

Access to Affordable Health Insurance: Progress Made Through Health Care Purchasing Cooperatives



Wisconsin
Comprehensive Cancer
Control Summit




Today's Discussion

1. Co-op Care: How it aims to increase access to quality health insurance coverage for farmers and small employers.
2. The Farmers' Health Cooperative of Wisconsin Overview
3. Why Access is Not Enough: Prevention, Intervention and Disease Management are Keys to Long Term Success



Co-op Care

The Cooperative Network pursued legislation, today known as Co-op Care, to provide a statutory model for a health insurance purchasing cooperative pilot project.




Why Co-op Care?

- Effort started in 2003
- Bring individuals and groups together into a cooperative to purchase health insurance
- Coops are member-owned and controlled
- Focus on long-term service to its member



Why Co-op Care?

- State authorizing laws passed in 2003, 2005
- Provide affordable, quality health care to individuals, small businesses and others
- Emphasize healthy lifestyles and member participation
- Created through contracts with insurers and are viewed as large groups



Why Co-op Care

Group Purchasing of Health Insurance Benefits to Coop Members

- Negotiating Power
- Build Expertise in Benefit Design and Evaluation
- Educate and Empower Members
 - Health and Wellness
 - Drivers of Health Care Costs
 - How Health Care Decisions Affect Premiums
 - Members involved in the management and decision making



Co-op Care Today

- Five Cooperatives Currently offering insurance
- About 10 cooperatives in the formation stages
- Gaining trust and a history with insurance carriers
- Serving diverse groups from school districts to business owners to independent physicians to union employee's to farmers



Co-op Care

- Co-op Care Law Requires:
 - Three year contract/commitment from members
 - Member risk pooled
 - Co-ops regulated as large group
 - Members informed about cost drivers
 - Focus on prevention



The Creation of FHCW

The passage of Co-op Care makes way for
the Farmers' Health Cooperative of
Wisconsin.



The Reason Why

- Agricultural producers paid three times as much for health care as salaried employees and twice as much as other self-employed individuals
- Uninsured and underinsured rate higher for producers
- Quality of coverage offered to producers was lacking, with little access to preventive care
- Most agricultural producers have individual plans and do not have access to a group insurance plan except through off-farm employment
- The net result is health insurance has become the primary concern of agricultural producers in Wisconsin



The Reason Why

“... We have gone without health insurance for 12 years because decent health insurance is just too costly... this is money that is hard to justify with all the bills and then living expenses. So, we take the risk of going without... that’s one more worry on our shoulders, hoping that nothing serious happens anyone in our family.”

- Dairy Farmer, 100-cow herd



FHCW Development

Focus Group and Surveys Reveal priorities for consumers:

1. Cost
2. Cost
3. Cost
4. Choice of Provider
5. Quality



FHCW Development

After numerous discussions with insurance companies, forged a relationship with Agri-Services Agency and Aetna

- Advantages
- Challenges



Introducing FHCW

The coverage you need. The health care you want. A price you can afford.

Cooperative Basics:

- ASA Provides Marketing, Underwriting, Customer Service for a percentage of premium
- Aetna takes on risk and processes claims for a percentage of premium
- \$12 per per family/employee, per month fee to support cooperative staff and actuarial services
- Governed by a Board elected from membership
- Capitalization payment: member investment in the Co-op
 - Required by law
 - Refundable after three years
- Adults must complete a Personal Health Risk Assessment



The FHCW Difference

- 1. FHCW Provides Coverage of Work Related Injuries and pre-existing conditions**
- 2. FHCW Provides Generous Preventive Care Coverage**
 - Mammograms, office visits, labs and diagnostic
- 3. FHCW Does Not Deny Coverage for Eligible Members**
 - Alone in individual market



The FHCW Difference

- 4. FHCW Members Enjoy the Benefits and Protections of Large Group Purchasing**
 - Mandated benefits, maternity, prescription drug
- 5. FHCW Provides Excellent Customer Service to Help Members Navigate Insurance Issues**
- 6. FHCW is Backed by State and Federal Officials And Wisconsin's Healthcare and Agricultural Communities**



The FHCW Difference

7. FHCW Provides Six Insurance Plans and a Comprehensive Provider Network

- Deductibles range from \$300 to \$5000
- 4 PPO and 2 HSA compatible plans

8. FHCW is Changing the Insurance Market for Farmers

9. FHCW is a Model for Other States



Challenges

- Administrative costs related to starting something new
- Some members still buy as individuals
- Competitive positioning - race to the bottom
- Adverse risk selection
- Provider network and discounts
 - Is there more we could do?
- Prevention, Intervention and Disease Management



Prevention

- Farmers' Health Cooperative recognizes importance of keeping our population healthy
- Health Risk Assessment Analysis
 - Good News
 - Bad News



Prevention

- Farmers are a “compliant” population. Still, we face significant challenges:
 - Systemic reimbursement issues
 - When will insurance companies/Medicare/Medicaid start paying for wellness care?
 - Limited resources for FHCW
 - Credibility with members
 - Farmers have unique needs



Prevention

The Bottom Line:

Health Care Providers can be partners in
FHCW and other reform efforts
to help them be successful

- »Clinical Care
- »Network Issues
- »Policy Advocacy



Contacts

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