

Implementation Sites: Key Facts

Minnesota Medicaid

PURCHASER: The State of Minnesota, Department of Human Services

PRODUCT: Prepaid Medical Assistance Program: Temporary Aid to Needy Families (TANF), General Assistance Medical Care (GAMC), and Minnesota Care (MNCare).

DATE health-based risk adjustment first implemented (payment was adjusted):
January, 2000

PREVIOUS METHOD OF PAYMENT: Capitation with demographic risk adjustment.

SIMULATION: Yes, for MCO payment change. Unblinded results were released to the plans.

	Year 1	Current Year	Projected for Next Year
Groups Covered:			
a. SSI, Disabled	✓	✓	✓
b. TANF			
c. Dually eligible, 65 and older			
d. Employees, dependents			
e. Retirees			
f. Other (medically needy)	✓	✓	✓
Number of participating plans	8	8	7
Number of covered lives	155,000	173,000	Increase
Phase-in of Payment Adjustment:			
a. Percent of payment based on health-based risk adjustment	5%	30%	50%
b. Transitional risk corridors	No	No	No
c. Reporting adjuster for encounter data completeness	No	No	No
Risk assessment method:			
a. Diagnosis Grouper (name)	Adjusted Clinical Groups 4.1	Adjusted Clinical Groups 4.1	Adjusted Clinical Groups 4.1
b. Type of prediction model	Concurrent	Concurrent	Concurrent
Basis of future payment to the plans: plan-level risk score or based on the specific individuals enrolled at the time of payment	Plan	Plan	Plan

Relative value weights: a. Source of weights (local or imported) b. Type of data used for weights c. Time frame of the data used for weights d. Size of population used to establish weights e. Truncating outlier costs	Local Fee-for-service July '95-June '96 341,000 lives Yes	Local Fee-for-service July '95-June '96 same Yes	Local Fee-for-service July '95-June '96 same Yes
Risk adjustment time frames: a. Minimum enrollment, before being included in the risk adjustment calculation b. Minimum lag between the date the diagnosis was assigned and the date payment was adjusted based on that diagnosis c. Frequency for updating risk scores	1 month 9 months Quarterly	1 month 9 months Quarterly	1 month 9 months Quarterly
Risk sharing after any phase-in period a. Risk corridors b. Stop loss	No No	No No	No No
Carve-outs from risk adjustment model: a. Service categories, e.g., mental health, prenatal care b. Populations with defined conditions, e.g., beneficiaries with HIV/AIDS	None None	Dental in five rural counties None	Dental in five rural counties None
Encounter data collected from the MCOs for health-based risk adjustment: a. Diagnosis codes b. Procedure codes c. Charges d. Identification of the treating provider	Yes Yes Yes Yes	Yes Yes Yes Yes	Yes Yes Yes Yes
Number of plan's risk scores affected by missing data from their providers	Don't know	Don't know	Don't know
Number of plan's risk scores affected by the plan's data system limiting the number of diagnoses per encounter	Don't know	Don't know	Don't know

Data audits:			
a. Audits using encounter data	No	No	Yes
b. Audits using medical records	No	No	Yes