

Criteria, Process & Compliance Subcommittee Proposed Recommendations

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Overview of Recommendations with Consensus (1 of 4)

1. “Private support” should be defined to include: committed funding, committed in-kind support, letters of intent to participate in the CO-OP or its formation from key stakeholders (e.g., provider groups), and letters of support from key community leaders.
2. Where there is more than one qualified applicant from a single state, in addition to the factors listed in ACA, weight should be given to other factors, including type and level of expertise, stage of development, innovation, and commitment to CO-OP goals and objectives.

Overview of Recommendations with Consensus (2 of 4)

3. HHS could consider discontinuing funding for a CO-OP if it fails to meet: substantial conditions for any stage in the funding process; HHS contract terms; business plan benchmarks; state solvency requirements; qualified health plan requirements; provider network adequacy standards; or quality-of-care standards.

Other reasons could include: court-ordered bankruptcy; lack of consumer support; falling enrollment that jeopardizes sustainability; persistent problems with consumer complaints; and audits indicating serious, ongoing financial problems.

Overview of Recommendations with Consensus (3 of 4)

4. Applicants should be required to demonstrate engagement with local and state insurance regulators and knowledge of licensing requirements.
5. HHS should approach national foundations about providing technical assistance directly to applicants and grantees.

Overview of Recommendations with Consensus

(4 of 4)

6. The Advisory Board recognizes that the need to compete for plan members means it will be highly desirable for CO-OPs to be ready to enroll members during the first Exchange open enrollment period in late 2013. Therefore, it recommends that HHS issue draft regulations in Spring 2011, issue final regulations and the loan/grant solicitation in Summer 2011, and be ready to receive and review applications in Fall 2011.
7. After the first round of applications, HHS should receive applications on a rolling basis thereafter with defined intervals of review and award.

Recommendations That Required Further Discussion (1 of 2)

Final Proposed Recommendation:

Discontinuing funding should be a last resort. HHS should make every effort to help a CO-OP succeed by, for instance, providing technical/management support where needed and providing additional funding—along with closer oversight by, and more frequent reporting to, HHS--to protect the investment already made.

Rationale:

Every effort should be made to help a CO-OP succeed before considering discontinuing funding.

Recommendations That Required Further Discussion (2 of 2)

Final Proposed Recommendation:

The Advisory Board recommends that loan repayment period should not begin until enrollment has been achieved.

Rationale:

This recommendation is made because It would be very difficult for CO-OP plans to begin payback without first achieving enrollment. In addition, repayment must be consistent with state solvency requirements.

Questions?