



1-12-17

Rep. Matt Dean, Chair-Health and Human Services
401 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Rep. Dean and Committee Members:

My name is Keith Okeson, I am the President/CEO of LifeCare Medical Center in Roseau. LifeCare is an independent, 25-bed Critical Access Hospital with two long term care facilities. We are the only hospital in Roseau County and serve a population of nearly 17,000 people.

I write to you today with concern about the narrow network product being offered in Roseau County by Blue Cross Blue Shield of Minnesota (BCBS). When BCBS made the decision to leave the individual and family market, the only BCBS product available to the residents of Roseau County was a narrow network product called BlueConnect. It is an ACO product between BCBS and Sanford Health. The issue with this product is the health care providers in Roseau County are not in network. Altru Health System in Grand Forks, North Dakota, operates the clinics in Roseau County. They have clinics in Greenbush, Roseau and Warroad staffed by primary care physicians and Advanced Practice Practitioners. LifeCare provides the hospital services in the county. Altru and LifeCare have not been offered contracts to participate in this narrow network product.

As a result, residents of Roseau County who are covered by BlueConnect, will be required to travel to Sanford Health in Thief River Falls for primary care services to be in network. The distance to Thief River Falls from any of the larger communities in Roseau County is more than 30 miles. The distance from Greenbush to Sanford TRF is approximately 43 miles; from Roseau to Sanford TRF is approximately 66 miles; and from Warroad to Sanford TRF is approximately 88 miles. These distances are one way.

We are receiving feedback from patients that are upset about the distances they have to travel for primary care services; that they can't see their local provider that knows them and has a relationship with them and are forced to see a new provider in Thief River Falls; they are expressing concern about continuity of care and additional costs by establishing care with a new provider; they are concerned about having to take additional time off of work or additional time for their children to be out of school because of the travel; concern with access to mental health providers as they cannot use LifeCare's Behavioral Health department; and they feel this is unfair for them to have to travel when services are available in their local communities. These are just a few of the concerns that have been shared with us.

As you are aware, under Minnesota law, insurance companies selling health plans that require or incentivize patients to use narrow provider networks must ensure that the plan provides patients with sufficient access to providers within defined geographic service areas. Specifically, sufficient access is defined as the lesser of 30 miles or 30 minutes for primary care, mental health, and general hospital services. For specialty services and specialized hospital services, the limit is 60 miles or 60 minutes.

BCBS received a waiver on network adequacy from the Department of Health to offer this product in Roseau County. My understanding is a waiver can be granted if the carrier meets any of the following criteria:

1. Demonstrate a lack of providers in the service area.
2. Demonstrate that the providers do not meet certification standards.
3. Demonstrate that the carrier cannot come to contract terms with a provider(s).

In the case of Roseau County, none of these criteria have been met. Altru Clinics in Greenbush, Roseau and Warroad have sufficient primary care providers; the Altru providers are all Board-Certified and meet the standards of practice; and Altru and LifeCare were never offered contracts to participate in the narrow network product. I contend that the waiver should not have been approved by the Department of Health.

I do not have information on the number of patients covered by BlueConnect. I do know some citizens were able to find coverage through Medica before they reached their cap or they were able to form a group so they can get their care locally.

I also want to point out that my advocacy for the residents of Roseau County is not because of financial concerns for LifeCare. Most of the residents of the county are covered by a group plan so while the financial impact of this narrow network product is unknown, this will not

jeopardize the financial viability of LifeCare. Having said that, obviously we want to care for our local residents as these are our neighbors and friends. They should have the choice to use their local health care facilities.

In summary, I ask that you review the waiver process to ensure the work already done by the legislature is being followed appropriately and that plans meet the network adequacy requirements as defined by law.

I thank you for hearing our concerns and for your attention to this matter.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Keith Okeson". The signature is written in a cursive style with a large initial "K".

Keith Okeson, President/CEO
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