

MONTANA HEALTH COOPERATIVE

3390 Colton Drive Suite A Helena, Montana 59602

Good Morning/Afternoon:

Members of the Committee, my name is John Morrison, I am senior partner in the Law firm of Morrison Motl, and Sherwood of Helena Montana---I flew here from Helena to be with you today to talk about an exciting new development in Montana---the Montana Health Cooperative.

I served as the insurance commissioner of Montana from 2001-2008 and have been very involved in health coverage initiatives. I am a past chair of the Health Insurance and Managed Care Committee of the National Association of Insurance Commissioners. It has been my pleasure to help establish Insure Montana and Healthy Montana Kids, which together have covered tens of thousands of Montanans. I now serve on the board of the Center for Health Policy Development, as well, the parent entity for the National Academy of State Health Policy.

I am here today as a Board member of the Montana Health Cooperative, a Mutual Benefit Non Profit Corporation seeking status as the Health Cooperative for Montana. Our Board sends you their greetings and thanks for your service.

Montana has a long and positive history of member owned cooperatives. Many Montanans buy their telephone service, electricity, and natural gas from cooperatives; our ranchers and farmers sell their products and buy their goods and services almost exclusively through cooperatives, and our many strong credit unions, all of them member-owned cooperatives, provide credit and financial services to thousands of families in our state.

Why a Health Cooperative in Montana?

Montana has perhaps the least amount of meaningful competition for health care dollars of any state. Most of our communities have a single hospital, and one insurer has the lion's share of health insurance in all 56 counties.

Montanans want and NEED more competition, more consumer choice, for their healthcare dollars. That is why we applaud the opportunity to create a new choice for Montanans, a company controlled not by Wall Street, not by out of state interests, not by a self appointed clique, but a Cooperative run by a consumer oriented Board elected by the members themselves.

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We have labored long and hard to create an organization that embodies the spirit of consumerism found in Section 1322 of the Affordable Care Act. Our initial workgroup is comprised of individuals with a proven track record of civic involvement and represent the great diversity that is Montana—business and labor leaders, Native American Indians and Academics, persons from all walks of life, and people from all regions of our large state.

We have reached out to the medical provider community so as to build a truly statewide integrated delivery model of care, centered on primary care. Our nascent Board includes a retired CEO of one of our largest hospitals, the director of our only inpatient mental health center, and the President of the State's largest independent physicians' clinic.

We intend the care delivery model to be built around the Patient Centered Medical Home concept as developed by the Center for Health Policy Development and the Bureau of Primary Health Care. We have engaged the full cooperation of the Community Health Center movement. Community Health Centers serve 10% of Montana's population and yet have been neglected by many private payers; they will be a centerpiece of our delivery strategy.

Financially, you should be aware we have retained an outstanding actuarial consulting firm (and our initial actuarial projections are included in my handouts). As a former insurance commissioner I understand the importance of building Coops on a sound financial footing. We are reaching out to private foundations for startup grants, and we are convinced this enterprise is not only in the consumer's interest but can be fully self supporting and viable in a short space of time.

We recognize there has been some skepticism of the concept of 50 single state Health Cooperatives competing meaningfully against the big seven giant insurers. We believe this skepticism is naïve. The large carriers are saddled with stockholder demands for profit, large overheads, antiquated legacy processing systems and other inefficiencies.

I am also here today to speak on behalf of the National Alliance of State Health Cooperatives ("NASHCo"). I am honored to serve as the incorporating Board Chairman of this new organization. Acting under the auspices of the ACA, section 1322(D), NASHCo hopes to develop a strong "Private Purchasing Council."

By purchasing services together, Coops can provide better, less expensive service to their members than is currently available. I have in the packet provided you with literature on the National Alliance, and we invite all interested parties to join NASHCo so as to provide a centralized means of communication, education, purchasing, and advocacy.

Thank you for providing this opportunity for public input, and I would invite any of you to contact me for further information and to come to Montana and see the great work our team has done.

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