



County-Based Purchasing

House Health Finance and Policy Committee

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Models for Delivering Minnesota Health Care Programs (MHCP)

- **DHS Fee-for-Service (FFS)** – administered by DHS
- **Traditional MHCP Managed Care** – administered by HMOs
- **County-Based Purchasing (CBP)** – administered by **local Counties**
- **Integrated Health Partnership (IHP)** – embedded by DHS in the above



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Models for Delivering Minnesota Health Care Programs (MHCP)

- All MHCP delivery models have their place
- No one model fits all 87 counties
- Minnesota and its counties must collaboratively decide what model best serves the people in each county



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The CBP Model: DHS contracts with counties to

- Manage and pay for all MHCP-covered services to local residents enrolled in state public health care programs
- Accept 100% financial risk (up/down) for the total cost of MHCP participants' health care, under capitated rates determined by DHS
- Accept reimbursement under the same DHS reimbursement methodology as HMOs
- Carry-out all regulatory reporting and compliance requirements



CBP is a truly unique, Minnesota model

- Locally owned and governed by the county or counties served*
- Given special authority under Minnesota law (1997, [256B.692](#)) for the purpose of providing more dependable, locally focused and accountable access to care for MHCP enrollees
- Organizationally integrated with county health and human services resources, including resources important to effectively address social determinants of health and health equity

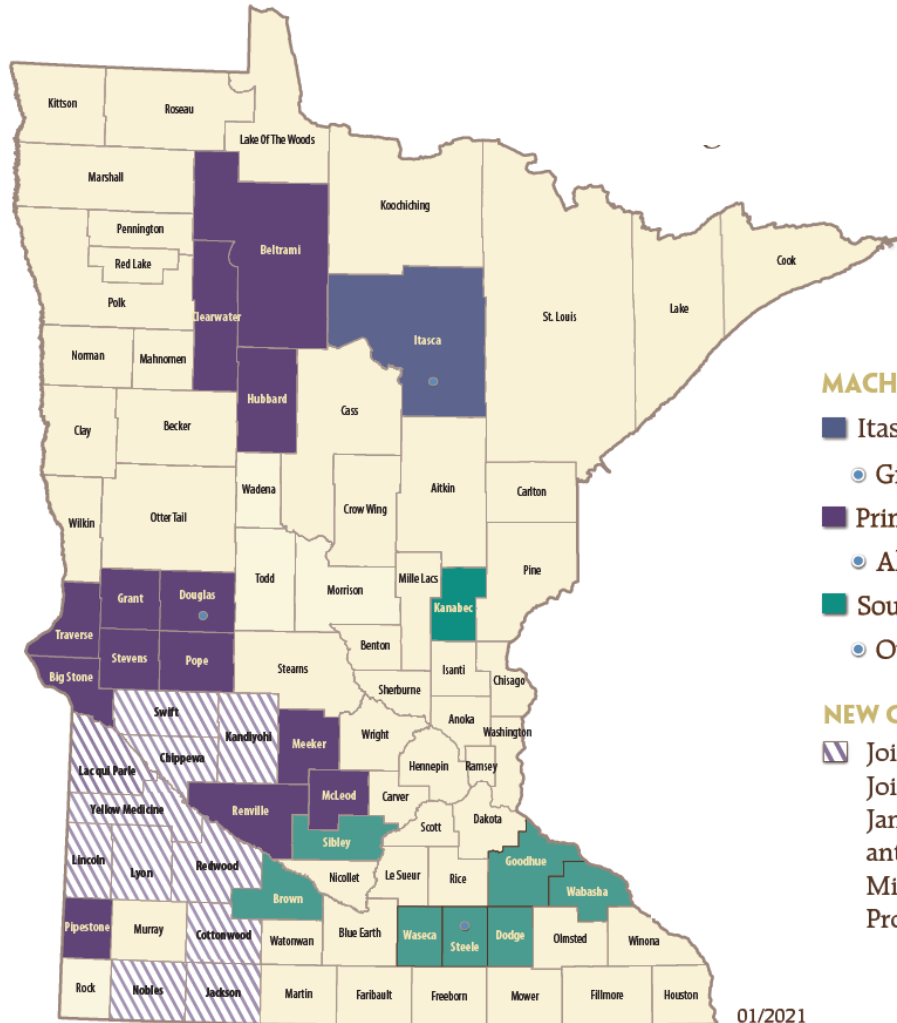
**Hennepin Health has CBP attributes but is not technically a CBP plan.*



CBP is not for every county

Risk-Reward trade-off, with reward based on what the local community values and believes will work best for its vulnerable residents. CBP requires significant county commitment and investment.

Counties engaged in CBP today



MACHP MEMBERS – ACTIVE CBP

- Itasca Medical Care
 - Grand Rapids
- PrimeWest Health
 - Alexandria
- South Country Health Alliance
 - Owatonna

NEW CBP COUNTIES

- Joined PrimeWest Health Joint Powers Board January 1, 2020, in anticipation of serving Minnesota Health Care Programs (MHCP) in 2023

- **Itasca Medical Care** (www.imcare.org), headquartered in Grand Rapids, owned and governed by Itasca County, with enrollment of over 9,100 members. Itasca is the original CBP county in MN, starting in 1982.
- **PrimeWest Health** (www.primewest.org) headquartered in Alexandria, owned and governed by 13 counties, with enrollment of over 47,000 members. 11 new CBP counties joined PrimeWest Health Joint Powers Board in 2020 in anticipation of serving Minnesota Health Care Programs (MHCP) in 2023.
- **South Country Health Alliance** (<https://mnscha.org>), headquartered in Owatonna, owned and governed by 8 counties, with enrollment of nearly 29,000 members.

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What the State gets from CBP and what makes CBP uniquely effective

- **Public transparency** – CBP complies with all government sunshine laws and regulations, an attribute embraced and advantageous to integration
- **Public accountability** – CBPs are governed by locally elected public officials; few people are more sensitive to local needs, concerns, and change
- **Social and civic responsibilities** – Neighbor caring for neighbor, and local government commitment to the well-being of local residents
- **Economy of scale** – Ability to make limited tax dollars go farther, integrating county resources with state resources to achieve Minnesota's MHCP goals
- **Leverage public-private partnerships** – Integrate public and private health care and human services resources – no one sector does it alone



What the State gets from CBP and what makes CBP uniquely effective

- **Integration** – MHCP payer linked with significant county health and human services resources to more readily leverage integrated service delivery across the entire health care continuum
- **Local Convener** – As local MHCP administrator, CBP has a broad spectrum of local stakeholders with which to collaborate in addressing local needs
- **Value-Added** – Payments to CBP plans cover care, improve access, elevate quality, and emphasize cost-effectiveness, building-up our communities not reserves
- **Innovation** – Unique local needs drive unique, replicable solutions achieving better health, fuller life, health equity and lower costs



Preserving the CBP model

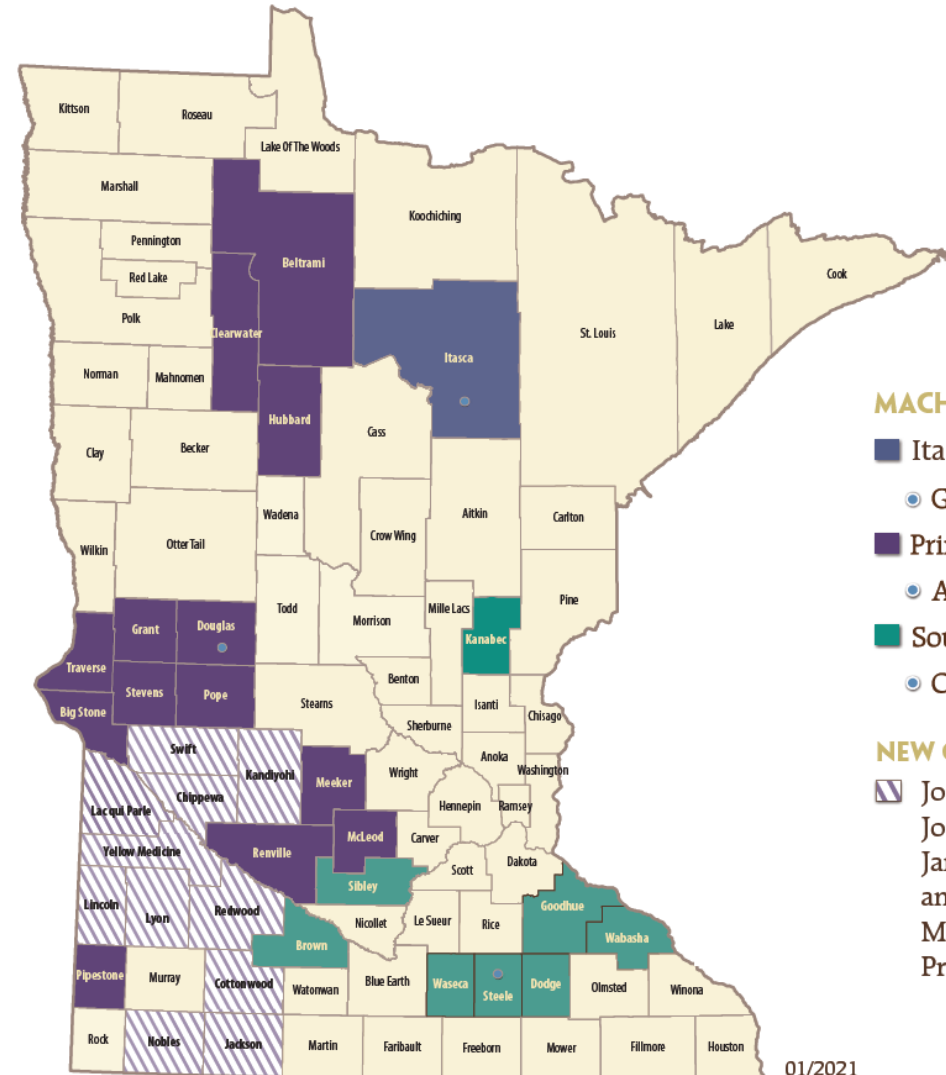
- **State Law 256B.692** – Minnesota law calls for full implementation of CBP and county authority, and requires the state to seek any federal waivers necessary to fully implement the CBP model.
- **Uphold County Authority** – Resist attempts to eliminate or water-down county authority and CBP, a local model that does so much good and consistently saves the state money while strengthening rural communities. Counties can!
- **Resist Benefits Carve-outs** – Proposals for the state to takeover administration of prescription drug, dental and other benefits are short-sighted and erode continuity of care management.





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Thank you!



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