

NEWS RELEASE

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February 21, 2012

CO-OP Health Plan Approved for Iowa, Nebraska Among First in Nation

One of the nation's first non-profit Consumer-Operated and Oriented (CO-OP) health plans has been approved by the U.S. Department of Health and Human Services (HHS) to provide affordable health insurance in Iowa and Nebraska by January 1, 2014.

Midwest Members Health, Inc., the working name of the CO-OP, was among a select group of CO-OPs to receive start-up and solvency loans under a provision of the Patient Protection and Affordable Care Act (ACA).

"CO-OPs are meant to offer consumer-friendly, affordable health insurance options to individuals and small businesses," according to HealthCare.gov, a website of the U.S. Department of Health & Human Services.

By law, these new health plans must be non-profit. Any financial gains realized by the COOPs must be used exclusively on behalf of members and to re-pay the loans from the federal government. As a result, premiums must be kept as affordable as possible.

Midwest Members Health has been incorporated in Iowa and will apply for insurance licenses in both states in 2012. It will begin marketing products by October 2013.

Sponsored by a group of business leaders with broad experience in health insurance, health care regulation, consumer organizations, and start-up ventures, the CO-OP will offer plans to individuals and employers across both states utilizing a well-established broad provider network and one of the nation's leading non-profit health plan administrators.

David Lyons, former Iowa Insurance Commissioner and CEO of The Iowa Institute; Cliff Gold, a former senior executive with Blue Cross and Blue Shield and CEO of Cliff's Edge Strategies, L.L.C.; and Stephen Ringlee, company founder and venture capitalist, will lead the new venture.

Midwest Members Health
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“It is time to place consumers back in the center of the health insurance system,” Lyons, Gold and Ringlee said. “We hope to restore real competition that is truly responsive to consumer and small-business needs for affordability and improved health.

HealthPartners, a 1.3 million-member, cooperatively-governed health plan headquartered in the Twin Cities, will provide administrative and health management services to Midwest Members Health.

Midlands Choice, the largest network of health care providers in Iowa and Nebraska not owned by an insurance company, will provide its extensive network of hospitals, physicians, and allied health practitioners to the CO-OP’s members. Midlands Choice, headquartered in Omaha, is owned by major hospital systems in both states.

The CO-OP will work closely with physicians and health care systems to develop the innovative patient/provider programs required under the CO-OP provisions of the ACA.

“Physicians are excited about the opportunity to work with CO-OP health plans because they are committed to involving consumers in using the health care system more effectively to improve their health,” said Dr. David Carlyle, a family physician from Ames who served on the HHS Advisory Committee on CO-OPs.

Midwest Members Health intends to offer its products through agents, brokers, and via the new Health Care Exchanges that are slated to be established under the ACA.

The CO-OP officially applied for funding in mid-October 2011 under a Federal Opportunity Announcement of the U.S. Department of Health and Human Services. The Iowa Institute of Cooperatives, the Iowa chapter of AARP, the Iowa Credit Union League, and both the Nebraska and Iowa Academies of Family Physicians supported its application with Letters of Support.

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