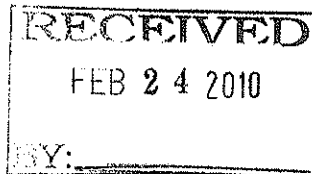




131 West Wilson Street, Suite 400, Madison, WI 53703-3269
608.258.4400 fax 608.258.4407

400 Selby Avenue, Suite Y, St. Paul, MN 55102-4520
651.228.0213 fax 651.228.1184

www.cooperativenetwork.coop



February 24, 2010

To: Members, State Assembly

From: Bill Oemichen, President & CEO

Re: Support for AB 683, relating to Health Care Cooperatives Modernization

Cooperative Network represents 600 cooperatives, mutual insurance companies, and credit unions owned by approximately 2.9 million Wisconsin members. We ask for your support of Assembly Bill 683, which will allow Cooperative Network members Group Health Cooperative of South Central Wisconsin and Group Health Cooperative of Eau Claire to enrich the services they provide to their members and more completely participate in the delivery of health care in the communities they serve.

Wisconsin's statutes governing health care cooperatives have not changed substantively since 1947, but the health care marketplace has changed dramatically. Health care cooperatives such as Group Health Cooperative of South Central Wisconsin and Group Health Cooperative of Eau Claire are recognized national leaders in providing health care because they have made significant investments in disease management, wellness initiatives, complementary medicine, and preventive care services. Together, these two cooperatives alone serve more than 129,000 citizens of our state.

Unfortunately, the current cooperative law places unnecessary limits on what these cooperatives may do for their members because it was written so many years ago and has not been changed to reflect the current health care marketplace. This need for modernization of the state law has become even clearer due to serious consideration by members of congress to include health care cooperatives as a substantial part of health care reform.

While this bill does not intend to allow health care cooperatives to become life insurance underwriters under chapter 185, it extends their ability to offer disability or life insurance policies as a benefit to members. The bill as amended is the result of a collaborative effort by Cooperative network and its member Group Health Cooperative of South Central Wisconsin with the authors and the Office of the Commissioner of Insurance to address any concerns about the bill.

This bill also lifts current restrictions that prohibit health care cooperatives from billing or accepting payment from third parties for services. This restriction is a barrier to health care