


Minnesota Department of Human Services
Memo

DATE: September 6, 2013

TO: County Directors

FROM: Scott Leitz *Scott Leitz*
Assistant Commissioner, Health Care Administration

SUBJECT: 2014 RFP – County Concerns

Good Morning – Thank you for your comments and inquiries about the 2014 procurement. We want to provide you with some additional information on the process that was used in the 27-county procurement.

A key consideration in DHS contracting with MCOs is ensuring that we receive the best possible value for taxpayer expenditures on the Medicaid program. As part of this strategy, the Department used a competitive bid strategy for 2012 MCO contracts, and again for the 2014 MCO contracts. In order to receive the best possible value, we are selecting less than the number of plans who bid for contracts in this open procurement.

As indicated on page 8 of the RFP, the State anticipated that if bids were competitive, we would reduce the number of MCOs in a county to take advantage of additional value. The State indicated that it would select one MCO for each county except in MSA counties where two MCOs are required to be selected. Since UCare received the highest combined technical and price bid score they were sent an award letter inviting them to enter into negotiations as the single plan in the non-MSA counties, and one of two health plans selected for the MSA counties for MA and MinnesotaCare for 2014. The second highest combined scoring health plan was selected as the second health plan choice in the MSA counties.

Procurement is an open, fair and competitive process and the selection of the health plan(s) were based on the highest combined technical and price bid score for both the non-MSA and MSA counties. These overall health plan scores represent scores from DHS and each county for the technical component of the RFP, and scores from the DHS rates staff for the price bid component.

We will be actively working to reduce any possible confusion that may result from these changes. Many of the providers are represented across all of the MCOs networks and for those enrollees whose providers may not be in the MCO's network, the selected MCO(s) will be providing a period of transition for those enrollees in order to get the services they need.

Enrollees were sent a letter prior to open enrollment indicating that they will have a new health plan or will need to select a new health plan in the case of MSA counties where there is a choice of two health plans for January 1, 2014. The letter asks the enrollee if they want to receive additional information about the health plan(s) and if so, is asked to return the letter so that the information can be sent to the enrollee.

We want to assure you that we are committed to working with you and the health plan(s) to ensure that enrollees receive all necessary services.

DHS has received some requests for reconsideration of the Commissioner's decisions regarding this procurement. Pursuant to Minnesota Statutes, §256B.69, subd. 3a (d) we want to provide you with the information and process for requesting reconsideration. The statute provides that:

(d) In the event that a county board or a single entity representing a group of county boards and the commissioner cannot reach agreement regarding: (i) the selection of participating health plans in that county; (ii) contract requirements; or (iii) implementation and enforcement of county requirements including provisions regarding local public health goals, the commissioner shall resolve all disputes after taking into account the recommendations of a three-person mediation panel. The panel shall be composed of one designee of the president of the association of Minnesota counties, one designee of the commissioner of human services, and one person selected jointly by the designee of the commissioner of human services and the designee of the Association of Minnesota Counties. Within a reasonable period of time before the hearing, the panelists must be provided all documents and information relevant to the mediation. The parties to the mediation must be given 30 days' notice of a hearing before the mediation panel.

In order to ensure that all requests for reconsideration are dealt with in a timely fashion, DHS needs to receive all requests for reconsideration no later than September 13, 2013. All requests must be in writing and can be sent by e-mail to Pam Olson, a member of my staff. Her e-mail address is Pam.R.Olson@state.mn.us.