

# Managed Care in Minnesota

## AT A GLANCE:

- Managed care lowers the cost of care while improving health outcomes.
- The Minnesota Department of Human Services (DHS) contracts with health plans, also known as managed care organizations (MCOs), to provide services for Minnesotans on public programs, which include Medicaid and MinnesotaCare.
- Minnesota's nonprofit MCOs — including Blue Cross and Blue Shield of MN, HealthPartners, Hennepin Health, and Medica — serve most of Minnesota's public program enrollees.
- MCOs improve outcomes by addressing the social drivers of health like food security, housing, income, transportation and education.



## *What's the purpose of managed care?*

Managed care reduces health expenses while aiming to improve the quality of care that is given to patients. This is done by establishing a network of clinicians that can provide care, referrals and other essential services whenever there is a health need. When people stay within their network, services are usually provided at a discounted rate. This differs from fee-for-service, in which a provider is paid a fee for each service delivered, essentially rewarding the provider for the quantity of services rendered, no matter the health outcome.



## *Why Minnesota leads the way*

Minnesota's Medicaid populations have been served primarily by local nonprofit health plans since 1985. This nonprofit commitment means resources go back into the people and communities health plans serve. Managed care enrollees can also trust that their health care is meeting certain standards and that health plans are utilizing a "whole-person" approach to care and wellness. MCOs are consistently:

- **Measured for performance, quality and outcomes.** Many of these datapoints and accreditations are publicly reported on the [Department of Human Services' website](#).
- **At the forefront of promoting strategies to address the social drivers of health.** Many public program members in Minnesota have chronic physical and mental health needs that require a higher degree of care. From screening members for social needs to providing care coordinators to help manage it all, MCOs play a vital part in a member's well-being outside of the clinical setting.
- **Playing a critical role in ensuring equitable care for enrollees.** Minnesota's nonprofit health plans meet enrollees where they are in addition to ensuring culturally competent care. For instance, since April 2021, [MCOs have partnered with the Minnesota Department of Health \(MDH\), DHS and others](#) to implement an equity strategy for COVID-19 vaccine outreach. This resulted in a substantial increase in COVID vaccinations in many socially vulnerable areas in Minnesota.

## Managed Care By the Numbers

**84%** of Minnesota's public program enrollees are served by nonprofit MCOs.

**26/30** Nationally, managed care plans improved their performance on 26 out of 30 key Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) quality measures between 2014 and 2018<sup>1</sup>. This includes everything from comprehensive diabetes care to controlling high blood pressure.



### *MSHO – a case study in managed care innovation*

**Minnesota health plans have also had an extensive track record of testing innovative models to better serve populations**, including the nationally recognized Minnesota Senior Health Options (MSHO) program, which provides integrated benefits for those dually eligible (people eligible for both Medicaid and Medicare) all under one health plan. MSHO enrollees are paired with care coordinators, who play an especially important role in connecting members to social and medical resources, tailored to their own unique circumstances. This includes financial assistance, behavioral health needs, employment referrals, housing/food/transportation referrals and other services. Watch the video to learn more about how care coordination works in Minnesota.

Over the years, Minnesota has seen increased growth in MSHO enrollment, as well as a corresponding drop in nursing home use, meaning more seniors are staying in the community. MSHO enrollees also had higher rates of primary care visits, and lower hospital and emergency department use.



### *The Council urges legislators to continue to allow MCOs to provide all the benefits of the state's public programs*

**MCOs take a multipronged approach to keep enrollees healthy.** This includes helping them follow care plans, keeping scheduled appointments and meeting their social needs, all of which prevent re-hospitalizations and improve outcomes. Serving Minnesotans holistically is done best by health plans that have a long history of promoting health and well-being in our state.

1 <https://www.ahip.org/new-study-quality-performance-is-up-across-the-board-for-medicare-managed-care-plans/>

