



# BROKERS MAKING A DIFFERENCE

Health Insurance Agents Help Consumers and Employers  
Secure Affordable Health Insurance



**ALASKA**



National Association of Health Underwriters  
1212 New York Avenue N.W., Suite 1100, Washington, DC 20005  
202-552-5060 | [www.brokersmakingadifference.org](http://www.brokersmakingadifference.org)

## 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](http://www.brokersmakingadifference.org).

# BROKERS MAKING A DIFFERENCE

"I am writing in support of agents and brokers. As a business executive, it would be impossible for me to navigate the complexities of a health insurance market without the exceptional work of our broker. As a specific example, when renewing our current medical plan, we had over 45 program options to choose from. That's just from our current health insurance carrier. There is no way my staff and I could have reviewed all those options, sent it out to bid with other payers in the market, and completed a thorough analysis of the financial implications to our organization.

Until there is a single-payer system, brokers and agents are an absolute necessity. Please don't shift the administrative burden back to employers, or worse yet, governmental employees who have neither the resources nor capacity to manage this critical, specialized task."

- Ellen Ruby-Markie  
(Client)

"I resigned my job and was facing the task of sorting out health insurance coverage. I was guided to Kathy with the Wilson agency. Kathy was instrumental in helping me understand my options and helping me purchase a policy which I ultimately did through healthcare.gov Her level of expertise and familiarity with different plans helped me navigate what could have been a very confusing and overwhelming process. Kathy generously researched some specifics for me on coverage options and patiently answered my many emails. I am incredibly grateful!"

- Amy McCord (Client)

"Imagine if you will, having your first baby and

paying a few thousand dollars to the Hospital and the OB/GYN along with all the other expenses. You have met what you've been told was your maximum out of pocket, only to get another bill for thousands of dollars. This is exactly what happened to my client. The bill was \$6,000 from the Anesthesiologist alone. Their office was billing the client asking for payment even when they were not entitled to it. You can imagine how happy these new parents were when I called them and told them the doctor was going to accept the out-of-network payment from the insurance carrier as payment in full. Well, I can tell you, I was over-joyed to give this couple the news and they were very grateful for all my assistance.

---

***"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**

---

"As Agents we help our clients resolve claims issues, including writing letters to doctor's offices, hospitals and insurance carriers. We compile documentation to help resolve claims. We daily resolve billing issues, explain plan designs and options to employees and individuals. As agents, we help COBRA-eligible beneficiaries with coverage following the loss of a job.

Approximately 80% of our job is after the sale. We need the legislators in Washington, D. C. to understand our role as outlined above, and the invaluable service we provide."

- Imogene Chariton (Broker)

"I read the information that politicians "would like to drive health insurance brokers out of the business". Obviously, as a health insurance broker, this was quite distressing as I have years of experience and education in this industry. This is my livelihood – how I keep a roof over my head, pay my bills, employee people, etc. It's frightening to think politicians do not see any value in what I do and would like to just





# BROKERS MAKING A DIFFERENCE

eliminate a whole sector of jobs.

"I feel our services are invaluable to our clients in trying to utilize their benefits effectively and efficiently. My co-workers and I go above and beyond just "selling" a product. We educate clients in how to use the benefits, what the different benefits are, what the various terms mean, how to read an explanation of benefits, etc. On many occasions, my co-workers and I have helped clients get difficult claims processed to their benefit. As you are aware, over the last couple of years, commissions have declined for agents. The hours we've spend helping clients with claim issues and understanding their benefits is barely cost effective when considering the decrease in our earnings. I'm sure there are many instances when we are working for virtually free, but our clients are important and valued.

"In one case, I helped one man with a claim for a knee replacement. He could not understand the claim and brought it to my office. When we requested an itemized statement, it was determined that he had actually been charged for two knee replacement surgeries. Apparently, there was some type of a malfunction in the first replacement part and they literally had to Gold Streak a replacement to our island in SE Alaska. We were able to get that money reimbursed to the carrier so they were not paying for claims unnecessarily.

"In another instances, I helped a woman recently who went to her provider for what she thought was a routine appointment and ended up coming out of the office being told she needed to have an extensive cardiac and breast exam, neither of which we have available on our remote island in SE Alaska. She was, rightly so, terrified, not knowing what to do, where to go, how to get things arranged. I spent hours with her helping her find providers for what she needed that were "in-network" so as to get the best insurance benefit possible and the least out-of-pocket exposure to her. I helped her file claims for things she had to pay out-of-pocket so she would receive that money back in a timely manner. Blessedly,



everything turned out in her favor, but she was quite frankly terrified. I wanted to take as many things off her shoulder as possible to ease her stress so that she could take care of herself first and foremost.

"Also, we had a client that battled cancer for many years. She was insured under a partially self-funded platform which means her employer is basically the "carrier". Meaning, instead of premiums being sent to a carrier, they are placed in a dedicated fund to pay claims as they are incurred and processed. Obviously in this situation, it is important that the plan is administered correctly. Unfortunately, after a multi-year battle, the client passed away. While I reviewed her plan, I noticed a variety of claims for her that simply did not make sense. I spent countless hours reviewing claim information and records and determined that claims had been erroneously paid in an amount over \$20,000. I was able to get this money refunded back to the group plan. A reimbursement of that amount for a partially self-funded platform is huge as again - this is money that the group is actually managing for their health insurance benefit.

"Because of where we live, we have very few "large" groups - most are small mom/pop type business with 2-5 employees. They do not have the in-house resources to manage their group health benefit and rely very heavily on our services for assistance. Prior to each renewal, my co-workers and I review their plan in comparison to other options available.



# BROKERS MAKING A DIFFERENCE



my community of Sitka, AK, in wellness initiatives. Collectively, we have formed a model for community health that includes worksite wellness that is being watched and duplicated by other communities in Alaska.

"I believe that it is my job as a broker to make a daily difference in the lives of my clients. I am routinely involved in helping clients navigate the health care system; making contact for case management, care management, assisting with claims, and often just being there for individuals and family members that need moral support. As a community service, I am often called on by non-clients and providers to assist individuals with medical billing issues, to find providers, and help with Medicare issues and problem solving.

"In the complex regulation arenas of HIPAA, COBRA, FSAs, HSAs and HRAs, I spend a great deal of time working with clients and providing information so they will understand the regulations, complex products and compliance.

"My office phone, cell phone, fax and e-mail address are available to all clients and employees of my employer groups. Although I'm usually pretty busy, I still encourage all of them to contact me with any questions or problems they have.

"I cannot imagine my clients and friends being left to navigate the health insurance industry without a broker or agent to assist them. A government agency is not going to fill the need. For Alaskans, the challenges of travel, available providers and distance to hospitals that can provide appropriate care cannot be understood by anyone who has not been involved in these communities."

- Paula M. Scott (Broker)

"A non-profit medical facility with approximately 110 benefits-eligible employees in a fully insured plan has experienced rate increases in the 20% range for the last several years. Due to an additional projected rate increase of 15% for the coming year, this

Unfortunately in Alaska, there are very few vendors to work with. This is definitely one of the factors that affect our premiums as there is little competition among carriers for business. The review and comparison process is quite extensive because again, we want to ensure our groups have the best benefits in place for their most valuable resource, which includes their employees. However, it also has to be sustainable financially for the employer.

"These are only a couple of examples of weekly events that occurs in my office. We don't just sell a product and walk away from our clients. These are the people we see at the grocery store, the bank, the ball field and more. We take the trust they have given us in helping them find the right product for their particular needs and that relationship very seriously."

- DeAnn E. Karlson (Broker)

"I am very involved with my employer groups and





# BROKERS MAKING A DIFFERENCE

organization sought advisory expertise to help better manage costs without affecting quality of coverage. Renewal projections from the current carrier were analyzed and quotes were requested from all other carriers in the local market with a product for this size of group.

"Initial negotiations with the current insurance carrier garnered a significant cost reduction of 8.37%, which is almost half of the projected increase! Thorough analysis of the competitive bids from other insurance carriers also revealed that a change in carrier would enable the employer to reduce costs and offer a larger provider network on their medical plan.

"Further investigation of the two medical plan options

offered to employees showed that enrollment was low in the higher-cost plan. A recommendation to offer a single plan that 'met in the middle' in terms of deductible and out-of-pocket costs was adopted that saved the health center additional money and streamlined administration.

"A portion of the medical plan savings was used to implement a Health Reimbursement Arrangement to self-insure a portion of the deductible and out-of-pocket costs for employees and their dependents. Cost savings the employer experienced due to a 30.42% decrease in medical plan premiums also helped to reduce employee payroll deductions.

"The employer saved \$46,000 in premiums in the first year and employees received a higher annual benefit as a result of our assistance in selecting a new dental carrier that offered the same annual maximum benefits as the employer had previously, but the carrier applied only basic and major services to the maximum, not preventive services."

- Terry Allard (Member)

