



BROKERS MAKING A DIFFERENCE

Health Insurance Agents Help Consumers and Employers
Secure Affordable Health Insurance



ARIZONA



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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.

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"I have been an individual health insurance broker since 1997. When I think back to how I provide continual service to existing clients, I would have to say that there is not much of a difference between the assistance needed at the time of a new sale and the assistance required for ongoing service. There is of course a concentrated effort up front, but if you keep that client for the long term, many circumstances can come into play that require ongoing advice and counsel. Ninety percent of my clients are referrals; I do not advertise or purchase leads.

Issues such as loss of a job, changes in their current plan, increases in cost of their current plan, changes in family/child status, turning 65, claims, billing issues etc. necessitate accessible and reliable assistance. As independent professional brokers, our clients rely on us to be there for them whenever they need to make decisions that impact their health insurance.

Here are some examples of typical service calls:

A recent call I had was from a client who found himself in the hospital from an unexpected accident, needing insurance information that he was not in any position to deal with at the time. The call before that was from a client whose son needed assistance in upgrading his insurance plan. Another call was from an older client who was very insecure in purchasing insurance and had a question about her recent bill. Another call was from a frantic young woman wanting to know what to do because she had not paid her premium and the policy was cancelled. I was able to get it reinstated.

The health insurance industry is in a constant state of flux. What was a perfect option at the beginning of the relationship with a client can change quite dramatically down the road. Much like a stock broker or financial advisor, the relationships and circumstances we have with our clients as insurance brokers require ongoing maintenance and service. This is a complex product that takes time and education to make the best choices and those choices may need to be changed at any time.

I have stayed in this business because of the value I place on personal relationships. Health insurance is not a commodity to be purchased online.

I have plenty of clients who have come to me after they tried to make this purchase on their own with less than satisfactory results. It requires careful study and evaluation, and an understanding that the average person just does not have the time or desire to deal with. I am certainly biased, but I can tell you that before I was a broker, I had no real understanding of the world of health insurance. I had lost

my group coverage, and tried to buy an individual policy. I was declined due to a health problem at the time, which was incredibly upsetting. I did not go through a broker so I did not know my options. Had I worked with a broker, I would have gotten coverage and understood what had happened. We do serve a very real purpose and I am happy to assist people in any way that I can, especially after my own experience."

- Kristine Morrissey (Broker)

"I am a part owner of an agency that sells both property casualty and health insurance. I have

"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



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been selling group health insurance for about 10 years now and spend a great deal of time working with the clients and the insurance companies. As agents, we are the spokesmen for the insured. At our agency, we have converted many of our client's policies to qualified high deductible plans. We have educated our clients about the plan's advantages and we also educate their employees. We negotiate the renewal of their policies each year as well as counseling them on what type of policy and which company they should have their coverage with. We help them with claims and assist them by answering questions about individual situations. We also have to keep up with all the changes that the companies make with regard to coverage and claims management.

I cannot imagine who our clients would rely on to assist them if we were not here for them. In addition to keeping up with the company changes, we have to keep up with the changes in legislation. A recent example are the changes in the COBRA provisions. We advised our clients of the changes and made resources available to them to assist them in complying. We offer seminars to the general public on topics of interest to them. It may be that very large companies with a large staff and experts regarding insurance working for them don't need an agent, but I can assure you that most small business owners need us and rely on us a great deal when it comes to insurance issues regardless of whether they are health insurance or property casualty insurance issues."

- Diane Taylor (Broker)

"My agency works primarily with small businesses (2-100 employees) and we provide the service of a "mini-HR" department. Our clients cannot afford to hire a professional HR executive and rely on our service to advise them in all aspects of their employee benefits.

We personally enroll all new hires, explain the benefits and their options, assist in completing the paperwork and continue to work with all of our client's employees throughout the year in claims assistance,



billing issues, qualified enrollment changes, etc. Additionally, we provide at no cost COBRA services to our COBRA eligible clients through a TPA we trust. Many of our small business clients see us as part of their team."

- John Robinson (Broker)

"Our company works in three markets: employer groups, individuals (sole proprietors/independent contractors) and Medicare-eligible. Our consulting provides these clients expertise in reviewing their options with recommendations for plan designs that fit their coverage needs as well as budget. We also provide day-to-day service for all clients, including the employees of the employer groups. This frees the employer from having to be in the insurance business and allows them to instead concentrate on running their business.

It is especially important to help our Medicare clients decide the best supplemental coverage for their federal Medicare benefits. Any federal program enacted will have holes and coverage deficits and our role as consultants will not diminish—if anything it is even more imperative they have a resource to help them review options and help with day to day issues.

There is no perfect carrier or system and our role is vital to maintaining peace of mind and security for our clients."

- Dianne Kelley (Broker)



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"When I heard about the call for these articles, it was during the fall open enrollment. Trying to move my small groups from one carrier to another to reduce premiums, and assisting each individual and Medicare beneficiary with choosing a plan that they could afford kept me working often until 1 a.m.

"I'm grateful so many clients trusted me and chose HSA plans starting in 2004. Many of them have amassed more than \$10,000 in their HSA accounts and saved significant amounts in premium. Some even have HSA balances over \$50,000. Those are the ones that are now able to weather the high premium increases.

"I started in this business in 1995, because I needed health insurance. What employer would let me take a month off to get a major back surgery, and work part time during recovery? So I went to work for my mom, helping her manage an association plan with two options: Plan A for \$125 a month and a \$5 office visit co-pay, or Plan B for \$105 a month and a \$10 office visit co-pay. People complained a lot about how expensive it was. Back then I would read in the paper about the carrier being cash-strapped, and then waves of similar claims would be denied. In my imagination, the carrier's financial managers would look at the costs going out, find a line that matched their economic need, and just deny all those claims. Maybe one day of denying Rx's for everyone would solve their cash problems, or just one month of x-rays. Fixing problems back then was a matter of making phone calls, and running back and forth to the fax machine.

"I will confess; about two weeks after I began, I told my mom I quit. It was too hard. I didn't have the answers these people needed; I didn't know how to do the job. But she didn't let me. She said, "all you have to do is call them back." And she was right. I learned how to say, "I don't know, I'll find out. What's your number?"

"Then our plan's carrier was bought by another, and our 200 members were losing their plans altogether with six months' notice. At this time in Arizona with medical underwriting, anyone weighing over 250 pounds or taking an anti-depressant would be denied

coverage. I will never forget talking to a widow about where she was going to find insurance. She would not be approved by any carrier since she was taking Prozac, and was crying on the phone to me: "I've paid my taxes. I've never broken the law. How am I going to get healthcare now, without my husband to help me?" Thankfully, a short-term carrier out of California was writing six-month policies, which would cover pre-existing conditions if the member had prior coverage. I loved selling those plans, but they were too good to last. Then HIPAA came into full effect, which wasn't a perfect fix, just another kind of bad news.

"I had a HIPAA policy that cost over \$1,200 a month for many years with a \$10,000 out-of-pocket maximum. When I needed medical care, I would complain to my friends about the cost and they would say, "You don't have good medical insurance? How is that possible when you sell it?" If selling health insurance was all it took to get a good health insurance policy, many more people would get licensed to sell health insurance, I would explain.

"I had a master's in linguistics and never intended to work for my mom in insurance, but we had all these really good relationships (and sometimes close friendships) with our clients. From the people who sold me coffee, to my doctors, friends, my friends' families, their work colleagues, their work colleagues' families, their neighbors—all these people wanted to be our clients. When they had major stresses or life events or crises, I was one of the first people they would call. I don't know how I learned how to encourage people who were breaking down that everything was going to be all right. Talking to a good friend whose baby is being air lifted to another city for a major heart surgery will definitely inspire you to be encouraging (happy ending to that story.) What impressed me most was how many clients' personalities would change after a major diagnosis. Some of my clients went from being verbally intimidating individuals to being friends who just had to tell me their new jokes, encouraging me to "keep up the good work" after they, or a loved one, went thru a major diagnosis, such as cancer, and needed my help along the way.



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"I loved being the hero. One client's husband died after having two heart attacks; one in December, the other in January. He had two policies. Having two policies means neither pays! Well, not at first, anyway. This grief-stricken woman was overwhelmed with mail. She was staring at a five-inch stack of explanation of benefits and provider bills. I had my standard replies for situations like these; "I'm not scared of paper. Send it to me." I spent Saturdays going thru bills, creating spreadsheets (back before we had claims online) and figuring out which bills needed to be paid, which bills needed to be processed, and then of course proving the coordination of benefits determination to the two carriers. How on earth can people get thru something like this without a professional?

"Another day my client was at the hospital for a scheduled knee replacement. This owner of a large business had to plan his life and business well in advance around this surgery, but suddenly it was being denied. The insurance company was telling him to "take two aspirin and call them in the morning," or rather, to try narcotic pain medication for a month, and then see if he still needed a knee replacement. Only problem was, this man had suffered through narcotic pain addiction and withdrawal already, with some major stays in rehabilitation facilities, because this approach had already failed, twice. My assistant was able to get his doctor on the phone, I was able to get the insurance medical review department director on the phone, we conferenced them together, and voila, my client's surgery was back on and I doubt he'll ever want another insurance broker.

"I'll never forget the January 17 it snowed. Two inches of snow throws Tucson commuters for a loop, so I was going to stay home until noon when it would melt, but I checked my voicemails and rushed to the office instead. My client's wife was at the hospital for a double mastectomy after a breast cancer diagnosis the week before. The insurance carrier would not approve the surgery because there was a breast-related exclusion on her policy, which did not exclude breast cancer, but apparently no one at the carrier could see that detail when talking to the hospital, anesthesiologist

and surgeon, so they just denied it. I will never know how this mother of four young children managed to stay calm for two hours while I conferenced her in to give me permission to talk to a dozen people and make sure all the providers had their coverage confirmation in place. I would have lost my mind, but she patiently stayed on hold and fortunately was able to get the surgery that day. She's doing great, and they come by my office to say hello whenever they can.

"Another time I was on vacation when my client's son was diagnosed with leukemia, but could not get the drug. It was just another case of the faxes going to a "black hole" at the insurance company. We had to get the right records showing the right medical conditions to be received at the insurance company, and I'm sure I don't have to tell this audience how some things must be faxed many times before they are ever received. It helps to stay on the phone: "Do you have it now? Come on, I can hear your fax ringing!"

"This fall's challenge came on December 31. Many of my clients are old friends or acquaintances of mine or my family. This client on December 31 was my brother's childhood best friend, and a rather ornery fellow. Perhaps his orneriness was due to his lack of sleep; the CPAP that he had been trying to obtain for five weeks was denied by the insurance plan, stuck in some bureaucratic delay, and if he had to get it after January 1 he would not be able to afford to pay the new calendar year deductible for it. Sometimes, you just have to call the insurance company over and over before you find someone that you can inspire to help you. Luckily after three discouraging calls we found this person to help us, and they were able to see that there was no reason for the delay: CPAP approved! But, the provider needed approval two days in advance; our hopes were dashed! Back on the phone to the helpful insurance representative, and she convinced the provider's office that the claim could be submitted on December 31 even though the CPAP would not be available until January 2. Yay team!

"The claims I could not get paid are the ones I will remember more than all the others. My clients whose



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daughters had eating disorders could not get their health plans to pay. One of the daughters was able to be completely honest and open with me while we were preparing her appeal. She was very underweight, had not menstruated for three years, and had documented evidence of kidney and heart complications when her mom put her into an inpatient facility for 30 days, after which she had a successful recovery. I was extremely honored to help her put her appeal together, which was denied, and then complain to the Department of Insurance, only to be denied again. I'm amazed that despite this horrible outcome, these clients are now my friends (and still my clients.)

"Eighteen years into this insurance career, I knew the Patient Protection and Affordable Care Act would compromise my health by making me work much too hard. This all my life was now? Telling clients how high their premiums would increase, and how their Rx's weren't going to be covered and they're very welcome, good luck? The success stories made me feel great, but there were still clients who were unjustly denied coverage for life-threatening conditions. I have had three clients' daughters' eating disorder claims denied. Well, I had managed to get six days of treatment covered for one bulimic girl, but she was kicked out after that. Her parents did not have the money to afford a full course of treatment. The other clients' parents paid for inpatient treatment out of pocket, and those girls recovered. I have personally listened to a medical review director disagree with a clinician on the phone, and use that to deny a claim. "She's suicidal. If we release her, she'll relapse and I think she could die in two days," the facility director said. To which the insurance representative replied, "No she's not." That's all the insurance company had to do to avoid paying that claim. Another client's claim was denied based on her body mass index (BMI), which has absolutely no relation to the risk of death from an eating disorder. Then Sandy Hook happened.

"I felt compelled to do something to save lives from mental illness in any way I could, so I started a petition project to improve health plan coverage for eating disorders. I have never had an eating disorder myself,

but I've learned a lot about them. Did you know that bulimia is more deadly than anorexia, and deaths can occur at any weight because electrolyte imbalances can cause heart attacks? This is why BMI and weight should never be used as criteria for coverage. The stress of someone with an eating disorder greatly affects many people; health plans really need to look at the cost related to complications and mortality compared to the cost of treatment.

"Shortly after I started my project, I broke my wrist. It wasn't healing correctly and I needed a surgery. I wasn't worried about coverage; this was an orthopedic claim, broken bones are no problem. All the while, I was thinking, "Wow, if this didn't heal correctly, I might not be able to write, but it wouldn't kill me." Having promoted the petition project heavily on social media, I was in touch with people around the country who were facing deadly eating disorders that were out of their control, and they could not get coverage for them. Think about how much it costs to replace teeth, or treat lifetime organ complications to the heart and kidneys, or to surgically repair damage to an esophagus. The cost of treating complications of eating disorders far outweighs the cost of treating the eating disorders. It's very hard to read stories about young people being released from hospitals just to die a day or two later, or to correspond with parents blaming themselves for their child's death. Bulimia is not something that emergency rooms treat well, but that doesn't mean these young people don't deserve our best efforts. We can do better.

"For this reason, I accepted the invitation to become the legislative chair on the board of directors of our local NAHU chapter: Southern Arizona Association of Health Underwriters. I thought that this would give me an opportunity to bend an ear or two and educate our insurance community on the wisdom of treating eating disorders rather than letting young people die from preventable deaths due to mental illness. I realize that NAHU is comprised also of insurance companies and health plans, who may initially be opposed to the idea of covering eating disorders. They are complicated illnesses that seem difficult to treat. But they are life-threatening, increasing in prevalence, and more and



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more treatable. Recovery is possible. Our young people deserve it. A shocking lack of statistics exist on the cost of treating an eating disorder, but I can tell you that on average it costs \$50,000 for one month of inpatient treatment, which is rarely ever covered. Sometimes one month is not enough, but consider how much it costs to treat a heart attack. Why do those with cancer deserve more coverage than those with eating disorders? Cancer almost always costs more to treat than eating disorders. Consider the cost of death, and the stress and toll it takes on the victim, as well as their friends and family. It doesn't make sense to deny coverage based on eating disorders being a "lifestyle choice" when we cover diabetes and obesity without questioning patients' lifestyle choices. How does this discrimination exist? Does all our mumbo jumbo about prevention and wellness affect our behavior? There is an unconscious bias against those who suffer from mental illness and eating disorders, which actually determines who does not get treated and dies. Some say that 23 people die every day in our country from eating disorders due to lack of access to care. It is my hope that someday I can make a difference to prevent these deaths.

- S. Tiffany MacFerrin (Member)

