

## Rothermel, Paul J (DHS)

---

**From:** Jones, Coy <[REDACTED]>  
**Sent:** Friday, September 13, 2013 6:42 AM  
**To:** Hudson, Mark J (DHS)  
**Cc:** Albertoni, Richard; Kotoske, Shawn  
**Subject:** MN Value Paper: Latest Revisions  
**Attachments:** MN MC Study Report Draft Final 09122013 (CLEAN).docx; MN MC Study Report Draft Final 09122013 (TRACKED).docx

Hi Mark,

Attached are a tracked and clean version of our latest revisions to the report. We implemented all of the changes discussed in the meeting earlier this week.

On the issue of high program costs, and the related question of the dual eligibles, we have moderated our criticism in several ways. We continue to note the state's challenges in children's health, but we no longer question whether value has been "optimized" for other populations. We simply observe that cost and quality for the state's high-utilization populations are both high, and appear to be driven by the state's expanded scope of services and enhanced benefit set. Dual eligibles are no longer featured specifically in the discussion, since the high cost/high quality associations are not unique to this population, and we have tried as much as possible to steer the report back to its original scope.

Our view is distilled in the re-worked third summary conclusion of the executive summary:

"While managed care increases the state's potential for delivering high value health care, as compared to traditional FFS, both systems appear high cost in comparison to other Medicaid programs nationwide. These higher costs are often associated with stronger quality outcomes for the program's major enrollee groups, especially for the state's high-utilization population of Seniors and Peoples with Disabilities (SPD). In the case of these enrollees, increased costs are driven for the most part by Minnesota's enhanced benefit set, which includes more expensive long-term care and home- and community-based services. One exception to this general association of cost and quality is child health, in which analysis revealed below average performance on a number of health indicators for children. These quality measures in need of improvement represent exceptions to otherwise high health outcome performance among the plans."

We hope that DHS will find the latest version to be satisfactory. Thank you for your assistance and guidance throughout this process.

Best,

Coy Jones  
[REDACTED]