ACA Co-op Health Plans

How were they created?

During the Affordable Care Act legislative process, there was considerable debate about a public option, which would have been a government sponsored competitor for the health insurance companies on the exchanges. Although this wasn’t included in the legislation, Co-ops, proposed by former Sen. Kent Conrad (D-ND), were established with the design to bring a non-profit competitor into the exchanges.

When the legislation originally passed, they were given a $6 billion budget, though that has been slashed in recent years to below $2 billion. As a result, although the legislation originally intended for each state to receive federal loans to create a Co-op, only 23 states have actually received loans for them, which is shown on the map below (note that Oregon has 2 Co-ops and the states shaded in light blue are scheduled to start operating one in 2015):

(Chart from HealthAffairs.org)

How are they supposed to operate?

Essentially, these Co-ops start as private, non-profit entities that submit proposals that CMS can either accept or reject (specifically, a board called the Center for Consumer Information & Insurance Oversight board issues recommendations on which start-up loans to approve.) These are typically stakeholder groups and have ranged from farmers unions to urban community health groups.

After the program gets approved and the loan gets accepted, the company then can appear on the exchanges alongside the private insurance companies. The first set of Co-ops were approved in December of 2013.
How does funding work?

After they are approved and receive federal money to start-up, rules dictate that the sponsors must provide at least 40% in the Co-op funding and cannot receive more than 40% of their funding from state or local governments. Even further, then can only receive up to 25% of their funding from insurance companies that existed prior to July 16, 2009.

What’s been happening recently?

As shown in the map above, the federal government has only approved 24 Co-ops, one of which has since folded. There has been decidedly mixed reviews about the Co-ops for a few reasons:

- Due primarily to the healthcare.gov technical struggles early on, people had a tough time gaining awareness and signing up for co-ops.
- Because of the website struggles, the Co-ops have faced a tough time generating enough revenue to hire enough employees to make the Co-ops viable.
- Also partially due to the lack of an established presence, the Co-ops may face challenges in making their provider network large enough to meet their customer’s needs.

However, certain health Co-ops have been seeing relatively high success recently, with Co-ops such as InHealth (based in Ohio) reporting that they’re expecting to double their initial projected enrollees. Other success stories include HealthyCT, a Co-op in Connecticut that has been extremely successful in enrolling people on the exchanges. Additionally, John Morrison, who runs the Montana Health Co-op, has reported that his group is easily beating the prices of the other insurers on the Montana health exchange and the Kentucky Health Cooperative recently announced that 75% of the purchases of plans in the Kentucky exchange belonged to them.

Even further, three of the Co-ops are planning to expand into more states, including “Montana Health CO-OP [which is] setting up business in Idaho. Minuteman Health in Massachusetts is moving into New Hampshire. Kentucky Health Cooperative will start selling in West Virginia.”

For further reading on these issues, there is a large health policy brief from Health Affairs that details these potential problems.

Relevant media coverage:

After a report detailed potential problems in the Co-op funding last October, there was a round of media stories critical of the Co-ops, including ones in the Washington Post and FierceHealthPayer.

As the Co-ops have started to gain more customers and become solvent, there has been much more positive media coverage in the last month about Co-ops, including from Bloomberg, Kaiser Health News and ModernHealthcare.com. Even further, a recent article from FierceHealthPayer called them a “lopsided” success.
However, it is important to note a large article in the New York Times last month, which took a relatively neutral stance on the Co-ops, saying they were having “mixed” success.

**Key takeaways:**

- Although the initial coverage about the Co-ops was mixed-to-negative, as the months have moved on and more people are enrolling in the exchanges, coverage has become more positive.
- Even more important, the coverage has reflected that the Co-ops prices are extremely competitive with other insurers on the exchanges.
- As will be shown below in the evaluation of the individual Co-ops, the media coverage around individual Co-ops primarily focuses on their efforts to encourage citizens to enroll on the exchanges.

**Who got loans from CMS?**

(NOTE: all of this information was gathered from CMS.gov)

1. **Compass Cooperative Mutual Health Network, Inc**
   a. State: Arizona
   b. Size of loan: $93,313,233
   c. Sponsor: Local partnership (Founding member Dr. Selvoy Fillerup, an otolaryngologist.)
   d. Media Coverage:
      i. [Arizona Daily Star, March 21](#), “Fair, other venues offer insurance enrollment help.”
         1. Was primarily about how Compass Co-op is trying to encourage more people to enroll in the healthcare exchanges.

2. **Colorado Health Insurance Cooperative, Inc**
   a. State: Colorado
   b. Size of loan: $72,335,129
   c. Sponsor: Rocky Mountain Farmers Union
   d. Media Coverage:
      i. [New York Times, March 24](#), “Insurers Push to Enroll People as Health Care Deadline Nears”
         1. Primarily focused on how the Colorado Co-op is encouraging people to enroll in the exchanges.
      ii. [USA Today, March 26](#), “Analysts say 6 million health care enrollees in sight”
         1. Features a picture of the Colorado Co-op, also about enrollment efforts.

3. **HealthyCT**
   a. State: Connecticut
   b. Size of loan: $79,553,768
   c. Sponsor: Connecticut State Medical Society
   d. Media Coverage:
      i. [The Day, March 27](#) “Affordable Care Act sign-ups near deadline in Connecticut”
1. Focused on the enrollment efforts of HealthyCT

4. **Land of Lincoln Health**
   a. State: Illinois
   b. Size of loan: $160,154,812
   c. Sponsor: The Metropolitan Chicago Healthcare Council
   d. Media Coverage:
      i. *Crain’s Chicago Business, October 7, 2013* “Upstart Land of Lincoln takes on Blues in health exchanges”
      1. About the efforts of Land of Lincoln to compete for enrollees on the exchanges.

5. **Coopportunity Health**
   a. State: Iowa & Nebraska
   b. Size of loan: $112,612,100
   c. Sponsor: Iowa Institute (a community health organization)
   d. Media Coverage:
      i. *The Gazette, March 11* “New Iowa insurer, CoOportunity Health, objects to extension”
      1. This was primarily about the Co-ops reaction to the HHS decision to allowed people to keep insurance policies that didn’t comply with the new ACA standards.
      ii. *Omaha World Herald, March 27* “Last call for health care sign-ups; enrollment counselors getting busier and busier”
      1. About CoOpportunities push to get more people enrolled in the exchanges.

6. **Kentucky Health Care Cooperative**
   a. State: Kentucky
   b. Size of loan: $81,494,772
   c. Sponsor: a “coalition of business leaders, providers and community organizations” (led by Janie Miller)
   d. Media Coverage:
      i. *The Lane Report, March 5* “Kentucky Health Cooperative claims most of the business on the state insurance exchange”
      1. A story detailing the success of the Kentucky Health Cooperative and how they’ve dominated the Kentucky health exchange.

7. **Louisiana Health Cooperative, Inc.**
   a. State: Louisiana
   b. Size of loan: $65,790,660
   c. Sponsor: Ochsner Health System (a non-profit healthcare provider)
   d. Media Coverage:
1. Essentially, this article details how all of the health insurers on the Louisiana exchange will be required to allow low-income HIV patients to use federal funding to pay for their insurance premiums.

8. **Maine Community Health Options**
   a. State: Maine
   b. Size of loan: $64,686,124
   c. Sponsor: Maine Primary Care Association
   d. Media Coverage:
      i. [Nonprofit Quarterly, February 16](#) “Nonprofit Health Insurance CO-OPs Making Progress on the Exchanges”
         1. This article details how the Co-ops are faring on the exchange market.
      ii. [Maine Public Broadcasting Network, February 28](#) “Glut of ACA Sign-Ups Inundates Maine Insurers”
         1. This article is a broad overview of how insurance companies in Maine are handling the increase in customers via the exchanges.

9. **Evergreen Health Cooperative Inc.**
   a. State: Maryland
   b. Size of loan: $65,450,900
   c. Sponsor: The Maryland State Medical Society
   d. Media Coverage:
      i. [Baltimore Sun, March 18](#) “Deadline looms to enroll in health insurance”
         1. This article details how the Co-op is encouraging people to sign up for healthcare
      ii. [Baltimore Sun, October 29](#) “Evergreen faces challenges in delivering health insurance”
         1. Details how the Co-op had initial challenges due to the Maryland exchange website troubles.

10. **Minuteman Health Inc**
    a. State: Massachusetts & New Hampshire
    b. Size of loan: $156,442,995
    c. Sponsor: Tufts Medical Center and Vanguard Health Systems (both non-profit hospital systems.)
    d. Media Coverage:
        i. [Concord Monitor, March 21](#) “Minuteman Health plans to offer broad N.H. network on marketplace in 2015”
           1. Details the Co-ops attempt to expand to the NH market.

11. **Michigan Consumer’s Healthcare CO-OP**
    a. State: Michigan
    b. Size of loan: $71,534,300
    c. Sponsor: a “coalition of county Health Plans” (which are non-profit organizations that provide health benefits to Michiganders.)
    d. Media Coverage:
i. Detroit Free Press, March 25 “Michigan guide to the Affordable Care Act”
   1. Listed as one of several insurance options for Michiganders

12. Montana Health Cooperative
    a. State: Montana & Idaho
    b. Size of loan: $85,019,688
    c. Sponsor: “a coalition of small businesses and community leaders”
    d. Media Coverage:
       i. KXLF March 3 “Montana's Obamacare costs: just below national median”
          1. This article details the state of competition in the Montana insurance
             field, mentioning the Co-op several times

13. Nevada Health Cooperative
    a. State: Nevada
    b. Size of loan: $65,925,396
    c. Sponsor: Culinary Health Fund
    d. Media Coverage:
       i. Insurance Business America, March 17 “Agents reserved on health co-ops
          despite market share successes”
          1. Focuses on whether health insurance agents will respond well to the Co-ops.

14. Freelancers CO-OP of New Jersey
    a. State: New Jersey
    b. Size of loan: $109,074,550
    c. Sponsor: Freelancers Union
    d. Media Coverage:
       i. NJ Spotlight March 10, “Co-op Insurer Carves Out Unique Niche in NJ’s ACA
          Marketplace”
          1. Talks about how the Freelancers Co-op was set up, goes over the CMS
             rules for Co-ops.

15. New Mexico Health Connections
    a. State: New Mexico
    b. Size of loan: $77,317,782
    c. Sponsor: Multiple parties
    d. Media Coverage:
       i. Albuquerque Business First, February 25 “Hickey elected board chairman of co-op
          health plan trade group”
          1. Focuses on Hickey’s election to the national Co-op group, National
             Alliance for State Co-ops.

16. Freelancers Health Service Corporation
    a. State: New York
    b. Size of loan: $174,445,000
    c. Sponsor: Freelancers Union
    d. Media Coverage:
i. See above coverage for NJ.

17. **Coordinated Health Mutual, Inc.**
   a. State: Ohio
   b. Size of loan: $129,225,604
   c. Sponsor: “a coalition of community groups, business leaders, and providers”
   d. Media Coverage:
      i. **Columbus Business First, March 24** “InHealth co-op doubles projections for enrollees without Obamacare boost”
         1. Focuses on the success of Inhealth, the Ohio Co-op.

18. **Freelancers CO-OP of Oregon**
   a. State: Oregon
   b. Size of loan: $60,648,505
   c. Sponsor: Freelancers Union
   d. Media Coverage:
      i. See above coverage on the Freelancers Co-op

19. **Oregon's Health CO-OP**
   a. State: Oregon
   b. Size of loan: $56,656,900
   c. Sponsor: CareOregon (a Medicaid Managed Care Organization)
   d. Media Coverage:
      i. **New York Times, March 20** “Health Care Exchange in Oregon Not Meeting High Hopes”
         1. Article detailed the difficulties of this Co-op, which is facing an enrollee shortage due to the struggles of the Oregon exchange.
      ii. **The Oregonian, March 21** “As final deadline looms, Oregonians may face a tax penalty for lack of health coverage”
         1. Article again about the struggles of the Oregon exchange, the Co-op is quoted as having dealt with citizens confused about the tax penalty

20. **Consumers' Choice Health Insurance Company**
   a. State: South Carolina
   b. Size of loan: $87,578,208
   c. Sponsor: a wide variety of organizations
   d. Media Coverage:
      i. **The State, February 28** “Insurance newcomer making an impact in SC”
         1. Positive story about the success of the Co-op in signing up South Carolinians for health care.

21. **Community Health Alliance Mutual Insurance Company**
   a. State: Tennessee
   b. Size of loan: $73,306,700
   c. Sponsor: Healthcare 21 Business Coalition
   d. Media Coverage:
i. **Memphis Business Journal, October 1** “Tennessee’s co-op looks to entice Obamacare shoppers with smartphones”
   1. Article details how the Co-op is utilizing a smartphone app to encourage people to sign up for health care.

22. **Arches Mutual Insurance Company**
   a. State: Utah
   b. Size of loan: $89,650,303
   c. Sponsor: Association of Utah Community Health, the Salt Lake City Chamber, and the Utah Health Policy Project
   d. Media Coverage:
      i. **Desert News, March 27** “Health care is no game, but will your family win or lose under Obamacare?”
         1. Article that details Utah’s citizens struggling to sign up for health care, Co-op expert is quoted on difficulties of selling health insurance.

23. **Common Ground Healthcare Cooperative**
   a. State: Wisconsin
   b. Size of loan: $56,621,455
   c. Sponsor: Common Ground (community health group in Wisconsin)
   d. Media Coverage:
      i. **Milwaukee Journal-Sentinal, March 22** “Obamacare health plans leave out some community health centers”
         1. Article details how certain Co-ops have relatively limited networks that exclude community health centers.