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AMENDMENT

OFFERED BY MR. MATHESON OF UTAH

[AHCAA_001]

Strike subtitle B of title III of division A and insert
the following:

1 **Subtitle B—State-Based Health**
2 **Insurance Co-Operatives**

3 **SEC. 321. ESTABLISHMENT.**

4 Not later than 6 months after the date of the enact-
5 ment of this Act, the Secretary of Health and Human
6 Services, in consultation with the Secretary of the Treas-
7 ury, shall establish a Consumer Operated and Oriented
8 Plan program (in this subtitle referred to as the “CO-
9 OP program”) under which grants and loans are provided
10 for the establishment and initial operation of not-for-prof-
11 it, member-run health insurance cooperatives (in this sub-
12 title individually referred to as a “cooperative”) that pro-
13 vide insurance through the Health Insurance Exchange or
14 a State-based health insurance exchange. Nothing in this
15 subtitle shall be construed as requiring a State to establish
16 such a cooperative.

1 **SEC. 322. START-UP AND SOLVENCY GRANTS AND LOANS.**

2 (a) IN GENERAL.—Not later than 36 months after
3 the date of the enactment of this Act, the Secretary of
4 Health and Human Services, acting through the CO-OP
5 program and in consultation with the CO-OP program ad-
6 visory committee established under section 323, shall
7 make—

8 (1) loans (of such period and with such terms
9 as the Secretary may specify) to cooperatives to as-
10 sist such cooperatives with start-up costs; and

11 (2) grants to cooperatives to assist such co-
12 operatives in meeting State solvency requirements in
13 the States in which such cooperative offers or issues
14 insurance coverage.

15 (b) CONDITIONS.—A grant or loan may not be
16 awarded under this section with respect to a cooperative
17 unless the following conditions are met:

18 (1) The cooperative is structured as a not-for-
19 profit, member organization under the law of each
20 State in which such cooperative offers, intends to
21 offer, or issues insurance coverage, with the mem-
22 bership of the cooperative being made up entirely of
23 beneficiaries of the insurance coverage offered by
24 such cooperative.

25 (2) The cooperative did not offer insurance on
26 or before July 16, 2009, and the cooperatives is not

1 an affiliate or successor to an insurance company of-
2 fering insurance on or before such date.

3 (3) The governing documents of the coopera-
4 tives incorporate ethical and conflict of interest
5 standards designed to protect against insurance in-
6 dustry involvement and interference in the govern-
7 ance of the cooperative.

8 (4) The cooperative is not sponsored by a State
9 government.

10 (5) Substantially all of the activities of the co-
11 operative consist of the issuance of qualified health
12 benefit plans through the Health Insurance Ex-
13 change or a State-based health insurance exchange.

14 (6) The cooperative is licenced to offer insur-
15 ance in each State in which it offers insurance.

16 (7) The governance of the cooperative must be
17 subject to a majority vote of its members.

18 (8) As provided in guidance issued by the Sec-
19 retary of Health and Human Services, the coopera-
20 tive operates with a strong consumer focus, includ-
21 ing timeliness, responsiveness, and accountability to
22 members.

23 (9) Any profits made by the cooperative are
24 used to lower premiums, improve benefits, or to oth-

1 erwise improve the quality of health care delivered to
2 members.

3 (c) PRIORITY.—The Secretary of Health and Human
4 Services, in making grants and loans under this section,
5 shall give priority to cooperatives that—

- 6 (1) operate on a Statewide basis;
7 (2) use an integrated delivery system; or
8 (3) have a significant level of financial support
9 from non-governmental sources.

10 (d) LIMITATIONS.—The Secretary of Health and
11 Human Services must make a grant or loan to a coopera-
12 tive in each of the 50 States before the Secretary may
13 make a grant or loan to a second cooperative in any State.

14 (e) RULES OF CONSTRUCTION.—Nothing in this sub-
15 title shall be construed to prevent a cooperative established
16 in one State from integrating with a cooperative estab-
17 lished in another State the administration, issuance of cov-
18 erage, or other activities related to acting as a QHBP of-
19 fering entity. Nothing in this subtitle shall be construed
20 as preventing State governments from taking actions to
21 permit such integration.

22 (f) REPAYMENT FOR VIOLATIONS OF TERMS OF PRO-
23 GRAM.—If a cooperative violates the terms of the CO-OP
24 program and fails to correct the violation within a reason-
25 able period of time, as determined by the Secretary of

1 Health and Human Services, the cooperative shall repay
2 the total amount of any loan or grant received by such
3 cooperative under this section, plus interest (at a rate de-
4 termined by the Secretary).

5 (g) AUTHORIZATION OF APPROPRIATIONS.—There
6 are authorized to be appropriated \$5,000,000,000 for the
7 period of fiscal years 2010 through 2014 to provide for
8 grants and loans under this section.

9 **SEC. 323. ADVISORY COMMITTEE.**

10 (a) ESTABLISHMENT.—The Secretary of Health and
11 Human Services shall establish a CO-OP program advi-
12 sory committee.

13 (b) DUTIES.—The CO-OP program advisory com-
14 mittee shall provide recommendations to the Secretary of
15 Health and Human Services on the administration of the
16 CO-OP program.

17 (c) MEMBERSHIP.—The CO-OP program advisory
18 committee shall be composed of 13 members, as follows:

19 (1) The Secretary of Health and Human Serv-
20 ices or designee, who shall serve as the chair of the
21 committee.

22 (2) 3 members appointed by the Majority Lead-
23 er of the Senate.

24 (3) 3 members appointed by the Minority Lead-
25 er of the Senate.

1 (4) 3 members appointed by the Speaker of the
2 House of Representatives.

3 (5) 3 members appointed by the Minority Lead-
4 er of the House of Representatives.

5 **SEC. 324. DEFINITIONS.**

6 For purposes of this subtitle:

7 (1) STATE.—The term “State” means each of
8 the 50 States and the District of Columbia.

9 (2) MEMBER.—The term “member”, with re-
10 spect to a cooperative, means an individual who,
11 after the cooperative offers health insurance cov-
12 erage, is enrolled in such coverage.

In section 100(a)(3)(B), strike “, with a public health insurance option alongside private plans”.

In section 100(e)(12), strike “the public health insurance option” and insert “cooperatives under subtitle B of title II”.

In section 100(c)(24)(B), insert “, including a cooperative” after “offering the coverage”.

In section 100(c)(24), strike subparagraph (C) and redesignate subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

In section 100(c), strike paragraph (25) and insert the following new paragraph:

1 (25) QUALIFIED HEALTH BENEFITS PLAN.—
2 The term “qualified health benefits plan” means a
3 health benefits plan that meets the requirements for
4 such a plan under title II and includes the public
5 health insurance option and cooperatives under sub-
6 title D of title III.

 In section 100(c), strike paragraph (26) and redesignate paragraphs 27 through 30 as paragraphs 26 through 29, respectively.

 In section 301, strike “, including a public health insurance option”.

