



## **New Loan Program Helps Create Customer-Driven Non-profit Health Insurers**

The Affordable Care Act creates a new type of private nonprofit health insurer, called a Consumer Operated and Oriented Plan, or “CO-OP.” CO-OPs are directed by their customers and designed to offer individuals and small businesses more affordable, consumer-friendly and high quality health insurance options.

The CO-OP program offers low-interest loans to eligible nonprofit groups to help set up and maintain these issuers. To date, a total of 12 non-profits offering coverage in 12 States have been awarded \$982,472,104.

Starting January 1, 2014, CO-OPs, will be able to offer health plans through the new, competitive health care marketplaces in their State, called the Affordable Insurance Exchanges. In addition to offering health plans through an Exchange, CO-OPs may also offer health plans outside of an Exchange.

The first round of applications was due on October 17, 2011, the second round of applications was due on January 3, 2012, and the third round of applications was due on April 2, 2012. There will be subsequent quarterly application deadlines through December 31, 2012. Awards will be announced on a rolling basis.

CO-OP loans are only made to private, nonprofit entities that demonstrate a high probability of financial viability. All CO-OPs receiving loans were selected by CMS on a competitive basis based on external independent review by a multi-disciplinary team. As CO-OPs meet or exceed developmental milestones, funds are allowed to be incrementally drawn down.

CMS will closely monitor CO-OPs to ensure they are meeting program goals and will be able to repay loans. To ensure strong financial management, CO-OPs are required to submit quarterly financial statements, including cash flow and enrollment data, receive site visits, and undergo annual external audits. This monitoring is concurrent with the financial and operational oversight by State insurance regulators.

For more information on CO-OPs, including what federal loans are available, who can apply and licensing requirements, please visit: [http://cciio.cms.gov/resources/factsheets/coop\\_final\\_rule.html](http://cciio.cms.gov/resources/factsheets/coop_final_rule.html)

**Detailed below is some additional information about each new awardee:**

### **Michigan Consumer’s Healthcare CO-OP**

**Service Area:** Michigan

**Award Amount:** \$71,534,300

**Award Date:** May 18, 2012

Michigan Consumer’s Healthcare CO-OP is sponsored by a coalition of 15 county health plans, which are private, non-profit corporations that provide a limited health coverage benefit to low-income individuals in Michigan. Michigan Consumer’s Healthcare CO-OP plans to provide health insurance coverage statewide.

### **Hospitality Health CO-OP**

**Service Area:** Nevada

**Award Amount:** \$65,925,396

**Award Date:** May 18, 2012



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Hospitality Health CO-OP is sponsored by the Culinary Health Fund, its national parent Unite HERE Health, and the Health Services Coalition. Hospitality Health CO-OP will operate for everyone in the Exchanges and the individual and small group markets. Hospitality Health CO-OP plans to provide health insurance coverage statewide.

In addition to these two new awards, the following applicants were awarded CO-OP loans in previous rounds:

### **Midwest Members Health**

**Service Area:** Iowa and Nebraska

**Award Amount:** \$112,612,100

**Award Date:** February 21, 2012

Midwest Members Health is sponsored by the Iowa Institute, a community organization. They plan to provide health insurance coverage throughout Iowa and Nebraska.

### **Maine Community Health Options (MCHO)**

**Service Area:** Maine

**Award Amount:** \$62,100,000

**Award Date:** March 23, 2012

Maine Community Health Options is sponsored by Maine Primary Care Association, which is a membership organization comprised of Maine's community, tribal, migrant, and homeless health centers.

### **Montana Health Cooperative**

**Service Area:** Montana

**Award Amount:** \$58,138,300

**Award Date:** February 21, 2012

Montana Health Cooperative is sponsored by a coalition of small businesses and community leaders and plans to add a strong primary care capacity to Montana's rural and medically underserved communities. Montana Health Cooperative will provide health insurance coverage statewide.

### **Freelancers CO-OP of New Jersey**

**Service Area:** New Jersey

**Award Amount:** \$107,213,300

**Award Date:** February 21, 2012

Freelancers CO-OP of New Jersey is sponsored by Freelancers Union, an association of independent workers that is partnering with providers with an innovative and effective Patient-Centered Medical Home model. Freelancers CO-OP of New Jersey will provide health insurance coverage statewide.

### **New Mexico Health Connections**

**Service Area:** New Mexico

**Award Amount:** \$70,364,500

**Award Date:** February 21, 2012



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New Mexico Health Connections is sponsored by a coalition of community groups, business leaders, and providers that plan to work with their provider community to improve health outcomes in 11 counties and expand statewide within two years.

### **Freelancers Health Service Corporation**

**Service Area:** New York

**Award Amount:** \$174,445,000

**Award Date:** February 21, 2012

**Freelancers Health Service Corporation** is sponsored by Freelancers Union, an association of independent workers whose model is driven by a focus on providing high quality, consumer oriented coverage and financial sustainability that emphasizes the use of patient-centered medical homes. Freelancers Health Service Corporation will provide health insurance coverage throughout New York State.

### **Freelancers CO-OP of Oregon**

**Service Area:** Oregon

**Award Amount:** \$59,487,500

**Award Date:** February 21, 2012

Freelancers CO-OP of Oregon, sponsored by Freelancers Union, is partnering with providers that have an extensive integrated primary care model that will be a strong asset to this CO-OP. Freelancers CO-OP of Oregon will provide health insurance coverage statewide

### **Oregon's Health CO-OP (Incorporated as Community Care of Oregon)**

**Service Area:** Oregon

**Award Amount:** \$56,656,900

**Award Date:** March 23, 2012

Oregon's Health CO-OP (Incorporated as Community Care of Oregon) is sponsored by CareOregon, a non-profit Medicaid Managed Care Organization. Oregon's Health CO-OP will apply its CO-OP loans to participate in the state's new Health Insurance Exchange marketplace. They plan to provide coverage statewide.

### **Consumers' Choice Health Insurance Company (CCHIC)**

**Service Area:** South Carolina

**Award Amount:** \$87,578,208

**Award Date:** March 27, 2012

Consumers' Choice Health Insurance Company is sponsored by a dedicated team of volunteers from not-for-profit organizations, member-driven employer groups and business advocates with expertise in the South Carolina health care and insurance markets.

### **Common Ground Healthcare Cooperative**

**Service Area:** Wisconsin



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**Award Amount:** \$56,416,600

**Award Date:** February 21, 2012

Common Ground Healthcare Cooperative is sponsored by Common Ground, a community organization in Wisconsin that represents almost 100 small businesses, churches, unions, colleges, and community groups. Beginning its operations in southeastern Wisconsin, Common Ground Healthcare Cooperative will provide health insurance coverage throughout Wisconsin within five years.