

The Emergence and Role of the Consumer Operated and Oriented Plan (CO-OP)



Overview

- CO-OPs in Brief
- Maine Community Health Options

The ACA (Section 1322) created the Consumer Operated and Oriented Plan (CO-OP) program to foster the creation of new consumer-governed nonprofit health plans

WHAT IS A CO-OP?

CO-OP Attributes

- Nonprofit - Surplus revenue are used to:
 - Lower premiums;
 - Improve benefits;
 - Improve the quality of health care delivered to its members;
 - Repay loans awarded by the CO-OP program (and any others); and/or
 - Accumulate reasonable and sufficient reserves to provide for enrollment growth, financial stability, and stable coverage for its members
- Consumer governance
- Focus on greater accountability to consumers, payers
- Emphasis on high quality, low cost, coordinated care
- Afford access to coverage / care
- Substantial focus on Exchange
- CO-OPs are prohibited from being sold to or converting to a for-profit entity

Maine's CO-OP

MAINE COMMUNITY HEALTH OPTIONS

Maine's CO-OP: Maine Community Health Options

- The fundamental purpose of MCHO is to create and develop innovative forms of health care delivery and engagement so as to produce better health care value through improved health outcomes at lower total costs
- MCHO application was sponsored by Maine's FQHCs and the Maine Primary Care Association with development support from Maine Health Access Foundation

MCHO Approach

Work in partnership with consumers, clinicians, communities and health systems to achieve the “Triple Aim”

- Patient centered approach inclusive of shared decision making
- Focus on the prevention and management of disease
 - Support for local systems that are effective, e.g., care management
 - Integrate Behavioral Health & Oral Health through benefit design that results in better care processes and outcomes
- Promotion of the value of care over the volume of care
- Payments and processes that are transparent and easy to understand for the benefit of patients, providers, and payors.
- Expand insurance coverage, and support delivery system transformation

MCHO benefits: Value Based Insurance Design

- The MCHO VBID focus is on five big chronic conditions, two health behaviors (tobacco use & obesity) and promotion of behavioral health integration.
- Production of data & quality reporting for clinicians and consumers alike to promote engagement and reinforce VBID
- Network design to feature opportunities for shared savings and shared risk

Desired Impacts of MCHO

- Right sizing health care: Paying for what matters
- Greater investments into primary care & preventive services
- Emphasis on consumer engagement
- Emphasis on appropriate therapy and getting people to recovery [back to work, back to normal routine, back to family life/support earlier]
- Increased patient safety and optimal utilization of pharmacotherapy
- Critical importance of behavioral health integration as support for consumer engagement
- Better Coordination, More Time, Lower Costs

Who Do We Expect to Cover

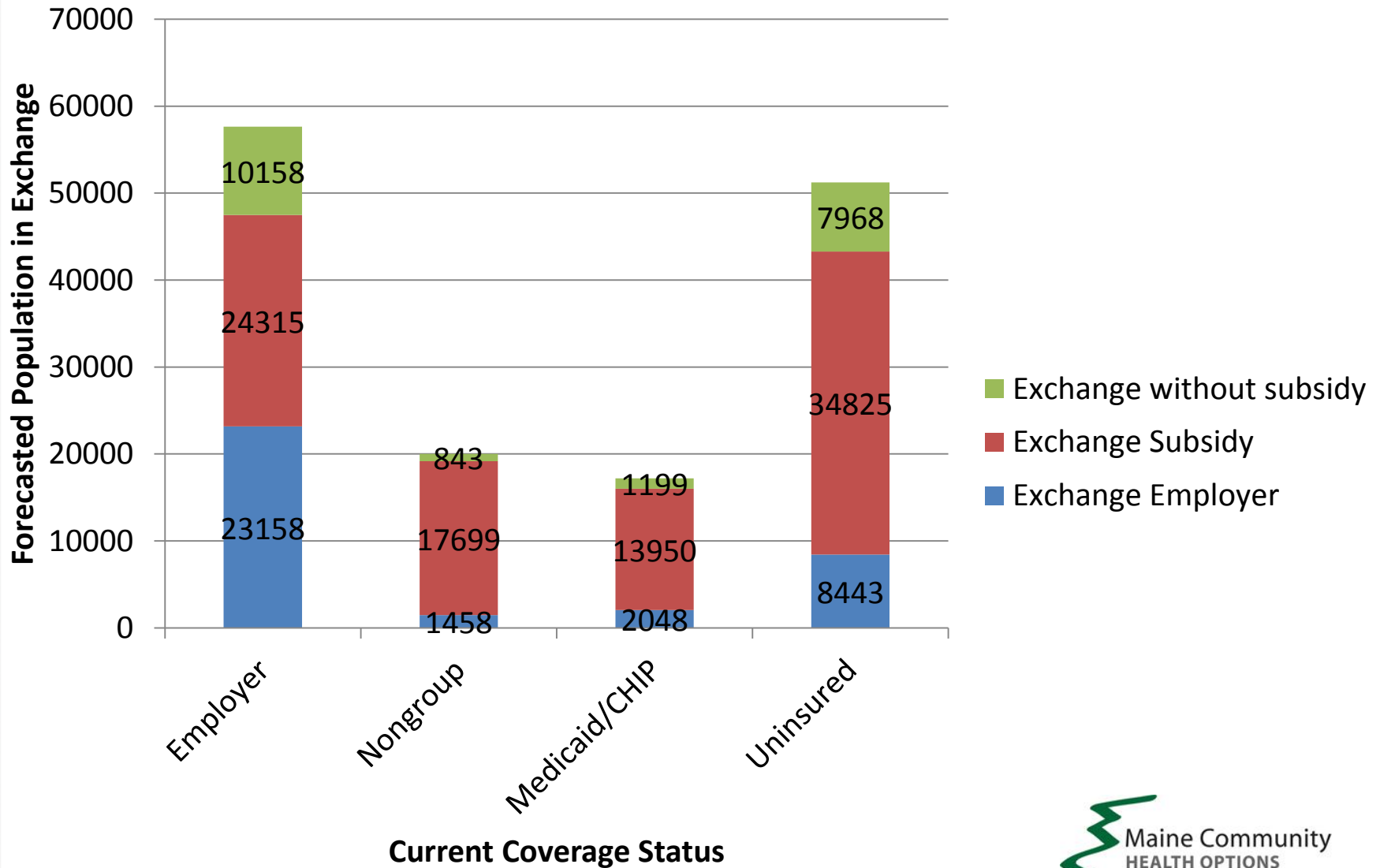
2014 Membership Distribution by Metallic Plan Design

	Gold	Silver	Bronze	Total
Individual				
Exchange	17.9%	26.9%	44.8%	89.5%
Non-Exchange	0.0%	0.0%	0.0%	0.0%
Small Group				
Exchange	0.7%	1.1%	1.8%	3.7%
Non-Exchange	3.4%	2.0%	1.4%	6.8%
Total	22.0%	30.0%	48.0%	100.0%

Exchanges promise competition, choice, clout

- Compare/Select QHPs that meet benefit design, consumer protection and other standards
- Increase competition
- Lower costs for individuals by increasing the size of the risk pool
- CBO estimates reduced premiums for the same benefits compared to prior law
 - Coverage expansion → healthier risk pool → **7-10% reduction**
 - Economies of scale → **another 7-10% reduction**

Exchange Projections by Origin of Coverage



Changing Marketplace

- New individual market dynamic: “Approximately two-thirds of buyers in the market will purchase on state-sponsored exchanges, and the remaining one-third through a variety of other channels.” (Oliver Wyman)
- Deloitte projections nationwide:
 - Uninsured declines from 52 million in 2012 to 32 million in 2021
 - Health Insurance Exchange grows to **30 million** by 2021
 - Exchange volume grows to account for 83% of the individual market in 2021

A Call For Action

We view our establishment of a **CO-OP** as an opportunity – an opportunity to develop a new model of providing health insurance coverage that entails **payment reform, reinvestment into primary care, and lower administrative costs** with savings passed directly on to the businesses and subscribers themselves as the controlling entity of the non-profit **CO-OP**.

For more information:

Maine Community Health
Options:

<http://www.maineoptions.org>

The Center for Consumer
Information & Insurance
Oversight:

[http://ccio.cms.gov/programs/
coop/index.html](http://ccio.cms.gov/programs/coop/index.html)

CO-OP Funding Opportunity
Announcement (FOA) at:

<http://www.grants.gov> (CFDA
93.545)

CO-OP Final Rule at:

<http://www.regulations.gov>





Thank You

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