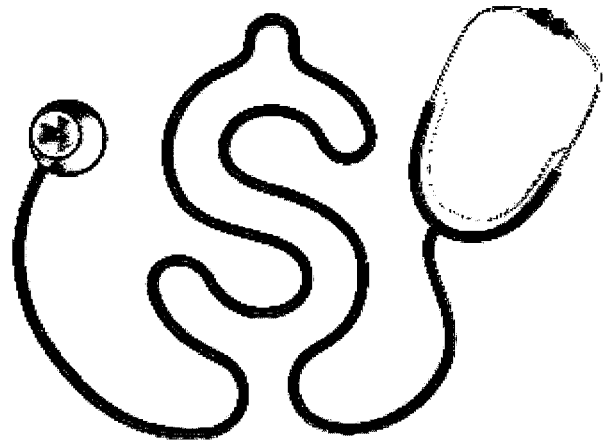




Reform, not secrecy, shaped Minnesota public health programs

Article by: Lucinda Jesson
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"HMO payouts remain under veil of secrecy" (Dec. 8) created a false impression of Minnesota's HMO contracting by ignoring the substantial progress made over the last four years. Since 2011, the Department of Human Services (DHS) has made great strides, saving over \$1 billion and creating greater transparency and value in our health care purchasing.



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The DHS achieved these savings by putting HMO contracts out for competitive bid, along with other reforms. This bidding process has helped keep health care rates down and, in fact, the last

forecast credited HMO rates for kids and parents with coming in 5 percent lower than expected. And we are continuing to move forward with these reforms. All of our programs — 750,000 people and \$4 billion dollars — will be competitively bid for 2016. Competitive bidding assures the best value for taxpayers and the people covered by public programs. We have sought broad public input on this procurement to ensure that we provide the best access, quality and value at the best price.

In addition to the dollars and cents saved through contracting and other reforms, the DHS (in partnership with both Republican and Democratic legislators) has taken numerous steps to increase oversight of these programs. These include requiring additional annual audits of HMO expenses; instituting more rigorous requirements for both the quantity and quality of data received from HMOs; and reconciling what the state is paying for care and the actual costs of delivering that care.

The commentary also cited a law passed by the Legislature last year, clarifying that private organizations carrying out public functions are subject to the same disclosure rules that would apply if the functions were performed by a state agency. During that discussion, the question arose whether revealing certain data, such as how much a particular HMO pays a particular provider, would cause health care costs to rise. In the case of publicly funded health care programs, an increase in cost would inevitably be borne by taxpayers. While the DHS did not oppose the law, the Legislature decided to exempt HMOs and other similar organizations from this new public disclosure law for one year (until June 30, 2015), during which time the DHS was asked to report on the impact that opening up this data might have on both the transparency and cost of health care.

The commentary called on the DHS to include broad public input for this report, and this is precisely what the DHS is doing. The DHS is requesting public comment by interested stakeholders and citizens, and has already been in contact with transparency advocates. A formal request for information will be released this week, and we encourage all those interested to respond. A public meeting is also being planned for those who wish to make their comments in person. Included in the report will be a study analyzing any cost impacts of disclosure. That study will be done by an outside health economist.

The DHS takes very seriously its role as a steward of public health care dollars, and it is committed to transparency and integrity in the way it does business. This includes ensuring that all concerned citizens and organizations have an opportunity to have their voices heard on important legislative reports such as the one regarding the disclosure of health

care data and that those voices are included in the final report.

Lucinda Jesson is commissioner of the Minnesota Department of Human Services.

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