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### Overview

The Department of Human Services (DHS) in recent years has used competitive bidding to select managed care organizations to deliver services to Medical Assistant (MA) and MinnesotaCare enrollees who are families and children. Most recently, DHS conducted competitive bidding on a statewide basis for contracts beginning in 2016. This bill makes various changes to the competitive bidding process. These changes include:

- requiring the commissioner to implement competitive bidding on a regional basis, for contracts effective on or after January 1, 2019;
- requiring requests for proposals to specify the scoring weight to be given to county board preferences for managed care organizations and to managed care organizations addressing county priorities;
- requiring all managed care organizations to be given an opportunity to submit best and final offers, if this approach is adopted by the commissioner; and
- requiring the commissioner to contract for an independent evaluation of the competitive bidding process.

### Section

**1 Competitive bidding and procurement.** Amends § 256B.69, by adding subd. 36.

(a) For managed care organization contracts effective on or after January 1, 2019, requires the commissioner to utilize a competitive price bidding program on a regional basis for nonelderly adults and children who are not eligible based on a disability and are enrolled in

## **Section**

MA and MinnesotaCare. Requires the commissioner to establish four geographic regions and implement separate competitive bidding for these regions. The program must allow at least three managed care organizations to serve each metropolitan statistical area, unless the commissioner determines that the area can be adequately served by two managed care organizations. Requires the commissioner to allow at least two managed care organizations to serve areas of the state that are not metropolitan statistical areas. Defines managed care organization.

(b) Requires county board resolutions identifying managed care organization preferences to be explicitly given scoring weight. Requires the commissioner to specify the scoring weight in the request for proposals. Allows county boards to identify priority areas for managed care organizations to address, and requires the request for proposals to list these priorities for each county and the scoring weight assigned to addressing priority areas.

(c) Requires that each responding managed care organization be given the opportunity to submit a best and final offer, if a best and final offer is requested.

(d) Requires the commissioner to consider network adequacy for dental and other services when evaluating proposals.

(e) Requires the commissioner to provide each managed care organization with its scoring sheet and related information and specifies related criteria.

(f) Allows a managed care organization to appeal the commissioner's selection decision using the contested case procedures. Specifies timelines and states that the decision of the administrative law judge is the final decision. Allows parties to seek judicial review.

(g) Requires the commissioner to contract for an independent evaluation of the competitive bidding process. Requires the contractor to solicit recommendations for improving the competitive bidding process. Requires the commissioner to make evaluation results available on the department's Web site.