



Minnesota Department of Human Services

November 2, 2004

The Honorable Matt Entenza
Minnesota State Representative
267 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1298

Dear Representative Entenza:

Matt

Thank you for your inquiry about the impact of the managed care delivery system on access to and quality of care for individuals on Minnesota Health Care Programs (MHCP). The Department of Human Services (DHS) is committed to providing Minnesota's most vulnerable citizens with accessible, cost-effective, and quality care.

The transition from a fee-for-service system to managed care has been a developmental process. Since the program began, DHS has been committed to maintaining or improving ease of access and customer service, while maintaining a high standard of client satisfaction with the managed care program.

Contracting Organizations

The Department of Human Services has contracts with nine managed care organizations (MCOs) including: Blue Plus; First Plan Blue; HealthPartners; IMCare; Metropolitan Health Plan; Medica; PrimeWest Health System; South Country Health Alliance; and UCare Minnesota.

IMCare, PrimeWest Health System, and South Country Health Alliance are county-based purchasing entities, developed pursuant to Minnesota Statutes 256B.692. As of this date, all managed care organizations, except PrimeWest Health System and South Country Health Alliance, offer coverage for Medical Assistance (MA)/General Assistance Medical Care (GAMC), and MinnesotaCare. PrimeWest and South Country currently contract for MA and GAMC.

In addition, DHS also has contracts with several MCOs to provide services under an Integrated Purchasing Demonstration Model. The program serving seniors is known as Minnesota Senior Health Options (MSHO). At this time approximately 5,800 seniors receive care from Medica, UCare Minnesota, and Metropolitan Health Plan. This innovative demonstration integrates both Medicaid and Medicare funding and provides acute care in conjunction with nursing facility care and home and community based services. The Minnesota Disability Health Options (MnDHO) provides integrated services to approximately 350 individuals who have a physical disability. This contract is with UCare Minnesota. Both of these programs have received national recognition and provide a very high quality of service and high degree of customer satisfaction.

Program Enrollment

The Prepaid Medical Assistance and General Assistance Programs currently are offered in 81 of 87 Minnesota counties. Enrollment will begin in Polk and Mower counties on January 1, 2005. As of October 1, 2004, 280,166 of Minnesota's nearly 478,500 Medical Assistance recipients receive services through prepaid managed care plans under the State's current §1115 waiver for the Prepaid Medical

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Assistance Program (PMAP). Other individuals eligible for Medical Assistance receive services through a fee-for-service program. Many of these are individuals who are disabled. The rest are otherwise excluded from managed care. In addition, approximately 25,000 GA and GAMC recipients are enrolled in managed care.

MinnesotaCare is provided through MCOs in all of Minnesota's 87 counties. As of October 1, 2004, 140,259 MinnesotaCare enrollees received care through MCOs. I have included a copy of the enrollment figures for October 2004.

Legislative authority

MHCP began as a prepaid demonstration project in 1985 authorized by Minnesota Statutes 256B.69 and Section 1115 of the Social Security Act. Enrollment in MCOs began in 1997 for MinnesotaCare.

Impact on payment

Overall, it appears that plans pay at or above the rate otherwise paid by DHS fee-for-service. In the case of specific services, there may be variation either above or below the DHS fee-for-service payment rate. We have recently been made aware of a specific category of services for Children's Hospital where the managed care rate for complex cases is apparently substantially above the fee-for-service rate and the rate for uncomplicated cases is somewhat less.

Quality of Care

The Department of Human Services uses HEDIS ® (Health Plan Employer Data and Information Set) measures for quality of care comparisons. These measures provide a comparison between our Medicaid program results and 1) National Medicaid rates, as well as 2) Minnesota Commercial managed care rates. I have attached two reports on HEDIS measures for Minnesota and related comparisons.

Access to Care

For access to health care services, the Department monitors use of services by managed care status, age group, region, populations of color, and other categories. Enrollees in managed care organizations access services at rates comparable to fee-for-service recipients. Here are figures from a recent analysis of Calendar Year 2002 data:

	<u>Percent that received any health care services</u>	<u>Percent that received preventive services</u>
Fee-for-Service clients	86%	38%
Managed Care clients	Range: 84 - 92%	Range: 39 - 48%

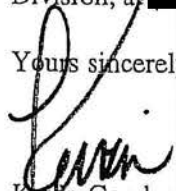
Evaluation

The Department has recently signed a contract with MPRO, which will serve as the state's federally required External Quality Review Organization (EQRO). MPRO will be responsible for reviewing and evaluating access, timeliness and quality of services provided by the MCOs under contract with DHS. A variety of monitoring activities will be conducted on an annual basis, and each MCO will have a more in-depth review every three years on selected items.

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If you have questions, please contact Karen Peed, a member of DHS staff, in the Health Care Purchasing Division, at [REDACTED].

Yours sincerely,



Kevin Goodno
Commissioner

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