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Innovative Medicaid reform initiative broadens reach across Minnesota, with more than 176,000 Medical Assistance enrollees

Minnesota's groundbreaking approach to delivering quality health care more efficiently for low-income people has grown to encompass 15 provider groups across the state and more than 176,000 enrollees in Medical Assistance, the state's Medicaid program.

Last month, six new provider groups joined the Department of Human Services' Integrated Health Partnerships (IHP) initiative, including providers serving people with disabilities, providers serving rural areas in central and southern Minnesota, and a collaborative of independent hospitals in northeastern Minnesota.

With these additions, the IHP initiative now extends throughout Minnesota, bringing the promise of better care at a lower cost to Medical Assistance enrollees across the entire state. In the first year of this demonstration in 2013, the original providers serving 100,000 MA enrollees spent \$10.5 million less than projected.

"We've already seen this approach improve the quality of care for the people we serve, while controlling costs," Human Services Commissioner Lucinda Jesson said. "It's encouraging to see new types of providers across Minnesota joining the program."

The new providers include:

- **Bluestone Physician Services**, a provider group focusing on people with disabilities, with services delivered in residential care facilities, community-based clinics and patients' homes.
- **Lake Region Healthcare**, a rural health system focusing on primary care and specialty services to residents of west central Minnesota.
- **Lakewood Health System**, an independent, rural health care system serving central Minnesota, with a 25-bed critical access hospital, five primary care clinics, a geriatric inpatient behavioral health unit and a long-term care unit.
- **Mankato Clinic**, one of Minnesota's largest physician-owned medical groups, offering comprehensive health care to residents of southern Minnesota.
- **Wilderness Health**, a nonprofit regional collaborative of nine independent hospitals and health systems in northeastern Minnesota.
- **Winona Health**, a community-owned rural health care system providing a full spectrum of primary care services from birth through the end of life.

The IHP project is implementing a new payment model that prioritizes quality, preventive health care and rewards providers for reaching mutually agreed-upon health goals. In contrast, the traditional payment system pays providers for the volume of care they deliver, rather than the quality of care they provide. In the IHP model, providers who meet a threshold for savings are eligible for a share of the savings. Beginning in the second year of participation, they also share the downside risk if costs are higher than projected.

Contracts with the six new provider groups began on Jan. 1, 2015. With the addition of these groups, the project's scope is now 176,620 Medical Assistance enrollees.

The IHP initiative makes Minnesota one of a growing number of states to implement an Accountable Care Organization in its Medicaid program, with the goal of improving care. An article in *The New England Journal of Medicine* recently recognized Minnesota's efforts to improve accountability for population health and implement incentives to integrate community health care services and organizations.

The IHP initiative is a key component of a \$45 million federal State Innovation Model (SIM) grant, which is helping to drive health care reform in Minnesota. Several IHP participants have also received SIM-funded grants for their innovative efforts to improve health care.