



**NEWS RELEASE**  
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## **COMMUNITY HEALTH OPTIONS FILES SUIT TO RECOVER AFFORDABLE CARE ACT “RISK CORRIDORS” PAYMENTS OWED BY THE FEDERAL GOVERNMENT**

**Lewiston, ME** – Community Health Options filed a lawsuit today, August 9, 2016, in the U.S. Court of Federal Claims to recover funds owed to Community Health Options under the “risk corridors” program as mandated by the Section 1342 of the Affordable Care Act (ACA).

The risk corridor program is one of three marketplace premium stabilization programs in the ACA, and is a temporary program designed to stabilize the new health insurance exchanges (online marketplaces created to facilitate affordability and access to competitive health insurance) through which individuals and small groups may purchase health insurance. The program works by requiring health plans that experience lower-than-expected allowable costs within a benefit year to pay a portion of the differential to the Government, and, conversely, for the Government to pay a portion of the differential to plans that realize higher-than-expected allowable costs in the benefit year. The “Risk Corridors” thereby limit how much money health plans can lose or gain in either the individual or small group markets during the first three years of the exchanges.

For benefit year 2014, Community Health Options owed the Government over \$2 million for lower-than-expected allowable costs in the individual market, and promptly paid the Department of Health and Human Services. But HHS now owes Community Health Options approximately \$22.9 million for higher-than-expected allowable costs in the small group market (for 2014 and 2015 combined) and the individual market (for 2015). These funds are critical to Community Health Options’ efforts to provide quality affordable healthcare to citizens of Maine and New Hampshire, and HHS is required by Section 1342 of the ACA to make payment.

“The risk corridors program was established in law to mitigate the uncertainties and unknowns of the newly forming individual and small group market in light of the new coverage opportunities and requirements of the ACA,” explained Kevin Lewis, President and CEO of Health Options. “We at Health Options have followed the law and helped expand the Maine and New Hampshire markets and make them leaders in terms of individual coverage through the Marketplace. It’s important for the Government to make good on its payment obligations.”

Since commencing business, Health Options brought tens of thousands of people into coverage, many for the first time, giving people newfound access to care. Health Options has grown to over 75,000 Members, and is the largest writer of individual health insurance in the State of Maine.

After a profitable first year of operations in 2014, Health Options' experienced a \$31 million financial deficit in 2015 due to the escalation in payments to providers and increased utilization of services among plan Members. In response, Health Options initiated wide-ranging cost cutting measures to offset the deficit in 2016. Notwithstanding these cuts, the majority of Health Options' 2015 financial shortfall is attributable to losses addressed by the risk corridors program.

Community Health Options is represented in the suit by Stephen McBrady of Crowell & Moring LLP.

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***About Community Health Options** – Community Health Options (Health Options) is a non-profit, Member-led health plan providing comprehensive, Member-focused health insurance benefits for individuals, families, and businesses. Health Options is a Consumer Operated and Oriented Plan (CO-OP) licensed in Maine and New Hampshire that is dedicated to providing affordable, high-quality health benefits through productive partnerships with Members, businesses, and a broad network of providers. For more information about Health Options, visit the website: [HealthOptions.org](http://HealthOptions.org).*