

**Northwest Minnesota Health Care Purchasing Alliance
Crookston, Minnesota**

Service area	7,000 square miles, 7 rural counties in Northwest Minnesota, approximate 85,552 pop.
Project director	Tom Jorgens, Board Chair Donna Larson, Project Director
Contact info for project director (address, phone, and e-mail)	RuralCare Partners NW MN Health Care Purchasing Alliance Valley Technology Park 510 County Rd #71, Suite 119A Crookston, Minnesota 56716 P: 1-218-281-8063 E: dlarson@mail.crk.umn.edu
Date formed	1999
Date of incorporation (if applicable)	March 2000
Annual budget/funding sources (for most recent fiscal year)	State of Minnesota Department of Health (\$50,000) Northwest Minnesota Foundation (\$32,500)
Amount funded	\$40,000
Consultant/Consulting Firm	<p>Milliman USA Consultants and Actuaries 8500 Normandale Lake Boulevard Suite 1850 Minneapolis, MN 55437-3830 P: 952-897-5300 F: 952-897-5301 minneapolis.office@milliman.com</p> <p>Advocates for Marketplace Options for Mainstreet 9805 45th Ave. North Plymouth, MN 55442 P: 763-253-9188 F: 763-253-9191</p> <p>Vander Kooi Law Offices, P.A. Attorneys at Law 127 E. Main, PO Box 746 Luverne, MN 56156-0746 P: 507-283-9646 F: 507-283-9629</p> <p>Donna S. Larson 1321 St. Mary's Drive Crookston, MN 56716</p>

Purpose of Targeted Consultation	Development of a regional, group-purchasing option and marketing plan to enroll members.
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Network Composition

A board of 14 members representing farmers, small businesses, manufacturers, insurance brokers, local government, bankers, educators, and health care providers.

Network’s history, goals, and initiatives

In 1999, the Minnesota legislature established the Northwest Minnesota Health Care Purchasing Alliance, which is now called RuralCare Partners. In March 2000, the network organized itself into a 14-member governing board that represents the interests of area farmers, small businesses, manufacturers, insurance brokers, local government officials, educators, and health care providers. One of the network’s aims is to provide the community with new options for health care coverage that is affordable, accessible, and of high quality. In doing this, the network plans to maintain the local economy by supporting local health care delivery, offer creative insurance products that promote continuity of care, foster accountability for all involved, and improve residents’ overall health and economic well-being.

One of the network’s recent activities has been to become involved in a stop-loss demonstration project. The project resulted from a bill requiring the state of Minnesota to serve as a partial re-insurer (by reimbursing for 90% of claims between \$30,000 and \$100,000) to HMOs that contract with businesses and farm families with 1 to 10 employees who have not had employer-sponsored health coverage for at least a year. The demonstration will take place in Northwest, Southwest, and North Central Minnesota.

About the targeted consultation

The network initially pursued a targeted consultation from the *Networking for Rural Health Project* to enter into a purchasing alliance strategy in conjunction with a nearby provider network—the North Region Health Alliance—that would allow small businesses, businesses of one, farm families, and local governments to engage in group purchasing and reap the advantages of economies of scale. The Northwest Minnesota Health Care Purchasing Alliance was granted \$40,000 to contract with Milliman and Robertson, Advocates for Marketplace Options for Mainstreet, and Donna Larson to conduct actuarial work for the insurance product,

develop marketing materials and training manuals, and create a portfolio of member services to promote the product and enrollment in the system.

Unfortunately, in the midst of the grant project, the network's anticipated provider network—The North Region Health Alliance, which is also a *Networking for Rural Health* grantee—decided against pursuing an Accountable Provider Network (APN) license from the state of Minnesota. The license is required to allow a provider network to market health care services and partner with the Northwest Minnesota Health Care Purchasing Alliance. As a result of North Region's decision, the Alliance was forced to put its marketing development on hold and pursue other provider networks with whom it could partner.

After much time, effort, and negotiation, the network decided to collaborate instead with a licensed HMO called HealthPartners. The two groups will work together to provide health care plans to employers who are members of the Northwest Minnesota Health Care Purchasing Alliance. HealthPartners will underwrite and administer plans in Northwest Minnesota that are compatible with the needs of the service area and the unique issues of small businesses, businesses of one, and farm families; the HMO will also be the sole carrier with which the Alliance will work throughout the course of their agreement.

Moving forward, the Alliance plans to establish an interdisciplinary team with HealthPartners to include areas of product development, administration, information systems, provider relations, medical management, sales, legal, health promotion, and communications. The network also intends to establish a communications and public relations plan and work toward a time line of fall 2002 for product offering, and January 2003 for providing coverage.

