

# memo

DATE: April 3<sup>rd</sup>, 2020

TO: Minnesota Health Plans

FROM: Diane Rydrych, Managed  
Care Systems

SUBJECT: Changes to Network Adequacy Waiver Requirements for Plan Year 2021

---

## Overview

The 2019 Minnesota Legislature amended Provider Network Adequacy waiver requirements under Minnesota Statutes 62K.10, Subd. 5. The changes were intended to strengthen the waiver review process by creating clear and consistent standards for waivers and to clarify the process for receiving renewals of waivers. This memo provides a detailed overview of the amendments made to 62K.10, Subd. 5 and the respective guidelines MDH will use to evaluate network adequacy waivers for Plan Year 2021.

## Amendments Made to 62K.10 Subd. 5 During 2019 Special Session

The amendments made to Chapter 62K.10 fall into four main categories:

- Establishment of waiver fees
- Establishment of guidelines for evaluating and approving or denying waiver applications
- Development of standards for the steps that health carriers must take to meet network adequacy requirements
- Establishment of a process for reviewing applications for subsequent waivers (renewals)

The full text of Chapter 62K.10, Subd. 5, highlighting changes made during the 2019 legislative session, is attached to this document. Please see below for how these changes will be implemented by MDH.

## Waiver Requirements for Plan Year 2021

### 1. Waiver Fees

In accordance with 62K.10 Subd. 5 (a), carriers will be charged \$500 for each application to waive the requirements in Minnesota Statutes 62K.10 Subd. 2 or 3, for one or more provider types per county. Carriers will be charged only once per county per network, even if applications to waive the requirements in 62K.10 Subd. 2 or 3 are submitted for multiple provider types. MDH will review all requests for waivers before issuing invoices to carriers. Carriers will receive detailed instructions regarding any applicable waiver fees.

### 2. Waiver Application Requirements for Initial Approval

MDH will continue to use four allowable “reason codes,” in order to better understand and document efforts by carriers to address network inadequacies. **In accordance with amended statutory requirements in 62K.10 Subd. 5 (a)1; (a)2; (b); (c); and (d), MDH has added additional requirements for the approval of waivers. Please see the attached table for details.**

### 3. Waiver Application Requirements for Subsequent Approval (Renewal)

In accordance with 62K.10 Subd. 5 (d), waivers will automatically expire after one year. **Carriers seeking identical, subsequent waivers for plan year 2022 will be required to show steps taken to address network inadequacies in plan year 2021 (see below).**

#### Requirements for Subsequent Approval, Plan Year 2022

##### **Reason Code 1:**

Carrier has conducted a search for providers and determined that, for each county in the plan service area, there are no providers physically present of the type requested in the waiver.

##### **Carriers Must:**

1. Meet all of the requirements set forth for initial approval
2. Provide a description of how access was provided for affected enrollees in the previous approval year
3. Show evidence of quarterly efforts to assess provider availability throughout the last calendar year. Did new providers become available in affected areas? If so, describe any efforts to pursue

contracts. If new providers became available and new contracts were not pursued, explain why.

**Reason Code 2:**

Provider does not meet carrier's credentialing requirements.

**Carriers must:**

1. Meet all of the requirements set forth for initial approval
2. Provide a description of how access was provided for affected enrollees in the last approval year

**Reason Code 3:**

Carrier has made a good faith effort to contract with provider and provider has refused to accept a contract.

**Carriers must:**

1. Meet all of the requirements set forth for initial approval
2. Provide a description of how access was provided for affected enrollees in the last approval year

**Reason Code 4:**

Network is an Accountable Care Organization (ACO) or Narrow Network.

**Carriers must:**

1. Meet all of the requirements set forth for initial approval
2. Provide a description of how access was provided for affected enrollees in the last approval year

## Next Steps

Plan Year 2021 Provider Network Adequacy documents, including waiver applications, are due Friday, May 29<sup>th</sup>, 2020. Forms and detailed instructions will be posted [here](#) no later than Wednesday, April 15<sup>th</sup>, 2020. Please direct any questions or concerns related to these changes to the Managed Care Systems section of the Minnesota Department of Health, no later than Friday, April 10<sup>th</sup>, 2020.

[health.managedcare@state.mn.us](mailto:health.managedcare@state.mn.us)

Patti Fuller, 651-201-5165

Lauren Piper, 651-201-5166