

Comments and Questions for the OCIO's CO-OP Advisory Board
December 7, 2011

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A small group of healthcare thought leaders, including myself, and other interested individuals are looking to create a member-owned, non-profit association intended to function as a consumer-directed healthcare cooperative. The main purpose of the organization is to serve our member-consumers' mutual best interest in securing quality, accountable healthcare services for our membership.

From our perspective, we face significant hurdles.

Our Challenges:

- 1) Startup effort – general difficulty in starting up a successful entity, sustaining success and becoming a stable enterprise
- 2) Start-up Capital Requirements
 - Staff
 - Infrastructure and Technology
 - Marketing
- 3) N.C. Dept. of Insurance Reserve Requirements
- 4) State Licensure by N.C. Dept. of Insurance
- 5) Timing of Federal funds availability
- 6) Becoming a Healthcare “Cooperative” under state laws
- 7) Qualification (having a “Qualified Plan”) for Health Benefit Exchange
- 8) Dominant Competition (oligopolistic market)
- 9) Short Timeframe
- 10) Possibility that components of ACA will be “defunded”
- 11) Political Acceptance? – “ObamaCare”

At the same time, we only see a couple of incentives and opportunities that encourage us to proceed.

Enabling/Contributory Factors:

- 1) \$6 billion available for loans and grants through ACA – this is approximately \$115 million per state if all states participate.
- 2) Unique, significant market opportunity to offer a new health insurance product through the Health Benefit Exchange.

Questions:

- 1) What can the CO-OP Advisory Board do to assure Consumers' Health Association of N.C. and other non-profit startups that there is a reasonable chance that the CO-OP initiative will move forward and the subsequent funding can be relied upon?
- 2) What are your fostering principles?
- 3) What are the other potential enabling and contributory factors?
- 4) What should be our realistic expectations for funding?
- 5) What can we do to access funds soon?