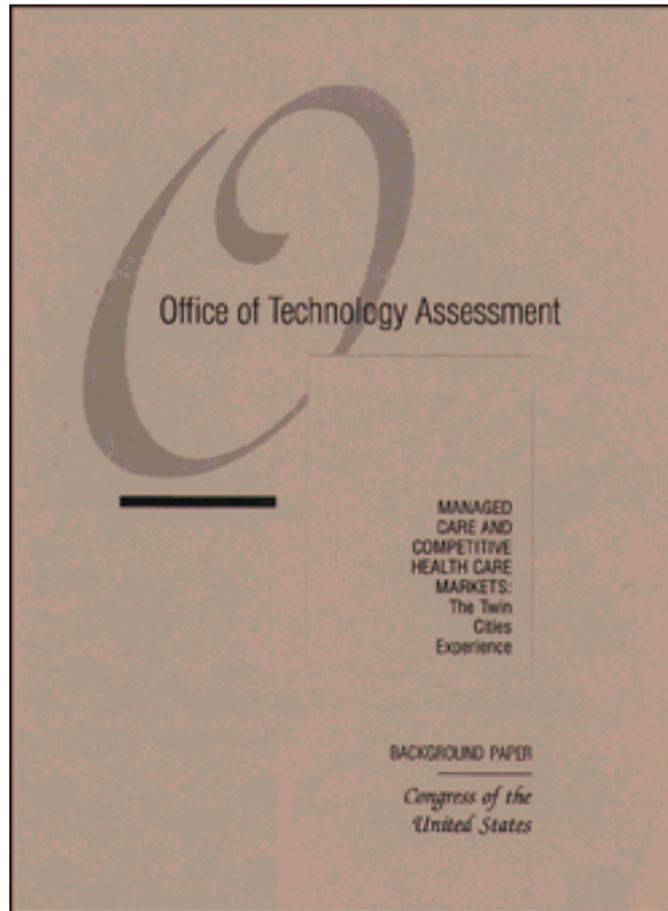


*Managed Care and Competitive Health  
Care Markets: The Twin Cities Experience*

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# Foreword

**R**eform of the health care system is at the top of the nation's domestic policy agenda. As policy makers consider the many directions the nation could take, they often look to the states as laboratories.

The Twin Cities (Minneapolis and St. Paul, Minnesota) are often cited as a model of a competitive market and a potential case study for managed competition proposals. This background paper describes some of the developments and current characteristics of the Twin Cities' health care system. The paper emphasizes recent changes in the market for health care and health insurance in the Twin Cities, including the growth of managed care organizations, the growth of integrated delivery systems, the development of health insurance purchasing coalitions, and recent state health care reforms. The report concludes with a discussion of potential lessons from the Twin Cities for the health reform debate.

This paper was prepared as background for the Office of Technology Assessment study *Understanding the Estimates Under Health Reform*. The assessment as a whole was requested by the members of the Technology Assessment Board (see inside front cover) and Senator Ted Stevens.

This background paper was prepared under contract to OTA by Jon Christianson, Ph.D, Bryan Dowd, Ph. D., John Kralewski, Ph.D, and Catherine Wisner, Ph.D. It was reviewed by a number of experts in health policy and health care delivery. OTA gratefully acknowledges the contribution of each of these individuals.



ROGER C. HERDMAN  
Director

# Project Staff

**Clyde J. Behney**  
Assistant Director

**Sean Tunis**  
Health Program Director

**Denise Dougherty**  
Co-Project Director

**Tami Mark**  
Co-Project Director

**David Grabowski**  
Research Assistant

## **ADMINISTRATIVE STAFF**

**Beckie Erickson**  
Office Administrator

**Daniel B. Carson**  
PC Specialist

**Carolyn Martin**  
Word Processing Specialist

## **CONTRACTORS**

**Jon Christianson**  
**Bryan Dowd**  
**John Kralewski**  
**Catherine Wisner**