



HEALTH CARE COOPERATIVES

There has been increased discussion recently among members of Congress about alternatives to a federally backed “public plan” as a key component of health care reform. One of the leading alternatives to a public plan being discussed is the implementation of health care cooperatives.

While details on how Congress would implement a cooperative component are unclear, ACA Government Relations staff has put together an FAQ list that doctors of chiropractic can reference for further information. This FAQ document should be viewed as an information piece only; it does not indicate ACA support or opposition to the cooperative proposal.

What is a cooperative?

Cooperatives are member-owned and controlled enterprises that provide mutual benefits. By forming a cooperative, members aim to gain benefits that they could not attain individually. In respect to health care, the benefit would be increased purchasing power from a pooling of health care consumers. It’s important to note that membership is voluntary and that cooperative boards are elected by the membership.

There are three categories of health care cooperatives in the United States: consumer owned, worker owned, and group-purchasing owned by businesses or hospitals. Consumer-owned integrated health cooperatives are the primary vehicle for providing health services to patients, and often are modeled after coordinated-care HMOs.

How many Americans are enrolled in consumer health cooperatives?

Approximately 2 million people are members of consumer-owned health care cooperatives, though Sen. Kent Conrad (D-ND), chairman of the Senate Budget Committee, recently stated:

“Actuaries have figured it will cost about \$6 billion to establish the insurance reserve requirements that cooperatives will need, and 12 million people will sign on.”

What is the current state and/or federal regulatory structure for health care cooperatives?

The state and federal regulatory structure for health care cooperatives is the same as for any other type of health care organization.

Are there standards for licensure requirements, board structure and membership?

Cooperatives as businesses are regulated at the state level. Health care cooperative HMOs may be regulated by the state department of insurance and/or the state department of health and human services, and/or the state department of commerce.

Cooperatives would be subject to the state general cooperative, sector-specific cooperative or corporation law.

If the cooperative is incorporated as a nonprofit, it would have to comply with state rules for nonprofits, including those addressing insolvency.

Ownership and democratic control of the enterprise are vested in the membership, which may comprise individuals and/or other legal entities (cooperatives, companies or associations). Democratic control means the affairs of the cooperative are controlled by its members. Every member has one vote only, irrespective of the capital contributed or the volume of the business transacted.

Are payment structures similar to that of private insurers?

In general, yes, largely due to risk pool and regulatory framework. To keep costs down and patient satisfaction up, cooperatives often focus on preventive care, wellness, patient experience and coordination of care.

May Doctors of Chiropractic participate in health care cooperative plans?

Doctors of Chiropractic may participate in health care cooperatives just as they would in any other health insurance program. An initial review of the states where cooperatives are a major actor in the delivery of health care found that every cooperative plan provided access to DC services, with network providers listed on their Web sites.

REMEMBER: The above is for informational purposes only and should not be used as information in favor of, or opposition to, this larger policy option. ACA will continue to closely monitor this issue and update this document as needed. It is critical that doctors maintain a unified message that is focused on points specific to chiropractic. Please visit www.acatoday.org/hcrtoolkit for specific **Talking Points** and **Issue Briefs** to use during meetings and discussions with your federal legislators.

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