

## Background

By January 1, 2014, all Americans will be required to have health insurance under the Patient Protection and Affordable Care Act (ACA) of 2010. To help meet this requirement, in addition to other solutions, the federal government included a provision for the creation of health care CO-OPs, which are nonprofit consumer operated and oriented health plans. There are 24 CO-OPS nationwide. In Ohio, there is only one, InHealth Mutual.

## What is a Health Care CO-OP?

CO-OP stands for “consumer operated and oriented plan”. Ultimately, a CO-OP’s services are governed through a board of directors, the majority of which are its members (policy holders) and are implemented through its administrators. This ensures that a CO-OP will meet the needs of the people it serves.

## What is the Idea Behind the Creation of Health Care CO-OPs?

Health Care CO-OPs are one solution to improve the health insurance landscape in the United States by addressing concerns many Americans have about health insurance: lack of access and competition. Health care CO-OPs will bring more people under the health insurance umbrella to access more affordable, appropriate, quality care.

## How Will People Purchase CO-OP Insurance?

In addition to being sold directly and through brokers, the CO-OP plans will be available on the Health Care Marketplace (Exchange).

## What is the Health Care Marketplace (Exchange)?

Starting in 2014, the ACA requires everyone to be insured. For those who cannot afford health insurance, subsidies or a federal government insurance plan such as Medicaid insurance will be available. In every state, consumers will be able to compare and purchase health insurance policies available in their state at a central location called a Marketplace. Marketplaces are web sites for each state that are in the process of being created to be operational by October 1, 2013. In Ohio, the federal government will establish and operate the Health Care Marketplace.



## Who Offers Insurance Through the Marketplace?

Each qualified insurance company can decide whether or not it will participate in the Marketplace. Some consumers will qualify for subsidies through the federal government to be used toward health insurance purchased through the Marketplace.

## Who Benefits from a Health Care CO-OP?

A health care CO-OP benefits those people who currently have a difficult time obtaining health insurance coverage; either they cannot afford it, their employer doesn't offer it, they have a pre-existing medical condition or they don't think they need it. These people currently are being neglected by the traditional big insurers and likely feel they are outside of the status quo in health care coverage. Yet, these people - 14% in Ohio - do not meet poverty levels to qualify for Medicaid and are not old enough to qualify for Medicare.

## Who are "The Uninsured"?

The uninsured include young healthy millennials who determine it is worth the risk to go without coverage, self-employed working couples unable to obtain affordable insurance, working poor who make too much to qualify for Medicaid, early retirees who are not yet eligible for Medicare, single parents working several jobs none of which offer benefits and anyone who is interested in a different kind of health insurance.

## How Will CO-OPs Benefit Consumers?

CO-OPs will open the door to affordable, flexible and easy-to-understand coverage. After the first year of operation, CO-OPs will be run by members and for members—extending a new, welcoming approach that empowers and affords more control and personal responsibility for healthcare decisions, advancing members to greater wellbeing and peace of mind for themselves and their families.

Being member-governed and focused give CO-OPs the potential to promote efficiency, reduce premiums or premium growth, and improve benefits to members (policy holders). As nonprofits, it's the mandate of the CO-OPs that any profits be directed to enhancing benefits and/or lowering premiums. CO-OPs also will work hard to get members to the most appropriate level of care and reduce the speed bumps they often face.

For more information, visit  
[www.inhealthohio.org](http://www.inhealthohio.org)

