

COMMENTS FOR THE NATIONAL ADVISORY GROUP: MARCH 14, 2011

Presenter:

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I am a member of an ad-hoc Co-Op planning group that has come together to look at the feasibility of establishing a non-profit, member operated health plan cooperative in New Mexico. The challenges of such a task – creating a health plan from scratch – are daunting under any circumstances. In a state such as New Mexico with very small population, provider shortages, huge health disparities, high rates of uninsured and a minority-majority population, this task is nothing short of monumental. But we are adamant this is also an essential step for us to take.

We have only just begun thinking of the shape our Co-Op should take. We have a number of innovators in our group including providers who are looking at changing the direction of the health system. These providers are interested in a health plan that supports, not stymies innovation. We are starting with the concept that we cannot just perpetuate the status quo. Now, a second issue we have faced in this state is that access to coverage does not inevitably result in reducing health disparities which persist even in populations that may be aggressively covered under Medicaid, for example. The reform law understands this and looks at changing incentives to change the trajectory of our current health care itself.

We understand the issue of financial feasibility, and that is definitely a major priority for us. But, if the focus of this new Co-Op is entirely on financial risk avoidance and not on proactive health risk management, we can only expect to re-create health systems of the past that have not actually done anything about health improvement. The health reform law is an opportunity for us to reform the system. Financial incentives inherent within plans can change the direction of the system. That is where a consumer oriented and member driven Co-Op health plan should focus – we should be jointly invested in this endeavor first as consumers and second as investors. I would urge this committee to endorse the concept that that health care that targets quality and positive outcomes results in the most effective use of our health dollars in the long run.

This committee can do several things to make sure that we look outside the box to create new types of Co-Ops. First, there are risk management systems that measure, quantify and cost different levels of risk and manage these risks with an eye to managing financial and health outcomes. Can we learn more about these systems and what we can learn from them?

Second, I would urge this Advisory Group to provide an assessment about why Co-Ops when they started in the last century were so incredibly successful, and yet most were unable to survive. What can we learn from their mistakes? More importantly, how did the ones that survive, get to be successful? What risks did they take that worked, and what risks did they avoid? We don't need stories, we need indicators of success.

Finally, the Advisory Group could assist those of us that are focused on trying to create an innovative model with the technical assistance we need to try to innovate. We need access to those with good insurance insight, but we need to integrate that with the opportunities that we feel are inherent in this developmental work.

In conclusion, the Advisory Group could be the basis for new knowledge around new models for health care coverage, that look at population health and strategies for improving them, to sponsor models that open up innovation and good health as outcomes for the plan side by side with good financial stewardship of member investments in the plan itself. We would urge the Advisory group to be invested in changing the trajectory of the status quo of the current health system.