



BROKERS MAKING A DIFFERENCE

Health Insurance Agents Help Consumers and Employers
Secure Affordable Health Insurance



MINNESOTA



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Personal Testimonials on Why Brokers Make a Difference

For more than 85 years, professionally licensed health insurance agents, brokers and consultants have provided valuable healthcare financing services to individuals and employers. Professional agents have extensive knowledge about health insurance plan design, benefits, and pricing. Many small employers can't afford to have this level of expertise in-house, nor do they have the time to administer a comprehensive, compliant benefits package for their employees.

In fact, the Congressional Budget Office (CBO) has reported that agents and brokers often “handle the responsibilities that larger firms generally delegate to their human resources departments — such as finding plans and negotiating premiums, providing information about the selected plans, and processing enrollees.”

With HIPAA, COBRA, ERISA, and federal and state tax requirements to contend with, not to mention all of the new requirements stemming from ACA, professional agents spend a great deal of time helping their clients understand the regulations, complex products and compliance issues.

Health insurance customers who use agents report being satisfied not just with their insurance, but also with the work performed by their agents – especially when it comes to the agent's role in finding the right policy.

A recent Kaiser survey found that brokers and agents have a 92 percent approval rating when helping healthcare consumers in the new marketplace.

Professional agents work extremely hard and need to be very knowledgeable in order to stay abreast of the rapid changes in the healthcare system. It would be very costly for a governmental agency in some far off location to match the service and value agents bring to their clients, and it would not be able to replace the personal relationships agents develop with their clients.

Ongoing Support from an Agent

Individuals and business owners typically don't pay any more for employee benefits purchased through an agent or broker than if they purchased the coverage directly from an insurance company. Insurance carriers set aside a small portion of the premium to pay brokers a commission, which covers not only the selling of the plan but also much of the servicing required. In today's declining commission environment, agents spend more time than ever before servicing their clients – a testament to their commitment and dedication.

Agent Associations

NAHU is the only national association working solely on behalf of health insurance agents and benefit professionals. NAHU requires each of its members to always make healthcare coverage recommendations with the customers' best interest in mind.

For more testimonials on NAHU members helping individuals and employers find appropriate health insurance, please go to www.brokersmakingadifference.org.

BROKERS MAKING A DIFFERENCE

"A number of years ago, I was referred to a Medicare-aged business owner, Ron, and his wife, Jenny. I helped them save some premium dollars by changing to a Medicare Cost plan along with a stand-alone Part D plan. This past year, a complicated claim situation came up. In early December, I got a call from Ron asking for help in filling out some claim forms that the health insurance company had requested. Ron was a bit confused about what was being required. He thought that since he has been with the same insurance company for nearly 30 years, the insurance company should have all the necessary information. He did not understand why all the new release forms and questionnaires were being required.

What was happening is that Ron and Jenny exhausted their no-fault auto insurance personal injury protection (PIP) benefits and now, the health insurance carrier was taking over their health claims. For the health insurance company to properly take over the claims, they needed documentation from the auto insurance company that the PIP benefits had indeed been exhausted. After many meetings and interventions with his medical carriers, the problem was resolved.

As Ron's agent, it seems to be my duty as well as in my best interest to retain Ron and Jenny as clients. This includes helping Ron understand the process of how his claims are being handled and making sure both of them understood their health insurance and Part D plans are working properly."

- Thomas Heinecke (Broker)

"I have been an agent for 35 years. In the past five

years, I have seen my role as an agent get much more complex and more demanding. I answer questions and meet needs for the uninsured, employer groups, large and small employees, seniors as well as low income individuals asking for advice. I am an educator, consultant and counselor, benefits translator, client advocate, financier for healthcare and negotiator.

I work with the government, insurance companies, and providers of healthcare. In the past five years, my role has increased and become more complicated. I have become the point person for my clients in all areas of their healthcare. Being a broker in

today's market consists not just of selling the client and walking away until renewal time—it is working with all of my people on their healthcare insurance needs on a day-to-day basis."

- Sandra J. Neutzling
(Broker)

"I have 175 employer-group clients, consisting mostly of groups with less than 10 employees. This subset of employers is desperate for help in navigating through

the system of providing benefits to their employees. Most of these employers wear multiple hats and have had no training in human resources. They call me with little questions that arise and it generally starts with "I have an employee that..." I am always happy to help them with the problem, no matter how small, and they are exceedingly thankful for my help. I have a very satisfying job in that respect. My clients would be very frustrated if they did not have a broker to answer their questions and keep them abreast of all current compliance changes. They just do not have the time to become experts on all the laws and regulations that consume our industry."

"Licensed health insurance producers (agents and brokers) provide a wide range of services for both individual consumers and the business community.

Producers interface with insurers, acquire quotes, analyze plan options, and consult clients through the purchase of health insurance... It is essential that [policymakers] recognize and protect the indispensable role that licensed insurance professionals play in serving consumers."

-The National Association of Insurance Commissioners



BROKERS MAKING A DIFFERENCE

- Joan Kohl (Broker)

"One of the employers I work with provides coverage for his employees and pays the full cost of the plan. It is an excellent plan with no deductible and small co-pays for office visits and prescriptions. The employees are able to put their dependents on this plan, but the employees must pay the full cost of the coverage.

One of the employees is a single mother in her 40s with a very healthy 14-year-old daughter. On the January 1 annual renewal, the monthly premium to cover this healthy child went from \$281 to \$365 per month. This was not affordable for this single mother.

Prior to PPACA, I would have been able to provide this child with an individual plan for less than \$90 per month. Now there is not a single plan available for a child under 19 to purchase unless their parent is applying as well. This single mother has the option of paying \$365 or having her child uninsured."

- Heidi Michaels (Broker)

"We are an employee benefits consulting firm in Minneapolis, Minnesota. We specialize in helping small, medium, and large employers throughout the country design, implement, and administer their health and welfare plans for their employees. These employers have hired us to provide these services. Without our assistance they would simply be buying a product from an insurance carrier and paying a premium. We help our clients negotiate with the insurance carriers to customize a benefits package that works uniquely for their business model. Our clients appreciate our expertise, our ability to provide multiple insurance carrier options and communicate these benefits through meetings to the employees, handle administrative items, and more.

Douglas Machine, like many large employers, experienced a large increase in their medical claims. They were very happy with their current vendor



but had not undergone a major marketing analysis in several years. The projected cost increase was \$435,000.

RAM Benefits did a thorough marketing analysis of the networks available to the employees of Douglas Machine. We found that the marketplace for networks had changed drastically since Douglas Machine had last looked. While their current network had reasonable discounts, HMO's had developed 10% larger discounts and had almost all of the local doctors and the local hospital in their networks. We then brought our conclusions from the marketing analysis to management. After that meeting, we had two more meetings with the benefits committee. Once a decision was made, RAM Benefits developed a presentation and explained all of their benefits in a series of mandatory meetings with the employees of Douglas Machine.

The savings from changing to a HMO network was worth \$144,000. Douglas Machine also modified their plan, made a very modest change to employee contributions, and increased their corporate contribution by \$195,000. Because of the involvement of the benefits committee and the investment in communication to the employees, the plan changes were well received.

Christensen Family Farms, a family-owned business in the pork production industry, recently acquired



BROKERS MAKING A DIFFERENCE

another smaller business. As a standard practice, they would absorb all of the new company's employees into their plans. However, if these new people were to be rolled into their medical plan, their current medical insurance vendor would have the ability to re-rate the entire medical plan. This would be a problem since the losses in the current year would cause a very significant increase.

RAM Benefits did an overall analysis of the benefits as part of the due diligence process. While the plan of the acquired plan was not exactly the same as that of Christensen Family Farms, it did pass a comparability test. The test states that if the plans are actuarially similar, there is not a discrimination issue. Therefore, we commended that Christensen Family Farms keep both plans until the main plan renewed. At that time, a cost evaluation will show whether it makes sense to merge the two plans. By taking their time and not using the quick and

easy solution, Christensen Family Farms saved more than \$500,000 between January and July."
- Scott Haskins (Broker)

