

ROLE OF THE HEALTH INSURANCE AGENT

in Assisting Individual Consumers
and Employers Purchase
Affordable Health Insurance



National Association of Health Underwriters
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www.brokersmakingadifference.org

Brokers Make a Difference

For decades, professionally licensed health insurance agents, brokers and consultants have been providing valuable services to individuals and employers. Health insurance agents not only help secure health coverage for their clients, but they also help manage many day-to-day activities including resolving claims disputes, enrollments, terminations, COBRA administration, changes in family/child status, increases in cost of their current health plan and resolving billing problems, just to name a few. As independent professional agents, our clients rely on us to be there for them whenever they need to make decisions that impact their health insurance.

“Professional agents help their clients understand all the facets of the many plans they can choose from and help them decide which one best fits their budget and needs. However, the initial sale is such a small part of what we do for our clients. We also check on their preferred doctors so they will be able to select the correct plan. We conduct on-site enrollment meetings explaining the plan to their employees and helping them to enroll. We follow-up with the insurance carrier to be sure everything is being processed properly. We enroll or terminate employees online for our clients so they can concentrate on their business. We provide complex service and advice (such as with the new COBRA subsidy). We keep current on compliance issues and changes to insurance companies and their policies and plans and rates. At renewal, we help our clients review the market and make the right choice for them—stay where they are, change their plan or change their carrier.”

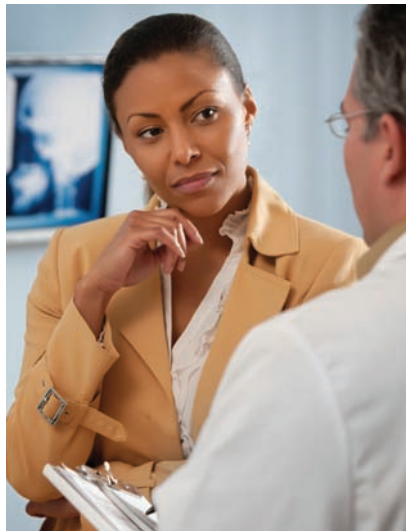
— KATHY WALCZAK (NY)

As members of a profession that requires a license and has stringent educational guidelines, agents serve more as advocates for clients than simply sales people. Many health insurance buyers continue to use their agents long after they've purchased insurance. If consumer protection is a factor in any measure of health reform, there is no better way to protect the consumer than to have an expert on their side. Professional agents help gain coverage for and service the needs of tens of millions of Americans.

“We are not your typical salespeople. We go to the hospital after a child has been born to add them to an employee's health plan. If it is more cost effective, we go back in a week or two to the client's house and help them move that child to an individual plan if it will save them money. We meet with our clients every year to discuss renewal options no matter how large or small the client might be. We handle claims issues, billing issues, enroll new hires, provide COBRA administration, and host benefit fairs. A large portion of our time is spent helping our clients understand new government regulations and what they can and cannot do with respect to their benefit offerings.”

— WILL CHAPMAN (LA)

Most people in the U.S. receive their health insurance from employer groups represented by insurance agents. Many individuals work with an agent when purchasing coverage because they know agents have the expertise to help them make health care coverage decisions that best fit their needs.



Professional agents have extensive industry knowledge from a design, benefit, pricing and care perspective. Many small employers can't afford to have this level of expertise in-house and simply do not have the time that it requires to administer a comprehensive, compliant benefits package for their employees. In the complex regulation arenas of HIPAA, COBRA, FSA, HSA and HRA,

professional agents spend a great deal of time helping their clients understand the regulations, complex products and compliance issues.

“This week I was able to insure a mother and her 12-year old daughter and save them more than \$300 per month in premiums. The mother is disabled with MS, but was insured through COBRA for \$600 per month. I put her on a Medicare Advantage plan and her daughter on individual coverage. When the mother realized the savings, she literally cried tears of joy. I love my job. She just called today to say that the savings in premium will allow her daughter to join a gymnastics team.”

— DANA L. BROWN (WA)

The agent's primary role is to communicate complicated information in a manner consumers can understand.

Agents serve more as advocates for clients than simply sales people.

“Our health insurance agent, Paula Wilson, sends regular monthly, and sometimes weekly, bulletins on changes in the insurance industry, laws and expectations and keeps our business office well informed on any issues that affect our coverage or the administration of our plan.”

— KAREN H. (CA)

Antelope Valley Christian School

“As the vice president of finance for a busy small business, I don’t have the time to monitor the constant changes in health insurance. Callahan Insurance knows its business, which lets me focus on mine.”

— ANN A. (TX)

J. Stokes Associates

Health insurance customers that 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.

NAHU conducted a study of small businesses nationwide that found positive attitudes about agents. Most small businesses that offered insurance to their employees used an agent (75%). One half of the companies that used agents said it was unlikely they would ever stop using them, “citing the agent’s knowledge as the biggest reason why.”

Given our successful record of support and service on behalf of consumers, patients and employers, we would have strong concerns about any legislative proposal that would deprive individuals of access to the services of professional agents, brokers and consultants.

“I am a benefits coordinator for our company’s human resources department. I do not feel that eliminating the brokers from the insurance market will streamline the system at all. It will all but remove personal service from the industry and force individuals to attempt to contact a human being at a huge corporation through a mass of automated phone menus. By turning to someone that we trust and who knows the system and has contacts in the

insurance company we have been able to make sure claims are paid according to the policy. Health insurance is a very costly part of our budget and we must diligently look for the very best price. I agree that there are many problems with our current health care system but eliminating insurance brokers is not the answer.”

— LISA S. (TX)

Atkinson & Associates Builders

Professional agents work very hard and have to be very knowledgeable to stay at the pace the health care system is travel-

ing. There is no way a governmental agency in some far-off location could match the service and value agents bring to their clients. It’s hard to imagine how the government could institute health care reform without the help of the agent community. We are the point of contact for the majority of Americans who purchase health care coverage.



“Just last week, a client came in who had lost a baby. They didn’t want to go over all the bills and EOBs. It had been an extremely stressful time. I sat down with the husband and found the duplicate bills, matched up the EOB with the correct bill,

and showed him what went to the deductible and co-insurance. He could have figured it out, but in a few minutes, I had him through this process. I felt so much better knowing that the bills would be paid and this part of the grief process was out of the way for the couple.”

— HOWARD GLENN HANNA (TX)

“I am writing to tell you how much Joe Bailey helped me with the maze of Medicare plans available to a senior citizen. I was totally overwhelmed with the amount of material to be read and absorb. It was such a relief to have Joe explain in a simple way the different options, and to help me decide on the very best coverage for me. Joe told me to call him anytime I had a question and when I did he was always very friendly, courteous, knowledgeable and answered all my questions in a timely manner.”

— ROBIN H. (PA)

Medicare Recipient

ONGOING SUPPORT FROM AN AGENT

As an individual or as a business owner, you don't pay any more for employee benefits purchased through a broker than you would if you 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 much of the servicing required. An agent continues to receive commissions as a plan is renewed, so it's in his or her best interest to keep the client happy.

Here is a sampling of what professional health insurance agents do every day for their clients.

- Negotiate renewal rates and identify items that should be considered by carriers when determining renewal premiums, i.e., turnover of personnel, addition of new hires, etc.
- Provide an administrative booklet with necessary forms, new legislation, information about HSAs, premiums, plan designs, etc.
- Assist clients with claim issues and when necessary compile documentation to support claim issues
- Assist clients with letters to providers (doctors and hospitals) to resolve claim issues
- Assist COBRA-eligible ex-employees with selection of coverage
- Assist employee family members with the selection of coverage when employer-based plans are too expensive
- Meet with employers/employees to explain benefits, plan designs, and optional coverage
- Assist the employer in selecting the appropriate plan(s) that best meets the employer and employee objectives and goals
- Assist employers with billing issues
- Inform insurance companies of employee adds, changes and terminations and request employee ID cards



- Meet with insurance companies and provide feedback of employer issues which assist carriers in making changes to plan designs, underwriting procedures, etc.
- Assist employers by providing a one-stop shop to access information on multiple insurance companies and multiple products, i.e. health, life, dental, vision, retiree benefits, long-term care, disability insurance. Access to multiple carriers allows the employer to select the specific insurance company and plan that meets their needs
- Provide a website for the employer, employee and others to access to information
- Research financial viability of insurance companies and consult individuals on credibility/value of plan offerings
 - Assist individuals with the completion of forms requested by the government and other entities

The American health care system truly needs competent brokers in the field. We are vital middlemen who play many essential roles in our interactions with consumers, employers, health insurance companies, doctor's offices, etc. But our primary role is the ability to communicate complicated information in a manner consumers can understand.

“The Medicare Part D program, in particular, is extremely complicated. I have helped many seniors navigate this maze and try to select the best plan for them out of the 40+ offered in my state of Louisiana. Most seniors do not use the internet and do not have anyone to help them with this important decision. I don't think most members of Congress realize the services we provide to our clients. Without our guidance, many seniors would be lost and probably end up with a plan that is not in their best interest, or no plan at all. We DO provide many valuable services that people cannot get by calling a toll free number and trying to get understandable information and real help. We could be a valuable conduit for any alternative plan that comes out of health care reform legislation.”

— LYLE D. LELEUX (LA)



“Cindy and I want to thank you again...they found cancer in her left kidney and she had it removed. She’s doing fine now and she stopped smoking for sure, no other therapy is needed except regular scopes. If we hadn’t switched to the Texas Health Risk pool as you suggested, our future could have been radically different. Who knows when the next hammer will fall but thanks to you we are ready for it.”

— CINDY AND TONY F. (TX)

“On January 2, I received an urgent call—a cry for help from a parent of a City of Life Church employee. A very rare, very large cancerous tumor had been found in the chest of their 25-year-old son David, a youth pastor who was also an expectant father. The son was to be flown to Cook Children’s Hospital in Texas for testing and surgery at the beginning of the week. With the case still in underwriting, going through the normal process would take at least another week. So, I e-mailed my manager that urgent help was needed—it was New Year’s weekend! By early Monday, January 5, my manager had spoken with the underwriting manager urging the necessity to have the group approved today. By early afternoon, the client was approved. Within the first few working hours of the New Year, the case had been approved, issued a group number and the young pastor had a member I.D. number. The surgery was a success and that week I received a call from his father thanking me for saving his son’s life. The surgeon told David’s family that if he had not had surgery so quickly, he would have died.”

— TANYA L. BURNS (FL)

“Last year, a group client of mine was dying of brain cancer. His wife and I became good friends during their ordeal, sharing many small triumphs as Gamma Knife procedures worked to relieve his suffering for a while, or as his medication made it easier for him to make it through the day. We also cried together on many occasions as it became apparent that he wouldn’t pull through after all. Throughout the two years that he fought such a courageous battle, she thanked me time and again for being there to guide her through the claim process and for getting her “connected” with a large claim specialist. I ended up with a file almost four inches thick...filled with EOBs and provider statements...all of which I personally helped her understand and adjudicate when there was a problem with a claim.”

— MARY J. SAMUDIO (TX)

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 health care coverage recommendations with the customer's best interest in mind. Professional insurance agents work very hard to provide their clients with the best possible service and price for their insurance products.

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

"I just finished a claim issue for a client's employee that was billed incorrectly for a maternity claim. The carrier billed for the baby and mothers hospital stay separately where they should have been billed together. The initial out-of-pocket expense to the patient was \$7000, but when re-processed and paid correctly, was only \$3000. We, as brokers and consultants, do this all day long. Our value to our clients is immeasurable."

— THOMAS KOHLER (NJ)

"A 10-year-old girl was discharged from a psychiatric institution when her mental health benefits were exhausted under her plan for the treatment of autism. Along with a colleague, we researched the latest literature and referred the parents to a clinician who was using a new urinalysis testing protocol for the byproducts of metabolism. This clinician determined the child was biotin dependent and required supplementation. We didn't hear back from the parents for two years and happened to see them in the parking lot of Sun-Up Farm in Barrington, Illinois, which was an organic farm. They ran across the parking lot and threw their arms around my colleague, who was a nutritionist and had made the referral. Their daughter, who was with them, had recovered completely by taking 5 mg of biotin daily. She had caught up in school, become a cheerleader and was a straight-A student attending public school in Lake Forest, Illinois."

— MARCIA P. FRIEDMAN (MD)



"I just wanted to take a minute to thank you for the excellent service you have provided to Spectra Watermakers over the past few years. You have always gone above and beyond the call of duty to help us get some difficult claims paid, do comprehensive employee meetings and orientations, help with the plan administration, etc. The list of things you have helped us with is long and extensive, but you have always been there for us and have helped us get through difficult plan transitions. Thanks for keeping us up-to-date with all of the new health care changes that are in the works. Your efforts are greatly appreciated."

— SUSAN L. (CA)

Spectra Watermakers, Inc.

"I was on my way to an appointment recently and had difficulty locating the beneficiary's residence. I noticed a house in the middle of a field and thought that may be where my client lived. As we neared the house, which was totally dilapidated, I noticed tracks going around the house. It led us to a trailer, also in total disrepair. An elderly lady of about 80 years old lived alone in the trailer. Upon questioning her, it became clear she was destitute and needed help. It was revealed her total income was under \$400 per month, and still the government took out the Part B premium of \$96.40. I was in complete disbelief. I asked her if the trailer belonged to her. She said no, that her friend died and her friends' children didn't have the heart

to make her leave. She stayed there for free, but almost starved to death and had no heat or air conditioning. I took it upon myself to fill out an Alabama Medicaid Agency application for her, which was approved and eliminated the \$96.40 premium which raised her income drastically. I enrolled her into a no premium SNP plan with no deductibles or co-pays. Now she even has a ride to go to the doctor's office—before I met with her, she didn't even have a doctor. She had not seen a doctor in 15 years because she couldn't afford one due to deductibles and co-insurance. She now gets medication for \$0-\$3 on each prescription, annual physicals, vision, and pays \$0 for all health care. She actually broke down crying about someone caring for her. I don't know about you, but that is what I do: help people. The government doesn't contact you—if you need special help, you must contact the government. We do an excellent job going the extra mile for our clients."

— JOHN WALLEY (AL)