Whereas, Consumer Operated and Oriented Plans (CO-OPs) were enacted as a part of the Affordable Care Act (ACA) to improve competition in the health care marketplace; and

Whereas, CO-OPs may improve the cooperation of patients, physicians, and other providers to improve health outcomes while controlling costs; and

Whereas, CO-OPs were anticipated to have at least a 33% failure rate but have exceeded that rate substantially; and

Whereas, CO-OP failures have been due in large part to a combination of premiums that were too low, benefits that were too generous, enrollees who were sicker than anticipated, competition from bigger carriers with larger reserves, changing regulations for risk corridor payments, and restrictions on enrollments from large group markets; and

Whereas, Four of the original 23 CO-OPs have continued to operate despite these challenges; and

Whereas, The remaining CO-OPs have had some success in reducing the cost of premiums, but have limited market share and restrictions on enrollment; and

Whereas, Changing regulations or legislation to allow CO-OPs to more effectively compete in the larger health insurance marketplace, further improve governance, further improve operations, and stabilize the regulatory environment in which they operate may allow CO-OPs to enhance competition in the broader health insurance market; therefore be it

RESOLVED, That our American Medical Association study options to improve the performance of Consumer Operated and Oriented Plans (CO-OPs) as a potential public option to improve competition in the health insurance marketplace and to improve the value of healthcare to patients (Directive to Take Action); and be it further

RESOLVED, That our AMA work with the National Alliance of State Health Co-Ops to request that Congress and the US Department of Health and Human Services reestablish funding for new health insurance co-operatives. (Directive to Take Action)

Fiscal Note: Modest - between $1,000 - $5,000

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