

# Infrastructure Subcommittee Proposed Recommendations & Remaining Questions/Issues

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# Charge to the Subcommittee on Infrastructure of CO-OPs

Identify the basic functions, systems, processes inherent in successful CO-OPs and insurance issuers, and provide the full board with an annotated listing of key/critical elements that should be present in any CO-OP application.

# Definition of Marketing

**Charge:** What is the appropriate definition of marketing (for which federal funds cannot be used)? Should marketing be defined narrowly, and not include consumer education, community awareness, product design, etc.?

## **Proposed Recommendation:**

- Marketing **should not** be defined to include outreach and community education efforts
  - Applicants should have a marketing plan and an outreach education plan

# Integrated Care and Coordinated Care

**Charge:** How should “integrated care” be defined for purposes of Section 1322 to qualify for priority consideration for loan awards? Should using care coordination models like ACOs and medical homes, among other models qualify for priority?

## **Proposed Recommendation:**

- Rather than assuming a particular model of integrated care, **ask the applicant to describe the integrated care or care coordination model they will use and why it is appropriate for their area.**
  - If these resources are not available in a geographic area, indicate limitation, and other measures of adequacy of provider networks.

## **Rationale:**

- The definition of an integrated care model involves the coordination of care for the individual patient and applicants should have flexibility to develop a variety of models.

# Statewide Vs. Local Networks

**Charge:** How should the tradeoffs between operating statewide and providing services through local integrated or coordinated care networks be prioritized?

## **Proposed Recommendation:**

- **Coordinated care is more important** than statewide operation, which is very difficult.
- Some plans may be able to become statewide over time and should describe a plan for doing so.

## **Rationale:**

- It will be difficult for the new CO-OP plan to contract with a provider network at reasonable rates.
- Partnering with providers, coordinating care on a local level and achieving consumer focus are important goals and necessary for success.

# CO-OP Management

**Charge:** What are the characteristics of proposed CO-OP management that would lead to sustainable CO-OP formation?

## **Proposed Recommendation:**

- **Experienced management with expertise in health insurance and finance is essential.**
- **Difficulty in recruiting experienced management to a new start-up organization might necessitate a reliance on consultants and vendors.**

# Provider Networks

**Charge:** What options are available to CO-OPs to develop provider networks? Since it is likely that non-provider applicants will not have provider networks in place at the time of application, what showings should be required to provide evidence of capability to develop an adequate provider network?

## **Proposed Recommendation:**

- Applicants need to provide:
  - Evidence that they have had **preliminary discussions with a range of providers** and that providers have expressed an openness to contracting with a new insurer
  - Evidence of an **understanding of the provider contracting process**
  - Where they will get the **expertise to develop a network**

# IT Systems for Administration & Clinical Coordination

**Charge:** What should applicants demonstrate to indicate that they are developing or will be able to contract for adequate IT systems for administration (enrollment, claims, payment, and customer service) and clinical coordination?

## **Proposed Recommendation:**

- Applicants need to provide:
  - Appreciation of the **importance of a functioning IT system** and the difficulty of acquiring and operating one
  - Identification of consultants to **assist with the choice** of an IT system
  - Identification of vendors of IT system who will have **capability of implementing by 2014**