



For immediate release: Feb. 21, 2012

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Health CO-OPs: Driving Choices Up, Costs Down for Small Businesses

Statement by John Arensmeyer, founder and CEO of Small Business Majority, regarding funds to establish consumer-driven health plans that will cut costs for small employers

Small businesses in [eight states](#) received good news today with the announcement that organizations in their state will be receiving funds to help create new consumer-run health insurance plans that will lower their costs and increase their insurance choices.

These new plans, called Consumer Oriented and Operated Plans, will bring nonprofit insurers to the healthcare market, promoting competition that helps control the price of coverage. Created by the Affordable Care Act, nonprofit CO-OPs are required to use their profits to lower premiums, improve quality and expand benefits or enrollment.

CO-OPs can choose to offer plans through new competitive marketplaces—called health insurance exchanges—that are required to be running in all states by Jan. 1, 2014. Our national opinion [polling](#) found one-third of small employers who currently do not offer insurance would be more likely to do so because of the exchanges. CO-OPs will play a role in creating competition both inside and outside the exchanges, which is why the goal is to establish them in every state.

Small businesses that are struggling with soaring coverage costs and diminished plan choice need financial relief from these burdens. By pursuing the establishment of health insurance CO-OPs, states can help bring down those costs for small businesses, better positioning them to grow and hire.

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Who is the Small Business Majority?

We are a national nonpartisan small business advocacy organization founded and run by small business owners and focused on solving the biggest problems facing America's 28 million small businesses. We conduct extensive opinion and economic research and work with small business owners, policy experts and elected officials nationwide to bring small business voices to the public policy table. Learn more about us on [Wikipedia](#) and follow us on [Twitter](#) and [Facebook](#). We also host the [Health Coverage Guide](#), an independent, unbiased source of information for small businesses about health insurance.