20, 2009

This procurement was unscheduled and was specific to Carlton, Cook, Koochiching, Lake and St. Louis Counties for MSHO and SNBC programs. The RFP was issued in response to the notification that First Plan Blue was leaving the HMO market. With the leaving of First Plan Blue, the counties were concerned about the well-established provider network First Plan Blue had in these counties, the limitation on choice in some of the counties, and having no choice in one of the counties for continued access to MSHO for enrollees over 65 and SNBC for persons with disabilities.

CMS granted service area expansion to Blue Plus which included access to a statewide provider network and was an additional choice in Carlton, Koochiching, Lake and St. Louis Counties, and the choice in Cook County for both MSHO and SNBC.

RFP Issued July 13, 2009

This procurement was also unscheduled due to the First Plan Blue announcement. An RFP was issued for MA, GAMC, MinnesotaCare and MSC+ in Carlton, Cook, Koochiching, Lake and St. Louis Counties and for MSC+ in Blue Earth County. DHS decided to seek additional MCOs to administer these products in the five Arrowhead counties to address some of the same concerns raised in the April 20th procurement related to provider network and the issue of limitation of choice in a couple of the counties. MSC+ which is usually included in the procurement for the integrated products was added to this procurement to ensure an easy transition between MSC+ and MSHO in

the five Arrowhead counties, and to ensure choice in Blue Earth County for MSC+ due to the new MSA designation the county received.

County Board recommendations were accepted for Carlton, Cook, Koochiching, Lake, St. Louis, and Blue Earth Counties. The recommendations received from the County Boards in these counties were to select Blue Plus as an additional MCO in Carlton, Cook, Koochiching, Lake and St. Louis Counties for MA, GAMC, MinnesotaCare, and MSC+, select UCare as an additional MCO for MSC+ in Koochiching County, and Blue Plus as the additional choice in Blue Earth County for MSC+.

Contract Renewal

DHS sent a letter to 87 counties on July 17, 2009, explaining that DHS would begin negotiations with the managed care organizations for calendar year 2010 for renewal of Prepaid Medical Assistance, Prepaid General Assistance and MinnesotaCare. (See Attachment D.) 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 16 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 6 counties and shared with the respective MCOs operating in the specific 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.

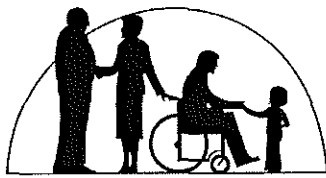
Barring unanticipated events, DHS has established a process that allows for the counties where a procurement is being carried out to have access to the process of developing the RFP, participating in the review of proposals and making recommendations to the Commissioner regarding the selection of successful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

Attachment A

Attachment B

Attachment C

Attachment D



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 (19 counties)

Blue Earth (03)	Lac Qui Parle (98)	Rock (98)
Chippewa (98)	Lincoln	Swift (97)
Chisago (98)	Lyon (98)	Watonwan (98)
Cottonwood (98)	Martin (97)	Wright (97)
Faribault (97)	Murray (98)	Yellow Medicine (98)
Jackson (98)	Nobles (98)	
Kandiyohi (97)	Redwood (98)	

2011 Procurement (21 counties)

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

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)	



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

Attachment B

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	

Attachment B

**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)			

Attachment B

**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)			
D.4	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)			

Attachment B

**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 2010 Procurement Timeline

(Subject to Change)

Attachment C

MAJOR TIMELINE TASKS	START DATES	FINISH DATES
Procurement Strategy	November 2008	January 2010
Notice to DHS		October 2008
DHS/MDH Meeting		November 2008
Meeting with Counties/DHS/MDH		November 2008
Identify County Project Manager		December 2008
Arrange Individual/Group County Meetings		November 2008
Meet with Individual/Group Counties	November 2008	December 2008
RFP Development	November 2007	January 2009
Issue RFP		January 2009
Bidder's Conference		February 2009
Complete Submission Sent to MDH for Certification Approval		March 2009
60-day Review	March 2009	June 2009
RFP Proposals Due		March 2009
Review and Evaluate Proposals	April 2009	May 2009
Status on MDH Approval Process		May 2009
Formal Notice of MDH Approval	May 2009	June 2009
Notice to Winning Bidder(s) and all other Bidders not Selected		June 2009
Open Enrollment (OE) for 2009	July 2009	January 2009
PCNL Submission, Review and Approval		August 2009
County and Provider Informational Meetings w/Successful Bidder(s)	September 2009	October 2009
Contract Negotiations for 2008	September 2009	November 2009
Negotiation Letter and Model Contract Sent to Prospective Contractors		August 2009
Negotiations Sessions	September 2009	November 2009
Services begin January 1, 2009	January 2010	
Post Implementation Meetings with Counties		February 2010



Minnesota Department of Human Services

DATE: July 17, 2009

TO: All County Directors

FROM: Karen Peed, Director
Karen S. Peed
Managed Care and Payment Policy Division

SUBJECT: County Input for 2010

Beginning in September, the Minnesota Department of Human Services (DHS) will begin negotiations with Managed Care Organizations (MCOs) for calendar year 2010, for renewal of Prepaid Medical Assistance (PMA), Prepaid General Assistance Medical Care (PGAMC), 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 Care.

The renewal contracts will be effective January 1, 2010 to December 31, 2010.

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. These concerns will be collected from all responding counties and presented to the individual MCO during contract negotiations. These may include, but are not limited to timeliness, access and quality of services. If the concern is a general concern, please indicate that it is for all MCOs. If the concern is specific to an MCO, please indicate the MCO. Please also send us comments about what the MCO has done that has worked well in your county.

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.

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 21, 2009**. 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.

COUNTY: _____ CONTACT NAME: _____

EMAIL ADDRESS and/or TELEPHONE NUMBER: _____

Area of Concern	Contract	County's Comments	Specific MCO or All
Customer Service	<input type="checkbox"/> Families and Children <input type="checkbox"/> Senior's Contract <input type="checkbox"/> SNBC <input type="checkbox"/> MnDHO		
Dental	<input type="checkbox"/> Families and Children <input type="checkbox"/> Senior's Contract <input type="checkbox"/> SNBC <input type="checkbox"/> MnDHO		
Mental Health	<input type="checkbox"/> Families and Children <input type="checkbox"/> Senior's Contract <input type="checkbox"/> SNBC <input type="checkbox"/> MnDHO		
Chemical Dependency	<input type="checkbox"/> Families and Children <input type="checkbox"/> Senior's Contract <input type="checkbox"/> SNBC <input type="checkbox"/> MnDHO		
Pharmacy	<input type="checkbox"/> Families and Children <input type="checkbox"/> Senior's Contract <input type="checkbox"/> SNBC <input type="checkbox"/> MnDHO		
Public Health	<input type="checkbox"/> Families and Children <input type="checkbox"/> Senior's Contract <input type="checkbox"/> SNBC <input type="checkbox"/> MnDHO		
Transportation	<input type="checkbox"/> Families and Children <input type="checkbox"/> Senior's Contract <input type="checkbox"/> SNBC <input type="checkbox"/> MnDHO		
Other Areas of Concern	<input type="checkbox"/> Families and Children <input type="checkbox"/> Senior's Contract <input type="checkbox"/> SNBC <input type="checkbox"/> MnDHO		

PUBLIC HEALTH GOALS

Please list your county's public health goals below:

Estimated DHS 2010 Procurement Timeline

(Subject to Change)

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