Introduction to health plan operations for new providers

April 2025

Health plan operations 101

- What is health insurance?
- Minnesota's public health care programs
- Managed care vs. Fee-for-service
- Regulatory environment
- Primary operational functions of a health plan
  - Managing member enrollment
  - Authorizing services
  - Overseeing quality
  - Ensuring a network of qualified providers
  - Supporting members and providers
  - Ensuring compliance
  - Managing grievances
  - Managing care through coordination
  - Member and provider communication and outreach

Hennepin Health
your community health plan

What is health insurance?

- Helps people access medical, mental health, dental and pharmacy services
- Provides a package of covered health care items and services and sets how much the insurance plan will pay for them
- Provides financial protection against unexpected high medical expenses
- Manages risk by pooling healthy and unhealthy individuals
- Can be public or private. May be a benefit provided by an employer or union or may be funded by a state and/or federal government

Minnesota's public health care programs

Minnesota offers a range of publicly funded health care programs for low-income populations which include:

- Medical Assistance (MA) which is the federal Medicaid program
  - Serves low-income individuals and families.
  - Eligibility is based on income and residency. Only U.S. citizens are eligible for MA.
- Medical Assistance has products available to various populations including:
  - Pre-paid Medical Assistance Program (PMAP) – serving families and children
  - Special Needs BasicCare (SNBC) – serving people with disabilities under age 65
  - Senior programs (MSHO/MSC+) – serving seniors 65 and over
- MinnesotaCare, a state-funded program for people who earn too much to be eligible for medical assistance but cannot afford commercial coverage.
- Hennepin Health currently offers MA (PMAP and SNBC) and MinnesotaCare.
  - Hennepin Health does not offer commercial plans

Hennepin Health
your community health plan

Managed care vs. fee-for-service (MN health care programs)

- In Minnesota:
  - Non-profit HMOs, called Managed Care Organizations (MCOs) offer managed care plans. Hennepin Health is an MCO
  - MN Department of Human Services (DHS) offers a Fee for Service (FFS) program
- Managed care programs: the state pays a fixed amount, called a capitation payment, to an MCO for each person enrolled in the plan
  - The MCO manages all of the person's care and services within the capitation
  - There are requirements for the percentage of revenue spent on patient care and restrictions on how much 'profit' an MCO can make
- Fee-for-service (FFS) programs: the state pays providers directly for each covered service received by a Medicaid or MinnesotaCare beneficiary

Regulatory environment

- Health care is a very regulated industry
- The MN Department of Human Services (DHS) is the primary regulator of the MCOs
- Many MCO activities are required by state and federal statutes
- MCOs operating Minnesota Health Care Programs must adhere to guidelines set out in contracts with DHS
- MCOs are required to provide ongoing reporting and are subject to regular audits to state and federal regulators

Hennepin Health
your community health plan

MCO operations: primary functions/departments

State and federal statutes require all MCOs provide these primary functions:

- Managing member enrollment
- Authorizing services
- Overseeing quality
- Ensuring a network of qualified providers
- Supporting members and providers
- Ensuring compliance
- Managing grievances
- Managing care through coordination
- Communications and outreach

Hennepin Health
your community health plan

Managing member enrollment

- Manage monthly enrollment files from DHS detailing membership changes and product designation
- Address various enrollment issues such as effective/termination dates, group number, living arrangements, etc.
- Process and report on pregnancies/newborns/deaths
- Ensure member cards are sent out when people enroll and annually thereafter, managing changes to member addresses

Authorizing services/Utilization management

- Manages members’ use of health care services
- Ensure safe, timely and effective health care services
- Reviews and approves/denies requests for services requiring prior authorization within specified timelines
- Considers medical necessity and clinical guidelines
- Considers the members’ unique clinical, social and cultural circumstances
- Governed by state and federal regulations and the DHS contract

Hennepin Health
your community health plan

Overseeing quality

- Continuously assesses and improves the quality, service, and safety of health care delivered to Hennepin Health members.
- Collaborates with providers and members to identify gaps in care and services, design, implement and monitor interventions that improve quality and outcomes for Hennepin Health members.
- Uses small tests of change to implement interventions before scaling them up.

Ensuring a network of qualified providers

- Maintain a contracted provider network to ensure members can access a variety of practitioners and services within a reasonable time frame
- Evaluate practitioners who can provide comprehensive, safe and quality care by assessing provider background, credentials and qualifications in accordance with state and federal requirements
- Provide support to facilities and providers wishing to register or contract with Hennepin Health

Member and Provider Services

Member Services

- Dedicated team with deep knowledge of Hennepin Health benefits
- Able to answer member questions about benefits, transportation, provider look-ups, provider billing
- Sets up transportation and/or provides bus cards for medical appointments
- Supports members with submitting an appeal or grievance
- Escalates calls to the appropriate area of Hennepin Health if not able to resolve the issue

Provider Services

- Dedicated team with deep knowledge of benefits and provider billing issues
- Able to answer questions about eligibility, prior authorizations, claims and billing, and appeals
- Triage and respond to provider billing and payment issues, getting to root cause and resolution

Hennepin Health
your community health plan

Ensuring compliance

The Compliance team is responsible for ensuring that Hennepin Health follows all applicable laws and rules and behaves ethically in its dealings with its partners. This includes:

- Auditing and monitoring both internal functions and delegated vendor activities
- Managing internal policies and procedures
- Ensuring Hennepin Health is compliant with the DHS contracts and applicable state and federal regulations
- Investigating and acting on compliance issues
- Detecting, preventing and correcting fraud, waste and abuse
- Identifying members for referral to the restricted recipient program
- Tracking legislation and providing guidance
- Overseeing Hennepin Health record management process

Hennepin Health
your community health plan

Managing Appeals & Grievances (A&G)

A member may formally request a review of a denial, reduction or termination of services (DTR). This is called an ***appeal***.

- Appeals are reviewed and a decision is rendered by the Hennepin Health physician reviewers
- The A&G Coordinator follows up with the member/provider to inform them of the decision.

A ***grievance*** is a member's expression of dissatisfaction with the quality of care or services provided or failure to respect the member's rights

- Complaints are reviewed and additional information (including from the provider of the service) is gathered as needed.
- The A&G coordinator works with all stakeholders to resolve the issue and follows up with the member regarding the outcome of the complaint, except for quality-of-care grievances. Outcomes for quality-of-care grievances cannot be shared with the member per Minnesota law.

MCOs are required to respond to and resolve both appeals and grievances within certain timelines. Minnesota MCOs submit data on all appeals and grievances to DHS on a quarterly basis.

Hennepin Health
your community health plan

Managing Care/Care Coordination

All MCOs serving Minnesota Health Care Program enrollees are required to assist in the coordination of care

- PMAP/MNCare Complex Case Management
  - Designed to support the most vulnerable subset of members including those experiencing housing instability, substance use disorder, complex and/or chronic medical conditions.
  - Interdisciplinary team assists members in identifying their individual goals using person centered care
  - Assess and address patient's medical, social, developmental, behavioral, educational, and financial needs
  - Coordinates social, medical, mental and chemical dependency care, seeks to close gaps and reduce barriers
  - Serves as an advocate for the member in their journey towards improved well-being

- SNBC Care Coordination Program
  - Designed to meet the needs of members living with disabilities who require physical, mental health and social services in a culturally responsive way
  - A care coordinator/care navigator is available to the member and/or family; focuses on individual needs, improving access to resources, and providing information on service options
  - Assists members to live full, integrated lives in their chosen community
  - Works with the member on completing a health risk assessment and goals focused on improving health, well-being, and care

Hennepin Health
your community health plan

Member and provider communications & outreach

What do we want to accomplish?

- Create a great member and provider experience
- Engage with members and ensure they know about their benefits
- Engage with providers and ensure they have the information they need to work with us
- Share resources with members that can improve their health and wellness
- Meet with members and residents at events in the community to inform them of Medical Assistance, MinnesotaCare, and other resources

Hennepin Health
your community health plan

Acronym List (used in this presentation)

- DHS – Department of Human Services
- MCO – Managed Care Organization
- FFS – Fee for Service
- MA – Medical Assistance
- PMAP – Pre-paid Medical Assistance Program
- SNBC – Special Needs Basic Care
- PBM – Pharmacy Benefit Manager
- A&G – Appeals and grievances

Hennepin Health
your community health plan

Hennepin Health
your community health plan