

April 1, 2025

RE: HF2955/SF3149

Dear Legislators,

I encourage you to support HF2955/SF3149, which will authorize the Minnesota Department of Human Services (DHS) to establish a County Administered Rural Medical Assistance (CARMA) program. After nine years of thoughtful, well-intentioned efforts by DHS to thread the needle between federal requirements for Medicaid managed care procurement and contracting, on one hand, and Minnesota's County Based Purchasing (CBP) statutory language, on the other hand, it is clear that we need the Minnesota Legislature to adopt a different model. Despite DHS's attempts to comply with federal law requiring a competitive procurement process free of undue influence from conflicts of interest and fulfill the legislative intent of CBP statutes have resulted in the need to convene four mediation panels¹ and filing of at least three lawsuits contesting aspects of the procurement process. Without legislative action, these disputes, appeals, and lawsuits are all but certain to be repeated in future procurements. HF2955/SF3149 represents an opportunity for the Legislature to create a new and better model for Medical Assistance enrollees living in counties that choose to take on a greater role in administering the program's coverage and benefits.

I am the only person who has been asked to serve on all four mediation panels. While I wish there was no need to convene a mediation panel, it was a tremendous honor to serve alongside other dedicated leaders from Minnesota's health care sector, review the state's procurement process, hear and evaluate the arguments and concerns from counties and DHS, and build consensus-based recommendations for the Commissioner's consideration.

During the last mediation panel's deliberations in 2022, the panelists agreed that future procurements will generate similar appeals and litigation, thereby consuming valuable taxpayer resources and further eroding the relationships between counties and DHS. Moreover, we concluded that attempting to adjust or tweak existing statutory language would likely fail to survive the combative legislative process and/or obtain federal approval for a variety of reasons.

¹ Two mediation panels heard appeals and made recommendations, one had the appeal withdrawn before holding the hearing, and one had the procurement process canceled entirely due to a judicial decision.

Accordingly, we encouraged DHS and counties to consider co-creating a new model. Thankfully, DHS and counties took this recommendation seriously.

HF2955/SF3149 represents the work product of numerous DHS and county subject matter experts who were willing to explore how a new model – one that emphasizes county-state partnership and collaboration, innovation, and leveraging counties' unique ability to blend social and health care services – could produce better health outcomes and higher quality of life for residents who rely on Medical Assistance for health coverage, while avoiding the costly and contentious procurement process. In short, the bill is the culmination of good faith attempts to create an innovative Medical Assistance administrative model designed for the unique challenges of rural health care, and at the same time, build upon and honor key features of the historical legislative intent behind County Based Purchasing.

Regardless of your views regarding this proposal, I hope you will loudly and repeatedly applaud the efforts of DHS and counties' leaders, staff member experts, and association representatives for their willingness to consider alternative ideas, and for their hard work, cooperation, and persistence under a shared commitment to find ways to achieve better outcomes for Medical Assistance enrollees. In an era when compromise, collaboration, and trust seem scarce in our political arena and when technical expertise in important, complex policy matters is too often denigrated, these genuine public servants offer a powerful example of the values, character, and leadership our state needs and deserves.

Thank you for considering this legislative proposal. I hope you will support it in committee and encourage your colleagues – whether Democrat or Republican – to support it when it goes to the floor.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew L. Anderson", with a long, sweeping underline.

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