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Via Hand Delivery

Mr. Brian Chiglinsky
OCIIO-9983-NC, Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue SW,
Washington, DC 20201

Re: Comments Regarding the Consumer Operated and Oriented Plan (COOP) Program

Dear Mr. Chiglinsky:

On behalf of America's Agenda: Health Care for All (America's Agenda), I'd like to thank you and the members of the Consumer Operated and Oriented Plan (COOP) Advisory Board for providing this opportunity to submit comments regarding implementation of the COOP program established under Section 1322 of the Patient Protection and Affordable Care Act HR, 3590 (ACA).

My comments below will touch on three topics: 1) America's Agenda's mission and record, 2) the essential contribution Labor can make to establishing successful COOPs in the State Health Insurance Exchanges, and 3) specific recommendations to the COOP Program Advisory Board.

America's Agenda: Our Mission and Record

America's Agenda works to represent the common ground interests of management and labor in reform of US health care – bringing together national and international labor unions, businesses, health care providers, and government leaders who share a common commitment to achieving guaranteed access to affordable, high quality health care for every American. Our nonpartisan and nonprofit alliance has united leadership of more than 20 national and international labor unions, corporations in diverse sectors of the economy, health care providers, and political leaders of both parties behind a common set of principles and joint recommendations for improving the performance of our national and state health care systems.

Since our founding in 2004, America's Agenda has maintained an unwavering focus on an approach to health reform that attacks the root drivers of health care hyperinflation and promotes continuous improvement in quality of care. In both our policy development and advocacy work, America's Agenda has emphasized the critical importance of enhanced coordination in delivery of care, including clinical support for patient adherence to personal health plans and coordination through transitions in delivery of care (such as post-hospital discharge coordination to reduce avoidable readmissions), and alignment of patient and provider incentives toward compliance with evidence-based best practices in medical care.

Our mission and accomplishments are closely aligned with the objectives of the ACA -- and particularly with Section 1311, establishing the State Health Insurance Exchanges, and Section 1322, establishing the COOP Program. We applaud, especially, the ACA provisions drafted with a clear intent of promoting more comprehensive integration of care delivery that is essential to more effective prevention and management of chronic diseases that account for more than 75% of overall US health

spending and 2/3 of annual growth in the costs of care. America's Agenda was at the forefront of the adoption of many of the ACA provisions related to cost savings, and improved coordination in the delivery of care.

Over the half dozen years of our active engagement in the health reform process, America's Agenda has achieved an unrivaled track record in both design and enactment of groundbreaking state health reform legislation in the states.

Prior to the passage of the ACA, America's Agenda led the way on several state-based health reform initiatives. The America's Agenda health reform legislative campaign in Vermont brought a Republican Governor and a Democratic-led legislature together to end a political standoff and enact the groundbreaking Green Mountain Health legislation of 2006, based on the *Blueprint for Health*, and arguably the most far-reaching state health reform legislation enacted to date.

America's Agenda believes the COOP Program is very important to accomplishing the ACA objectives of promoting continuous health care quality improvement, reducing growth in the costs of care, and assuring affordable access to high-quality care for residents of the states. We appreciate this opportunity to offer some specific recommendations for assuring that the COOP Program will fulfill its promise.

The Essential Experience and Expertise of Labor

Based on our observations and experience in the states, America's Agenda recommends that this Advisory Committee give strong consideration to the unique experience and expertise that organized labor and the joint labor-management team bring to the challenge of establishing beneficiary-run, non-profit health insurance COOPs in the state exchanges. Indeed, the engagement of organized labor may be essential to the establishment of successful COOPs in many states.

The breadth of Labor's experience in formation and continuous operation of non-profit, self-funded health plans is unique in America. Labor unions operate approximately 3,000 plans covering lives of 23 million American workers, dependents, and retirees. The success of these plans reflects a long history of effective cooperation with a variety of stakeholders.

Even though the labor and employer jointly-governed Taft-Hartley health funds are subject to approval by the employee membership, they are not, strictly speaking, COOP plans as defined in Section 1322 of the ACA. Nevertheless, the experience and expertise Labor has acquired in governance of these funds are germane to successful establishment and operation of the new ACA COOPs. For example, Labor unions are at the cutting edge of developing innovative integrated care delivery models as addressed in Section 1322(b)(2)(A)(ii) and virtually integrated provider networks. This kind of care delivery innovation will be critically important to the success of COOPs in reducing cost growth and improving patient care quality. It will be key to successful competition of COOPs in the reformed individual and small group insurance markets of the state exchanges.

Labor and management's rich experience in joint governance of self-funded health plans has enabled labor organizations to acquire distinct expertise in other areas that will prove important to successful establishment and operation of COOPs under ACA Section 1322. These include expertise in:

- Collective or bulk purchases of medical and administrative services and equipment addressed in Section 1322(d) on "Establishment of Private Purchasing Council",
- Aggregating and representing beneficiary interests in negotiations with providers, and
- Design and operation of health benefit plans that are responsive to the needs of plan participants. The COOP governance requirement specified in Section 1322(c)(3)(C) is an equally apt

description of the obligations carried by labor trustees that participate in joint-governance of Taft-Hartley health funds – i.e. “...the organization is required to operate with a strong consumer focus, including timeliness, responsiveness, and accountability to members.”

The unique experience of America’s labor unions in the cooperative management of Taft-Hartley health funds serving tens of millions of beneficiaries working in large and small business settings over more than a half century has equipped Labor to make a uniquely important contribution to the successful operation of COOPs in the state health insurance exchanges. Organized labor cares deeply about the successful operation of the COOP Program. Labor unions and business representatives experienced in joint management of self-funded health plans bring significant tools to successful implementation of COOPs. America’s Agenda does not believe that Americans can afford to overlook these assets in the implementation of Section 1322.

Specific Recommendations to the Advisory Board

Based on the above considerations, America’s Agenda offers the following recommendations to the COOP Program Advisory Board:

1. Labor unions, their affiliates, and state federations should be specifically recognized as eligible to receive federal loans and grants allocated for establishment of COOPs under ACA Section 1322(b).
2. Combined entities of labor unions and businesses experienced in joint management of Taft-Hartley health funds should be specifically recognized as eligible to receive federal loans and grants for establishment of COOPs.
3. Rules pertaining to the establishment and operation of COOPs should assure adequate and effective representation by Labor on governing boards of all COOPs established under the ACA, Section 1322.
4. Rules pertaining to the establishment and operation of COOPs should assure adequate and effective representation by members of the business community with appropriate experience on governing boards of jointly managed health plans. This will help ensure the level of customer service and consumer focus needed to make the COOPs a success.

Thank you for this opportunity to address the members of the COOP Program Advisory Board.

Sincerely,



Mark Blum
Executive Director
America’s Agenda: Health Care for All