



ROLE OF THE HEALTH INSURANCE AGENT

in Assisting Individual Consumers and Employers Purchase Affordable Health Insurance



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Letters from Consumers

Michael has been the insurance broker for this company for almost 10 years. In that time, he has become an invaluable resource in aiding the company in managing its insurance needs.

Michael not only seeks out the best products to fit our needs annually, but we frequently call on him to assist us with issues employees are having, or when I have questions about erroneous billing and coverage.

He always takes the extra step to follow up with us to make sure any issue he helped us with was resolved to our satisfaction. His replies are always prompt, courteous and effective.

This company would be hard-pressed to muddle through the insurance maze without his expertise.

—**Susan G.**

We rely on our broker representative to assist with enrollments/changes/and terminations, to help with claims questions, to provide accurate and timely information regarding legislation such as COBRA or state insurance continuation as well as the new ARRA 2009 legislation.

—**Marilynn A.**

I understand that the freedom to choose health insurance coverage and work with an insurance agent may be taken away from the public. Health insurance is an expensive and complex purchase. Over the past two years, my family has had many different needs and each circumstance required adjusting our health insurance to adapt to the changes. We have had to purchase more insurance, thus spending more money for benefits accompanied with additional terms. Each time we have had a life-changing event, our agent has helped us get the benefits that would fit our situation best. Each time I have a claim, my agent personally walks me through the process to ensure all the proper procedures are followed to maximize my benefits. In addition, my agent has assisted in billing problems and dealt personally with the insurance company on many occasions to ensure my coverage. I value the opportunity to choose my own insurance, work with an agent, and get

the health benefits customized for my family. Please do not take away the right of the public to continue choosing health benefits and working with an agent of our choice.

—**Heather Schroeder**

Our health insurance broker is invaluable to me as a small business health insurance administrator. She has saved our company time, money, and a lot of stress. She is always knowledgeable when it comes to resolving difficult issues. She is always available to answer a quick question (without us having to resort to going through the health provider's customer care phone service that may take hours). She offers unique guidance and knowledge of the health insurers and knows who we need to talk to and what we should ask. She is the one who provides several competitive quotes during renewal time, and has helped process difficult claims. I am strongly opposed to any legislation that would eliminate the services of insurance agents.

—**Becky K.**

I would like to brief you on some of the things that Angie and Lori do to service our account here at Greenville Mechanical, LLC.

Greenville Mechanical has been in business for 35 years and when I became employed here in 1987, we had offered health insurance. Due to the rising cost of benefits each year, the president at that time decided to cancel all health care coverage and give the employee a monthly stipend to help the employee obtain health coverage on their own.

Upon his death in 2005, the newly elected president then addressed bringing back health insurance coverage to the company. Creative Insurance Company came recommended to me from several outside sources. Everything I was told about these two ladies has turned out to be absolutely the truth about their honor, honesty and extraordinary level of service they give to their clients.

I have been working directly with Angie and Lori now for four years. Not only do these two ladies bring forth the best carriers for our situation, but they also provide each insured employee with personal service. They research

each insured employee's coverage and try to find them the best fit with cost, helping approach doctors that are not in network for coverage consideration, helping employees that are retiring understand their options with Medicare, resolving billing discrepancies, listening to us in a time of crisis, giving insurance meetings at 7 or 7:30 a.m. (whatever time we dictate they be there) and rewarding us with Christmas breakfast every year (even for the employees who elect not to be insured).

These have been just a few things that come to mind off the top of my head...Angie and Lori go over the top to make sure this account is serviced, serviced and serviced!!! Greenville Mechanical is fortunate to have them on our side.

—Cindy Appleton

I would like to say that our brokers do a tremendous amount of work for us after the sale is made. They are always there to help us with problems and issues that we don't understand. Recently, they have been a tremendous help to us with the COBRA stimulus deal. We would definitely be hurting if we didn't have them to call on.

—Luann Smith

I am the benefits coordinator for our company's HR 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. There have been many times that myself and co-workers have turned to our broker for assistance on claim information that most of us simply do not understand. 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 and have actually obtained refunds from physicians that have overcharged us. It is also very helpful when looking at the different insurance companies to have someone that is familiar with the companies and their trends and service history. Health insurance is a very costly part of our budget and we must diligently look for the very best price.

As an individual, our broker has helped me to find an independent policy for my husband who is self-employed.

It was extremely helpful to have her in our corner and be able to contact her to ask questions to make sure we were getting the very best policy for our hard-earned money as this is a large part of our personal budget as well.

I agree that there are many problems with our current health care system, but eliminating insurance brokers is not the answer.

—Lisa Spring

Our insurance agent is a vital part of our overall organization. As a small business, even though we have an HR department, we occasionally have problems with our coverage. Things like getting new employees on the insurance policy and prescription card rejections are things that our agent speeds along more quickly than we can. A most recent example is the merger that we have just completed. Our agent helped us negotiate much better health care rates, and she helped smooth the transition of merging two companies and their health care plans. She was available to us immediately and took care of the problems that we could not resolve on our own. I think this is because our particular agent writes so many policies that the insurance companies pay more attention to her than to individual policy holders. I shudder at the thought of the red tape and drag on the system if the government takes over health care. Leave it to the professionals in the insurance industry!

—Bryan N. and Carol A.

As a private small business with less than 25 employees for the past 25 years, we have seen a lot of changes in the workplace and as business owners we have tried to keep abreast on public policy, the latest trends, etc. As a small organization, we do not have HR people on staff. What very little I knew about insurance to begin with was probably quite evident to our agent. But without her there to answer the questions I thought to ask or needed to ask and to take care of the ones I didn't know to ask or didn't understand to ask, I would have been in lots of trouble early on. For that very reason we have stayed with her throughout the years and trusted her to look out for us and our interests.

Knowing us as well as she does, we knew she would watch out for us and understand our intent was to provide some form of health insurance for the employees that we could

at a minimal cost for everyone. In spite of the rising costs in the industry, she has helped us achieve that.

So with a hat tipped in thank you, I don't know how I would have ever waded through all of the red tape and "insurance" jargon without her there to patiently explain (over and over again, every year) and to have her and her staff answer my "important" (to me anyway) inquiries at a moment's notice. I appreciate it all. I have enough trouble just trying to figure out my own personal income tax!

—Elaine D.

The health care arena has become so complicated that businesses of all sizes need representation in this intense industry. The committed leadership of an insurance broker is paramount in providing information, education and advice as we in the corporate setting strive to provide the very best benefits possible to our employees at a reasonable cost.

Additionally, the insurance broker provides year-round assistance with issues like tracking and correcting employees' claims which may not have been processed correctly, assisting the corporate benefits representative with paperwork arising from open enrollment, providing enrollment materials, making presentations at open enrollment, being available to walk the benefits representative through any corporate benefits issues, etc. Without brokers all of these tasks would fall on the company and, more often than not, an individual who knows just enough about insurance matters to be dangerous to the company's benefits' program and the health of the company's bank account.

Lastly, we do not need the federal government in the insurance industry period! Medicare, Medicaid and Social Security should be proof enough of that.

—Doris P.

The Kidder Group, Inc. has used Angie and Lori at Creative Insurance Company for the past 10 years. They have been instrumental in helping our small business with both the initial sale of the insurance and the annual renewal. However, both Angie and Lori go above and beyond for us as a small business and work as intermediaries with the insurance company when needed. They have been able to help us clarify errors on the side of the insurance company multiple times. In essence, the big insurance companies are about as responsive as our government's employees and usually just as unhelpful. However, when we call Angie or Lori, I know the person on the end of the line and they know us. When necessary, they come and meet us in person. I have yet to meet a "person" from the insurance companies, and often those insurance company employees are overseas. To sum it all up, our only connection to the insurance company is our broker. They provide valuable service and advice. They earn their commission by providing outstanding service.

If we want to save private health insurance, we need to really reform the system and bring transparency back to the relationship between the medical community and the patient. Fees for services should be posted both in the office and online. Doctors should know what the service costs. And, most importantly, the services should all cost the same, regardless of whether the patient has insurance or not and they should be the same within the insurance community.

—Gary T

Maine

Our agency is a small agency with locations throughout the state of Maine. Our state is rural in nature and small in population, which gives us limited access to health carriers. We work with approximately 200 businesses. The carriers that we do have in Maine do not have any local on site assistance for employees regarding enrollment and service/support. Our home office is located in Presque Isle, Maine. Presque Isle is 30 minutes from the Canadian border and close to eight hours north of Boston. This is an area where business growth is very limited. Not many carriers or agencies are looking to open their doors for an office that would serve the largest town with a population of only 8,800 people. But all these citizens still need assistance and guidance and that is where our firm plays a role.

Our clients rely heavily on our staff for advice and assistance. The health insurance marketplace has become so complicated with changes in legislation, plan design and benefit offerings that it has become a full time job for a person to be well-versed in all aspects of the industry. A small “Mom and Pop” shop just does not have the resources or abilities to take this on by themselves. They rely on our office for services that they would not receive from the carrier or through any form of state/federal agency. We provide an independent review of their benefits and shop their plan to ensure they are still receiving the most competitive options available.

Our role goes way beyond the annual renewal cycle. Our firm is heavily focused on day-to-day service. We direct our clients to contact our firm with any questions and concerns. This invitation extends to all employees of a business, not just the owners. We handle items such as assisting a person with the explanation of benefits, and helping to balance billing issues that may be occurring while they are undergoing treatment for a health issue. We assist employers in the area in the establishment of wellness programs with the goal of improving the health of our workforce. From simple claims such as lens reimbursement requests, to the analysis of 10-year trends in claims for prescription use, we assist our clients in every avenue possible.

Our firm has just celebrated its 30th anniversary. We work and live in the communities we serve. We pay taxes, buy locally and support those who are in need. We place a strong emphasis on giving back to the communities that have made our growth a success. Our clients truly value the role we play in helping them navigate through the ordeal that health insurance has become. They truly feel they have an advocate working on their behalf providing the expertise with integrity that they would not otherwise have were it not for their broker.

—*Scott Boucher (ME)*

Maryland

I've spent 40 years helping clients with every kind of issue you can imagine. Two, this week, come to mind.

I spoke with the spouse of one of my insured clients. She mentioned, during our conversation about her pharmacy coverage, that her husband was experiencing some symptoms and he was reluctant to make an appointment to see his physician. I asked her what he was taking and looked it up on the internet while we were talking. It turned out that the symptoms he was experiencing were very serious side effects of his prescribed medication. I urged her to have him get in to see his doctor. He called me about two weeks after seeing his physician to thank me for alerting him. His physician had him come in right away to be seen and told him the symptoms were life threatening.

The other call was from a distraught mom who had a son covered under the Healthy Families program in California. The son has been institutionalized for psychiatric problems while in the custody of his father. The mother needed to provide proof that her son would be covered before the hospital would discharge him for travel back to the Washington, D.C., area. We were able to provide this mother with the documentation that she needed to travel to California to pick up her son.

We don't just write the coverage for our clients and disappear as some on Capitol Hill would believe. I personally have spent my entire career advocating for clients and helping them navigate health care resources. During the mid 1980s, I invested in establishing a Consumer Health Resource Center in Illinois where we provided medical treatment searches through a research associate at the University of Chicago. This effort resulted in countless positive outcomes. One in particular was stunning.

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, I 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)**

The Insurance Exchange to the rescue, wow! Dealing with insurance has gone from a complete nightmare to a realistic dream. Professional advice came just in time ensuring we had adequate insurance in place to accommodate the recent changes within the industry and workforce. The integrity of their customer service is excellent and is achieved by being prompt and courteous with any of our inquiries. For me personally and for a nonprofit organization with limited resources, this was a big change, and any doubts for making the switch to TIE were quickly subdued! Thank you for everything that you've done!

Peter Donaghy

Thanks to TIE, the employee benefits program at my company is far superior to anything we had in the past. They offer great service and work hard on our behalf to deliver great value to our organization. They come with our highest recommendation.

Dave Martone

Tina & Michelle,

Both of you and The Insurance Exchange have constantly rendered my company (and me personally) excellent service in every regard. It is the personal touch and friendliness that really makes the big difference. Your help is always there for me, even when I get things confused.

Charlie McMahon

—**submitted by Rebecca Fuller (MD)**

Massachusetts

Companies need to focus on their business, yet regulations, reporting requirements, compliance issues and legislative changes take up more and more of businesses and HR's time and resources, at a cost to the company and to the economy. Lost-opportunity costs increase overhead costs.

At *TBR Associates*, we help mitigate these costs. We are the resource, the tool and the means that allow our clients to understand, implement and comply with new laws and legislation within the health insurance industry.

The new COBRA subsidy is costing companies untold millions in lost man hours as they try to review, understand and implement it. We have provided our clients with the overview, explanation tools and resources to comply as simply and quickly as possible, so they can focus on other concerns and issues knowing that they have the support and information available to comply.

Our clients look to us for the answers that they don't have time to research.

They have limited resources so we become their extra hand. We develop communication and education not just at open enrollment but throughout the year on wellness programs, tax advantage programs, trends, etc.

We also provide the day-to-day answers for claims, contract, and service issues.

We work directly with the client and the employee on difficult claim issues. Most recently, we helped a critically ill family member review their benefit options assessing all of the medical services they might need and comparing their options to help make the most appropriate choice from both a coverage and a cost perspective.

We helped a family with a suicidal teenage son get immediate treatment and admission to a facility he needed—on a Friday afternoon.

We helped the parent of a son critically injured at school coordinate his care and get him the added services he needed.

We have extensive industry knowledge from a design, benefit, pricing and care perspective. Our clients cannot 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 to their employees.

At *TBR*, We are that resource and support.

—*Tina Lee Wright (MA)*

New Hampshire

As a life and health insurance broker in small town New Hampshire, I can confidently say that I have been providing my clients with valuable information, professional opinion and outstanding customer service for over two decades.

Based upon my efforts to educate, my clients are able to make a decision to purchase a health insurance policy that best suits their needs. When I am asked to consult with someone regarding their needs, or the needs of their employees, I begin by asking questions. Once I am educated about their needs, I shop the insurance market for them and prepare a spreadsheet of costs and benefits of the various options.

Once this part of my job is complete, I schedule a meeting and begin to educate my prospective client. I review everything from the cost factors to the state and federal laws that affect their coverage. Most consumers are so busy with daily life and do not understand why health care costs are so high or what choices they have. Most small business owners have no idea how to administer COBRA (or the state continuation). Some do not even know what it is. Small town America and small employers in general do not have HR departments. When it comes to insurance, they rely on their insurance professional for advice. When it comes to taxes, they rely on their accountant for advice etc. My clients rely on me for many things. I do not just sell a policy. I educate and I provide outstanding service.

When my small-business clients (less than 20 employees) began to look at the Health Savings Account concept, not only did I educate them about all aspects of the idea, I met with and explained every detail to the employees. I provide a service that can never be matched by a website or a government employee on the other end of the phone. Once a policy is in force, my job continues with follow-up questions and other service. When a small business owner needs to add a new employee, who does he call? He or she would be overwhelmed without my presence. I answer many, many questions: What forms are required? Where do I mail them? When does my new employee become eligible? Where is the information I need to explain the coverage? I consider it my first priority to service my client's continuing questions.

Certainly the client could attempt to call the insurance carrier with these questions and speak to a faceless person over the phone but what added incentive does the carrier have to offer the highest level of customer service to my client when they don't even know his needs?

I have spent 25 years educating myself so that I can provide insurance expertise to my community. Any change to the marketplace must include the valuable services of local insurance professionals in order to be effective.

—*George G. Curt (NH)*

New Jersey

I just finished a claim issue for 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 reprocessed 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)*

I started a non-profit for children with cancer over twenty years ago. I have personally witnessed the stress involved in dealing with insurance companies and their impact when you have a child with cancer. Muddling through the paperwork, EOBs, and rejection/authorization for emergency procedures is an added stress to this horrible disease. We have all been blessed by Mike Kapandais of *Empact Benefits* in Brick Town, NJ. He offered to help any and all of our families free of charge through the paperwork, phone calls and sorting out of bills they have received. His compassion, service, and expertise have helped families wade through a flood of bills that has drowned them before his rescue. He cuts through the excess, the long-awaited callbacks and the verbiage that is not understandable.

—*Linda Gillick (NJ)*

I just spent 45 minutes on the phone explaining HSAs to a small business owner. My clients call me daily with questions regarding claims, renewals and administration. At renewal time, I do not know how a group would be able to get the help they need with plan changes and carrier quotes for new policies. I truly believe that we make our clients' lives much easier and without us, they would have much less time to do their work and most likely many more claims would be left unpaid.

—*Stephen de Gersdorff (NJ)*

I have a lot of stories that illustrate everyday just how important is the role of the insurance broker.

Case #1

A client was moving from one carrier to another. His daughter has scoliosis and in order to get the new

coverage in effect without terminating the daughter's benefit due to aging out, I had to go directly to child's specialist and get a proof of disability signed by the doctor and submit it to the new carrier. The client could not do the same as they were traveling out of state at the time. With my help, the coverage continued without a gap.

Case #2

Currently, a number of our clients are being consumed by the new COBRA subsidy and they need extra help. Without our assistance, they'd be lost and almost surely out of compliance.

Case #3

Just about every client needs guidance on the typical function of employee maintenance with regard to health benefits. Whether dealing with enrollment or termination or continuation, there either needs to be guidance from an employee who can learn and do all of these functions, including knowing how to remain compliant, or an insurance agent offering assistance. In most small businesses, this job is left to the insurance agent. This is because it would mean hiring more staff or manpower to handle things that agents do more efficiently and economically.

Case #4

I had a HSA client in NY who was being charged about \$400 more than what the hospital charged at retail, because the carrier he was using had some kind of global fee arrangement with that hospital where they paid about \$2000 more than what was originally billed. This led to an increase in the out-of-pocket on his deductible and ultimately he would have been a responsible payment over and above what he was obligated. After calls to the carrier went nowhere, I called my carrier rep and got it straightened out in two days. Many times the client doesn't know what questions to ask or what to follow up on and so they often do not get what they need in a reasonable period of time.

—*Craig Lordigyan (NJ)*

At my firm we help clients with more than renewals and finding lower cost health plans. Our office fields about 60-65 calls a week from employees seeking help with claims, overpayments to doctors, appeals to insurance companies, etc. There is no such thing as seeing your client once a year. For instance, with the new COBRA laws, my clients look to my office for advice regarding compliance and we refer them to the DOL sites and help them look for and find the information they need.

Employers look to their broker to help them understand what different plans consist of and need us to then have employee meetings to explain to the population of their employees how their new plan works. These are just some of the many things we do on a daily basis to help the employee/employer relationship regarding benefits. The relationships we have with our clients are outstanding. It is a great feeling when you go visit and you get a thank you from an employee for help with a claim, or are out in your community and a client says thanks for a doing a great job.

In my community, there is an organization called *Ocean of Love*. It is a center for children with cancer. I go to the center and help families with their claims and explain how their benefits work with their booklets in front of me. This is what I do to give back on my own time, and at the end of the day it is a great feeling, knowing that I made a difference.

I hope this helps to illustrate the value of our job as broker, consultant, and advisor. The role of the broker has changed dramatically in the past five years and more change is yet to come.

—*Michael Kapandais (NJ)*

In addition to making a sale, below is a partial listing of some of the things we do for our clients:

1. Present renewals with appropriate historical data and options to meet the employer and employee objectives.
2. Prepare 5500s.
3. Prepare SARs.
4. Provide model notices and assistance with COBRA.

5. Make sure client is aware of FMLA and ADA responsibilities.
6. Design employee contribution strategies.
7. Interact with the insured or employer to help resolve issues with providers, as well as federal and state government.
8. Assist terminated employees with their options.
9. Assist employees with Medicare issues.
10. Integrate with other employee benefit plans.
11. Give advice on all issues surrounding their plan including governmental requirements.
12. Present wellness initiatives to help improve the health of employees.

This is just an abbreviated list. I doubt if there is politician in Washington who has the slightest idea as to what a benefit broker really does. Nor do they have any idea as to the volume of paper work and labor involved in complying with so many regulations. I suggest they form a commission to study all of these things from a proficiency and practicality point of view. It would save trees, reduce employer costs, and reduce the cost of health care.

—*A. Michael Chodorcoff (NJ)*

The following are a list of the more time-consuming activities that I help my customers with, in addition to the initial sale:

- Add, change and/or terminate employees—help fill out forms, send forms to carriers, track completion and provide ID numbers.
- Convert employees from active coverage to continued coverage/COBRA.
- Verify carrier bills, for adjustments related to above.
- Provide current monthly rates (single, h/w, p/c and family) to customers.
- Help reinstate customers who forget to pay their bills.

- Verify employee enrollment, order new ID cards, change primary care physician selections.
- At renewal, quote other carrier plans and alternatives with the existing carrier – help fill out forms, send to carrier, track completion, provide sub/group number, term prior carrier (if switching).
- Review benefit designs/choices with employee—at renewal, conduct open enrollment, help fill out forms, send to carrier, track completion, verify billing adjustment.
- Review numerous claim processes with employees (e.g. referrals, pre-certifications, pre-authorizations, Rx quantity limits, etc.).
- Intercede for employees when they have various problems with claim processes (e.g. denials, adjustments).
- Educate employers on many questions about all of the above.

—*Greg Colen (NJ)*

Here at the *OSSA Group*, we have been designing, implementing and servicing employee benefit packages (Medical, Dental, STD, LTD, Life & 401(k)'s) for more than 20 years. Once a benefit is sold and a contract is signed, the real work begins, starting with employee meetings to explain the benefit package in detail and answer any questions employees may have. Once the plan is up and running, each employee has our number to call our office or e-mail our office for any service-related problems and benefit questions. These problems range from claim issues to finding a participating provider to assisting an employee in an appeal process. Yes, the insurer has a customer service number to call but more frequently than not it turns out to be a time consuming task for the employee to deal with the

insurer's service department and often the insurer's service representatives give incorrect or incomplete answers to the caller. Claim problems can be complicated and time consuming because the problem can occur at various sources (such as the provider's office, insurer, or the insured not following proper procedures).

On the employer side, we communicate with either an HR director/CFO/Controller on a regular basis to resolve problems, answer questions or recommend action. For example: questions regarding whether a certain service is covered under the contract and if covered to what degree, reviewing the contract to confirm it contains the correct benefits and provisions that the employer purchased, providing direction and interpretation of federal and state laws that apply (HIPAA, COBRA, MLA, TEFRA, Medicare, CHIP, NJMLA, NJSC, NJPFL), assisting the employer with their corporate policy manual, and making sure that the employer's benefit package is competitive by putting the package out to bid on an annual basis. Our larger clients utilize our office in various ways. Some have their new hires call our office so we can review and explain the benefits that are available and discuss what their monthly contribution will be etc. We also do the enrollments and terminations for some of these clients, and set up and maintain employee benefit web sites. These sites have all the employer's benefits, forms, contacts, and important links in one place and allow employees 24/7 access to this information and tell them how to contact us with any questions they may have.

In summary, we as brokers become a source of administration and information for our clients.

—*Joseph Marini (NJ)*

New York

I can send you letters from a sample of my clients that attest to the “added value” that brokers provide not only at the time of sale, but more importantly throughout the relationship- whether it is resolving contentious claims disputes, or the time consuming administrative tasks of enrollments, terminations, COBRA admin, changing doctors, obtaining duplicate ID cards, resolving billing problems, etc.

Renewals in these troubled economic times mean the services of the broker are vital. In the client’s frantic efforts to reduce costs, not only is raising deductibles and co-pays necessary, but also educating the client about health reimbursement or health savings or flexible savings account is crucial. Training/enrollment meetings in the area of consumer-directed health plans are an important function of the broker.

Also, showing the client alternative health insurance plans, in an objective and impartial survey of the health insurance market, is a priceless service that the busy small business owner/administrator does not have the time or expertise to do. The vast majority of small businesses do not have a person on staff trained to deal with these issues and with 47 million uninsured we need the services of the broker even more.

We also need underwriting reform to help brokers do their jobs. We can eliminate pre-existing condition exclusions if we make having a qualified health plan (individual or group) mandatory. We can make universal coverage possible by offering individual or group plans with \$5000 deductibles. Such plans can offer an individual hospital, medical, and prescription drug coverage for under \$3/day, less than the cost of a big Mac.

—*Hal Kalkstein (NY)*

The bookkeeper for a current client called me to ask for help with an unpaid claim that totaled \$600. Needless to say, she doesn’t make a lot of money and a \$600 bill

made her upset and unable to sleep. I sat down with her and all of the paperwork (along with the letter from the collection agency) and we started to call the appropriate parties (i.e., the lab where billing originated, insurance carrier and collection agency). It seems that the carrier had nothing on file showing a claim was ever submitted and the lab was showing that multiple submissions had been sent to the carrier for processing. We were able to get the claims resubmitted and processed by the carrier and as a result, the lab notified the collection agency that this was settled. Show me a public option that is going to assist in this type of situation!

—*Brian Bodner (NY)*

The initial sale is such a small part of what we do for our clients. We help them understand all the facets of the many plans they can choose from and help them decide which one fits their budget and needs. 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 enroll. We follow up with the insurance carrier to be sure everything is being processed properly and for some insurance companies we, the brokers, enroll the client online and then just send the check and tax documents on.

After the initial sale, we are here for all the questions and problems as they arise. 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.

I cannot imagine a person or company having the time to accumulate this expertise without the help of an agent.

—*Kathy Walczak (NY)*

Pennsylvania

As a licensed health insurance broker, my number one priority is to help every person I speak with find affordable health care. I've helped many people who thought they were uninsurable with pre-existing conditions such as cancer, diabetes, congestive heart failure, HIV, kidney disease and MS acquire coverage through a business, a guarantee issue plan, or a chamber of commerce association plan. I try to help people every day...and many times without any compensation because I want all Americans to be covered regardless of race, income or medical condition. Seniors require a lot of attention and are often overwhelmed with Medicare. Who is going to properly advise them?

We need more properly licensed brokers and agents who understand the needs of individuals, families, students and small businesses to address our health care issues—NOT LESS.

—**Joe Copson (PA)**

Almost every day, someone calls me to ask a question or explain the choices and options related to Medicare Enrollment, Medicare Advantage, Supplement, and Rx plans. Many have spoken to representatives at the Social Security office and have received tons of forms, enrollment brochures, advertising material etc., which has only confused them further.

The following is an e-mail copied to me that a client sent to Aetna:

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 absorbed. 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. I chose Aetna over the other plans for several items mentioned to me that were uppermost in my mind for my particular circumstances. Joe met me at our library (my choice for a meeting place) for me to sign my papers, and Joe also told me to call him anytime I had a question regarding Aetna's plan. I did call him several times with questions and he

was always very friendly, courteous, knowledgeable, and answered all my questions in a timely manner.

Robin H.
—**Joe Bailey (PA)**

I had a couple of clients who were stuck in a Medicare Supplement plan (at least they thought they were stuck!) and paying \$5,000 a year for their Medigap plans through one carrier. I was able to help them out with a Medicare Advantage Plan offered by a different carrier with a premium of \$39/month per person totaling \$936 a year. Their total in doctor and procedure co-pays and prescription drug co-pays were another \$500, giving them a total savings of \$3,564/year. They were ecstatic! This gave them the money they needed to pay back property taxes and keep their home. Medicare Advantage plans save seniors so much. A few extra dollars can really make a difference when it comes to keeping or losing your home.

On average, a Medicare Certified Broker saves a married couple at least \$1,000 a year, much more in most cases, and when seniors are living on a fixed income, every penny helps! I had a lady who was going broke and paying AARP \$150/month. I was able to help her get on Medical Assistance (plus food stamps, and then housing allowance) and put her on a SNP Medicare Advantage Plan with Aetna. She is very relieved and happy and tells me so all the time. Many seniors feel far more comfortable contacting their broker than a "Member Services" hotline and I am happy to make that relationship available to my clients.

—**Daniel Heskett (PA)**

I am an independent insurance agent in Lancaster, PA. I am licensed with many of the insurance companies that provide Medicare Advantage plans in the areas that I work. With this type of licensing, I am able to offer tailored plans according to the needs of my clients. I also sell Medicare supplements. When comparing how the different plans work, most of my clients would rather go with a Medicare Advantage plan because it often saves them money. Many of my clients save hundreds and some even save thousands when they switch to a

Medicare Advantage plan from a Medicare supplement. Medicare Advantage plans are more time-consuming to sell because you want to do what is best for your client and find a plan that suits your client's specific needs.

Although this is much more work, the rewards are greater for my client. When your client realizes you are doing something that is specifically for them, they trust you. Trust from a senior citizen is something you have to earn. I want them to feel comfortable knowing I helped them get better health care and saved them money. The satisfaction of helping someone to help themselves is a reward in itself. The Medicare advantage plans are great plans. I have my parents on Medicare Advantage plans and of course I want what is best for them. They are 88 and 86 years old and the Medicare Advantage plan has saved them thousands, which they would have spent on Medicare supplements. I have many stories of how my clients have thanked me for my honest work for them, from baking a pie, giving referrals, to asking me to dinner—but the best reward are the hugs and the genuine gratitude and appreciation. This part of my insurance business made me feel like I actually did something to help someone, and that is what it is all about.

—*Joann Kline (PA)*

Virginia

Our firm is small, but we offer a full-service package that includes COBRA, direct employee access to our staff for claims resolution as well as HR support to our clients. These functions are ongoing throughout the year. We are very involved with our clients and their employees and try to get involved when they have claims or service problems with their benefit plans.

We have a 95% success rate in getting our clients a favorable resolution to their claims issues. Two years ago, we had one of our clients go the hospital and deliver a premature baby. Our client called us to verify the hospital she wanted to use took her insurance. We called the insurance company to confirm as well as the client. The insurance company confirmed that they did participate with the hospital, so she went in to have her baby. While her baby was in the NICU, she started receiving some very large bills, which was very distressing to her as she thought she was covered. We called the hospital and NICU, and as it turned out, the hospital took her insurance, but the NICU inside the hospital was an independent contractor and did not participate. The bills for her child's care mounted to more than \$500,000. Our staff worked with the client, the insurance company, and the NICU for over seven months to get this resolved. We were successful in getting all the claims paid and/or written off, and the client ended up paying only what her policy indicated. As you might imagine, our client was extremely grateful for our efforts.

—*Scott Eastman (VA)*

I have been a health insurance broker for about six years. I got into this business because I saw the need for quality brokers to help people obtain affordable health insurance. As a broker, I offer my clients excellent service at no charge to them. With this good guidance, they tend to be happy with their plans and continue to keep them for a long time. With annual premium increases, I also help them make plan adjustments or changes.

The important part of my service is to help my clients understand their benefits, use their benefits wisely and

especially straighten out their claim problems. Without my help, many of my clients would end up paying unnecessary claims. Many carriers deny the claim payment because of some error or missing information, and I can usually resolve this for my clients and most often in their favor.

My clients are always very grateful for my service or assistance, particularly because it is difficult to find the right health insurance on their own. The system makes it very hard. People need good guidance to deal with the expensive and complicated aspects of health care.

—*Chilang W. Weiler (VA)*

I have a client who moved to Italy. Before she and her family went, they terminated their policy. In the course of the next 1 1/2 years, she received several bills and statements that were either false or unpaid by the insurance company. Even though we were not her “agent of record” at the time, we still helped our former client. There were two different orders to go to court for failure to pay her bills on time. We were instrumental in unraveling the tangle of the red tape, had doctors/hospitals re-file the claims, and the insurance companies to hand-deliver the claims into their system. In the end, we saved her reputation, credit score and gave her peace of mind. This is the reason we are doing this job.

This is just one of the situations that have come across my desk. I could tell you of hundreds of people who we have helped before, during and after they have had their policies enforced.

—*Ulla Capps (VA)*

Case Study #1

Small-Group Employer – The employer received a large renewal increase to their employee benefit plan. We provided optional plans and carriers. In the end, they stayed with the same insurance company but reduced benefits somewhat to make the plan affordable so that they could continue to pay 100% of the employee's coverage. Without our help, this process would have taken twice as long and they could have made a serious

error, since they are not insurance experts. As a result of the change, the insurance company's billing cycle changed and the first bill for the new plan came in a month later. The employer always pays by the due date. They thought they were paying the current month when, in fact, they were paying a month in arrears because of the late bill. They paid again the next month, but were then more than 31 days in arrears and were cancelled. Their policy and coverage for all employees was cancelled by the insurance company and the company refused to reinstate without an exception from the billing manager. I worked with the group to determine what happened, helped them document the situation for the insurance company and the exception was granted as a result of our advocacy. It is unlikely they could have navigated this to the top without our advocacy. The employer understands this and would never want to work directly with the insurance company red tape and management layers.

Case Study #2

Small-Group Employer – This employer of 50 employees has both a Virginia operation and a New Jersey operation (16 employees). The Virginia plan was

inadequate for the New Jersey employees. They had no idea how to access New Jersey markets. We identified the markets, prepared the RFP and found coverage that met the needs of all New Jersey employees. They went from being very dissatisfied to very happy with their new plan. Employees' benefits increased significantly. We found coverage for all and made sure no one lost coverage or had to navigate the complications of changing carriers and preexisting condition limitations of insurance carriers.

Case Study #3

A husband and wife with individual policies received a large increase from their carrier even though they had filed very few claims. They could no longer afford to pay upwards of \$1000/month for their insurance. We worked closely with them and educated them on the health savings account concept. They changed to two new policies and reduced their premium cost by more than fifty percent.

—*Sidne S. Dickenson (VA)*

Illinois

During my group open enrollment meetings, I frequently get questions pertaining to employees' personal situations, not necessarily the group plan. Below is an email I got this morning. The employee [who e-mailed me] is part-time, ineligible for the clients' group plan and has a husband who works for the State of Illinois. She is age 57 and, although she didn't see the need to attend a retirement benefits meeting with her husband and the state benefits person, I counseled her to meet with the state benefits people to understand all her options.

First of all, I want to thank you for taking the time to talk with me regarding health insurance. We met with benefits specialists at the State of Illinois on Friday and you were right, they will cover me with insurance — health, dental and vision.

I was very happy I spoke with you before we went downtown. Also, since my husband is nine years older than me, I asked about coverage if he should pass on before me. I will get part of his retirement and the insurance coverage would continue for me. This was something he was also concerned about.

Thanks again; it was nice talking with you.

Mary Anne R.
—Katrin Eisenberg (IL)

In January, one of my small business clients was trying to hire a key person away from a competitor (the competitor actually offered twice his old salary to keep him). This key person had a special needs child and they had spent over \$19,000 out of pocket last year on charges that their prior carrier didn't cover. I was brought in to help woo him towards the new company. I compared his current plan to my client's plan with regards to the physical therapy needed for his son. Next, I called the son's physical therapists to see what networks they were in. When we found out that one wasn't in the network, I was able to discover a cash discount rate that was equal to the network negotiated rate. I took the expected costs for the child and put them on a spreadsheet for my

client. They were able to take this spreadsheet and come up with an offer that the key person accepted.

During this time, I also had three-way discussions with the key person and hiring manager from my client's company to describe the insurance, answer all his questions, and reassure him of its quality.

—Robert Slayton (IL)

Below are some examples of how agents/advisors do more for their clients than just get involved in the sale:

A small group had a member that needed cancer treatment to begin immediately. However, the carrier required a 60 day predetermination for necessary treatment. We got involved with the nervous and upset client, carrier, and physician and immediate treatment was granted. The client was put at ease as much as possible and allowed to concentrate on fighting the disease rather than fighting with the insurance carrier for necessary coverage.

A small company was facing a large increase in premiums because of significant health issues. No alternative carrier was less expensive and we worked with the company and its employees on educating them about lower cost pharmacy and emergency care practices. We changed the plan design to lower premiums and provide low upfront costs, but significantly less total exposure should large health care issues arise. This client was also non-compliant on many of the legislative obligations the government has imposed (HIPAA, COBRA, Medicare Part D, Women's Healthcare Act, etc.) and we were able to get them up to speed on how to manage and process the additional obligations now in-force.

As insurance professionals, it is our duty not to sell insurance, but to problem-solve in our area of the insurance "puzzle". A snapshot of the major players in the insurance puzzle include the government, hospitals, physicians, pharmaceutical companies, retail pharmacy companies, insurance carriers, research universities and companies, our own populations ever-changing health

care habits, etc. It is dynamic and complicated to say the least, and our role is to educate the insured population on areas that they might have an impact or be impacted. That means:

Government Legislation - keeping our clients compliant and educated on what they can do to fight for or against legislation that affects them and their employees. We also have the task of keeping our clients compliant with laws and regulations.

Hospital & Physicians - keep our clients and their staff aware that they should choose high quality care, not just less expensive care as measured by independent firms. As a broker we have the opportunity to speak directly with the users of healthcare and educate them on the “system” and the options available to navigate it.

Pharmacy - all drugs are not created equal, but sometimes they are and the cost to the company and member can be very large. Are Lipitor, Crestor and Zocor (all brand name Rx) the same cost? Do consumers have options? Is there a benefit expert available to employees to educate them to work with their physician?

Retail Pharmacy - Is the same drug priced differently at Walgreen’s vs. Costco vs. CVS? Who is educating the employees and staff? We are.

Insurance Companies - A well-run health insurance company wants to make three cents of every one dollar in profits. Is that the big bad insurance company that everyone wants you to be afraid of?

The problem is that each of the players in the equation has to make profits or margins necessary to exist and I find that government agencies involved in health care are not as efficient as the insurance carriers. Insurance companies usually aren’t subject to the emotional side of health care as they are using clinical data to pay claims and sometimes the member gets hurt. Our job is to take away that pain and work with the carrier in resolving the problem and making the member affected a person to the carrier versus just another claim code.

Unfortunately, the government has good intentions but rarely has the right answers to health care problems and generally makes health care more expensive to the many

to benefit the few. Our job as brokers is to listen and provide answers, education and solutions to help businesses navigate with as much success as possible through the maze of health care. Our cost is marginal in the equation of health care and the forces that truly drive this are the government inefficiencies (Medicare/Medicaid), hospital and physician liability insurance costs and the uninsured. The fact is, lawyers probably make as much profit in health care as many of the legitimate players that are truly behind treating and educating our nation’s health care consumers. Our agency spends more than 80 hours per year on educating staff as well as assisting the insurance committee in making long-term decisions that will impact their health plans.

—David Levitz (IL)

As a broker for 20+ years, it has been my continued pleasure to provide value-added services for my clients. Not only do I provide an aggressive marketing posture when supplying proposals but every effort is made to convey the negatives and positives of the carriers being represented. It is my goal to explain the differences to potential clients and make sure they have enough information to arrive at an informed decision. Once a decision is made and the program is in place it is our perceived responsibility to ensure all employees and/or individuals are taking full advantage of the programs offered. This is accomplished through ongoing education (employee meetings) and providing adjudication services when claims are not being processed to the satisfaction of the client.

Not only are employers kept abreast of changes in legislation that could affect how they administer their employee benefits packages but we provide one-on-one consultations and quarterly site visits. A case in point occurred recently. The president of a firm turned 65, and was immediately informed of coordination of benefits with Medicare. As a result, he signed up for both Part A & B and began paying his major medical premiums at a reduced rate. Three months into the process, Medicare raised his premiums significantly. He advised me of the situation and asked if I could explain what was happening. Since he was in the small group market, Medicare should be primary and I could not contemplate why the premiums were adjusted. I

obtained an authorization from him and personally drove to the Social Security Administration Office. After over an hour of waiting, I was able to speak with a representative, but after a short conversation, I was informed the authorization he had signed, which had been supplied by SSA, was for medical records release and would not be acceptable. I am now in the process of obtaining a different authorization and will return for a full explanation. This is only one example of providing value added for my clients.

I have spent literally countless hours with individuals reviewing claims and seeking resolutions or at least understandable explanations. Working in the public sector requires even more attention. I have spent many an afternoon and evening with union representatives developing cost saving strategies for both their members and the taxpaying public.

To be sure, when renewal time arrives we will automatically request substantiation for any increases to our clients. If the response is not in line with current trends every effort is made to negotiate with the carriers and reduce the premiums. If unsuccessful, we have surveyed like groups in the geographic region and industry and made comparisons to support our arguments for reductions or reinforce the carrier's position before presenting the renewals. Good brokers provide these kinds of services regularly. If legislators feel all we do is sell a product and collect commissions they are absolutely, categorically incorrect. They should examine the compensation schedules and realize we aren't being compensated at a 40%-50% rate, a very common misconception.

—*Bill Lavine (IL)*

This is an example of persistence, knowing what should happen, and then making sure it does happen—all to help our customer understand their benefit program, how to use it, and intervene when things don't work as they should.

Another NAHU member and I worked together to solve a problem created by a dishonest provider's billing office.

Our customer, an employee of a very small employer, needed spinal surgery as a result of an auto accident. We advised him on how to find the best providers for the

surgery and how to stay in-network. The surgery was successful, and all providers were paid according to the contract except for the surgeons. The surgeons would not bill the medical insurance company because they did not want to accept the negotiated fee schedule. Rather, they billed the auto insurance company (which paid the \$5000 maximum under the policy but did not have a negotiated fee schedule with the providers) and balance billed the patient. The surgeons refused to bill the medical insurance company for months and months, during which time, they harassed the member to pay the \$40,000 balance—starting out with multiple phone calls and eventually threats of collection.

We talked to the medical insurance company to determine the key item to submit for reimbursement in-network and then coached the member on what to ask for. Eventually, he was able to get by the billing office and talk to an administrative assistant in the surgeon's office. The HCFA5500 form was submitted, showing the in-network tax ID for the doctors, and the bill was paid in full (at the correct reimbursement level).

Value to our customer: \$40,000, plus avoiding hiring an attorney.

Value to us: Priceless—there is nothing as satisfying as helping a customer, especially one who had followed all the rules and was a victim of a “bad player.”

—*Greg Smith (IL)*

My clients don't know the complicated rules surrounding insurance. They have trouble dealing with insurance companies for claims, for benefits and for premiums. I have a staff of three to handle these problems for our clients, and I am constantly explaining benefits and health plan usage.

I have nearly 100% agreement among my 100 business group health plans that the government should not be involved in health care. We look at Medicaid, Medicare, the post office and local government to support the argument that private companies do a better job. Most of my clients feel that the increased cost in private health care is due to government intervention already. Cost shifting from Medicare and Medicaid, as well as policy amendments has added significant additional costs to our premiums. Offer tax incentives, increase

transparency, but do not allow the government to run health care. The Constitution allows the government to do a lot of things. Protecting our country is one of them. Health care is not.

—*Mark Brown (IL)*

Kentucky

My clients need my assistance in navigating many solutions to their workforce needs. Whether it is negotiating the cost of insurance, assisting their HR department and employees/family members understand and/or correctly manage claims, manage compliance issues, providing workforce communication materials or just helping plan the budget for insurance/ workforce expenses, each employer client provides a unique set of business challenges while trying to provide each employee and their family with the necessary protection they deserve for being the number one asset the company possesses. My employer clients all rely heavily upon me to help navigate these challenges each and every day.

—*Trip Dill (KY)*

I have been in the insurance business since 1992, working in areas from property and casualty to life insurance sales. However, in late 2000, I went to work for my current employer Benefit Insurance Marketing as an employee benefit adviser. I can tell you without hesitation that I love my job. I am currently the benefit advisor for over 250 employers ranging in size from two to 600 employees.

Our clients have a lot of choices when it comes to getting help with their employee benefit advice. But, as a successful adviser, I have built an outstanding team around me that digs deeper than merely helping them pick a plan and a carrier. We help our clients truly understand what they want from their benefit package

over a multiple year approach, not merely making decisions twelve months at a time.

The one item that separates BIM from the rest is our attention to detail. The best health insurance plan in the world will not be perceived as superior if it is not effectively communicated to employees. We constantly see employers spend hundreds of thousands of dollars on employee benefits then simply toss out the information never explaining how the plans work or the true investment dollars made by the employer.

We partner with our clients to:

- Negotiate coverage and contracts
- Benchmark benefits
- Assist with employee communication, including printing of material and running of group meetings
- Assist with claims and enrollment throughout the year
- Find compliance partners for COBRA, HIPAA, Sec.125 and FMLA

BIM does not charge a fee for these services. We are compensated by the commissions that are already built into the products we manage and regulated by the Kentucky Department of Insurance.

—*Jeff Truitt (KY)*

Michigan

Under current health care reforms, the following problem is not only likely but imminent: An insurance carrier has a good loss year and has to give back a portion of their premium dollars back to the customer. Now let's say they have a bad year the following year, with no surplus... how are they going to pay claims? Furthermore, how does an Actuarial come up with premiums based on unlimited coverage with no preexisting clauses and no waiting periods? If changes like this are enacted in full, there will be many insurance companies that will go out of business due to all the paperwork and red tape involved. The loss really hits home for the individual that is going through surgery or cancer when his or her Insurance carrier goes out of business or decides not to write health insurance anymore. Who is going to pay for their ongoing bills during this process?

—*Edie Derusha (MI)*

I have spent many hours with a client for whom I am trying to obtain health insurance, both for her and her older child with a preexisting condition. I have and am continuing to research carriers that will best suit her needs while coming up with temporary solutions for her daughter. She could not thank me enough. In fact she said, "Where would I be if I had tried to do this myself online!" She was very grateful for the help that my expertise could afford her.

—*Barbara Todd-Leffel (MI)*

We have a client who had a child that was without coverage and found out that the child had cancer. In early February, we were able to secure her coverage and get the hospital paid in less than four weeks.

We assist companies in the day-to-day administration of benefit programs. With all of the new laws that have passed over the past 10 years, most small employers do not have the money to hire a full time HR professional. Benefit brokers not only help secure coverage but also help manage many day-to-day activities. A good example of this is the new COBRA subsidy and how we educate our employers as to what they need to do to stay

within the law. We assist them in complying with these types of laws.

Our elected officials need to understand the very important role we play in educating our clients about the plans they have and how to navigate the complex health care system.

—*James A. Milkey II (MI)*

I'll be the first to say that the brokers *Infinisource* works with are bar none. Our brokers care enough about their clients to tell them what their liability is regarding COBRA, HIPAA, CDHC, enrollment, eligibility, FMLA, payroll and other miscellaneous benefit laws. They care enough to partner with a reputable vendor to provide education to their clients. Some of our brokers provide HR services to their clients who can't afford actual HR departments. Our brokers pay for seminars and webinars for their clients to learn what is expected of employers regarding compliance with the aforementioned laws. *Infinisource, Inc.* would not be the successful, national company we are today without the support of our broker partners. When news of ARRA broke, our brokers were calling us at all hours to glean accurate information for their clients who were so concerned about what ARRA meant to them.

I'll speak on behalf of most of our 15,000+ clients and say that their level of compliance with many of these laws today is because their broker cared enough about them to do something to help!

—*Karen L. Kirkpatrick (MI)*

I have two stories that I'd like to share in hopes of furthering the understanding of the agent's role in delivering health care solutions to clients. I trust this will help dispel the belief that all we do is "sell something."

1. Claim Advocacy - A male employee of one client was diagnosed with prostate cancer and was advised by his health plan that the approved service was a traditional surgical procedure. After considerable research with my help, the employee discovered that an alternate service utilizing a laser device was both

available (though out-of-network) and preferred over the traditional scalpel approach. The employee, armed with his new found information, fearing for his life and understanding that the laser service would create less blood loss, a faster return to work, a better outcome, and less pain had the service performed anyway. I subsequently assisted him when his claim was denied. With convincing statistical evidence, my personal efforts to convince the carrier that the “standard of care” was not an invasive procedure but, in fact, the non-invasive laser procedure proved successful. The carrier agreed to pay for the out-of-area service making the employer (who was prepared to “self-fund” the claim) extremely happy. The employee was grateful for my help and this left me with the immense satisfaction that I had a hand in helping a man regain hope that his medical diagnosis was not an immediate death sentence.

2. Administrative Advocacy – I have a client group composed of seven nursing homes whose primary source of revenue is Medicaid. Revenue from the state normally arrives around the 20th of the month and unfortunately, the prepaid health plan premium is due on the first of the month. This client is continually in a delinquent payment position, which causes employees to be denied medical services as the providers’ online eligibility systems advises that coverage is not in effect. Through our advocacy, we have requested an exception to standard procedures and received approval from the carrier to change payment due dates from the 1st of the month to the 20th of the month. This agreement will improve both the client’s cash flow and delivery of services to employees.

—James M. Kenyon (MI)

What is the number of issuers who have left Michigan or specific markets or who are likely to, absent an adjustment to the MLR? What is the resulting impact on competition within the market? The impact on the benefits offered, premiums charged and cost sharing placed on employers?

At this point, to my knowledge, *Aetna* is leaving the “under 50” marketplace and *Principal* is no longer

writing health insurance. Competition has already been reduced. Premium increases in the past six months have been astronomically higher than ever before and I have had renewals as high as 40% through *Blue Cross*. Approximately 3% of the renewal increases are attributed to health reform, let alone the healthcare trend factors. Two carriers have reduced benefit plan choices as of January 1. Cost sharing is going up as the employers pass on the increases to employees. Many employees are dropping coverage entirely.

—Leslie Loftus (MI)

Many insurers have already left the Michigan market, and I fear that many more will follow as they feel it is not a good business decision to continue should the MLR regulations come into play. In addition to *Aetna* and *Principal* backing out, *Humana* is focusing on ancillary sales and *American Community* is out of business. This is creating a stagnant market. This inevitably will lead to higher prices, limited options, and additional costs being passed on to the employee.

—Ted Maitland (MI)

We are basically a two carrier state now. This is very unhealthy. Not having competition results in higher costs for everyone. With higher premiums, employers are capping out their overall liability pushing more out of pocket costs through plan design onto the employees. The higher the out of pocket expenses, the less likely someone will seek treatment. What may have been a minor element becomes major involving the higher cost elements of emergency room or advanced radiology, for example.

—Jamie Mills (MI)

Absent an adjustment to the 80% MLR standard, will consumers and small groups have the same access to agents and brokers?

Resources will be more restricted. The reason this is true is that the MLR issue has forced carriers to adjust their administrative expenses and commissions are included in this adjustment. With less revenue per member, I am forced to limit the resources I provide, which translates to fewer personnel for phone and field service, fewer meetings for face to face service, and lower service rates

in general because I no longer have access to as many of the resources I had.

—**Randy Joppie (MI)**

If we were not paid a commission to sell and service products, we would not do so unless we were allowed to charge a fee for our advice. I believe that the feds are under the mistaken impression that an individual or a small business will be able to go to a website and easily compare one plan with another. This is incorrect. They need an experienced agent to guide them through the system, design a plan that works best for them, and guide them through the enrollment and educational parts of employee benefits.

—**Paul Rathburn (MI)**

The MLR, as we know it, is placing enormous pressure on carriers to cut costs and eliminate/reduce commissions. If the MLR requirement is reduced or adjusted, carriers will be able to maintain their internal/external distribution channels to educate/guide consumers toward the best choices for themselves.

—**David Sokol (MI)**

I would predict that some agents will exit the market entirely in the small group and individual market. This will limit the number of agents to serve the consumers. As additional carriers reduce commissions such as Aetna, BCBSM, and Priority Health have done, we will see many agents forced to seek other avenues of revenue because they are unable to operate their business efficiently.

—**Michael Embry (MI)**

What specific services would small group and individual customers “lose out on” as a result of a loss of access to agent advisors?

What they will miss out on is invaluable expertise in the marketplace. We help groups understand: available carriers, associated networks, rating structures, benefit plan design, risk structure, HSA/FSA/HRA guidelines/differences and their coordination with medical plans and each other. We are also a valuable tool in the administration of their employee health programs. We host and staff employee enrollment meetings, meet with each eligible employee individually, help employees

to make decisions, complete paperwork and get questions answered about how the benefit plans work. We also handle all carrier level processing at open enrollment and on-going throughout the year. We provide complete employee benefit booklets for all employees and detailed selection forms so they can easily indicated their election and their contribution requirements. We provide full support to employees throughout the year when struggling with claim/billing issues. We provide seamless COBRA services and continuous guidance on other compliance issues surrounding benefits. The list could continue as to what the small group and individual customer will lose should agents be phased out of the marketplace.

—**Amy Hall (MI)**

Educating about compliance with ERISA, IRS, COBRA, etc. is an important area of a broker’s job. These requirements are certain to increase over the next several years under health “reform”. There will be also be services the agent community can perform that may not be necessary now but will become necessary under the new laws. If agents are not there, businesses will struggle to stay up to date on compliance and education issues.

—**Brian Schram (MI)**

The most glaring loss would be the lack of access to the agent’s experience when it comes to researching and reviewing insurance carriers and options for Michigan clients. An experienced agent can assist individuals in making informed decisions with regards to the options. Without an agent, most would be “lost”. As I have mentioned, healthcare is not simple; it is complicated, especially the business of comparing carriers and coverage. Without an agent you will see a dramatic increase in customer complaints as they will not understand what they signed up for. How does an average person decide between and HAS, HRA, and FSA not to mention the many different PPO and HMO options that are available? An agent is there to navigate the daily customer service questions that arise and this would be lost as well.

—**Theodore Souphis (MI)**

The financial impact to the client will be significant. The client does not have the manpower to focus on this area, yet it is the second HIGHEST cost next to payroll. They

need to focus on making their product and being successful, and typically outsource benefits issues to their agents to handle as an offsite HR service. There will be a direct bottom line cost to them. If the carriers remove agents and do not reduce the rates on the basis of commissions, then the client will have to pay the agent directly. If the carriers do not hire adequate staff due to budget cuts, who will answer and field questions from the remaining agents in the market? No one will be available to help and this does not help employees or the American workforce.

—*Jamie Mills (MI)*

How will the 80% MLR standard affect your business and status of your employees' wages, benefits, jobs, etc. What is the effect on the small business insurance agent as small employers in the State of Michigan?

Left unchanged, we will have no choice but to reduce staff and services to the community we serve. This is already happening in the 2-9 employer space. We see an enormous demand for broker services to the individual market but why should I build my practice in this area if that block of business will evaporate in 2014? How can I justify seeking out new clients if they will disappear in two years? Small business employers are extremely nervous about what they will be facing in 2014 and are frustrated by the lack of control they have in this process. The marketplace despises uncertainty. Healthcare controls over 18% of gross domestic product. Want to get the economy going? Stop the government from trying to be in the health insurance business and focus on the real issues that drive costs—poor health, unrestricted litigation, transparency, and technology issues.

—*David Sokol (MI)*

I'm writing regarding the recent plight of the health insurance industry and how recent changes have affected this great state of Michigan. I have been the director of an insurance agency for over thirty years, and I've seen tremendous changes during my tenure. I have recently seen the great impact MLR could potentially have with our business and also the impact it will have on small business employees throughout this state. If the MLR continues ahead unchecked, we will surely be out of business. If a great number of agents drop off of the radar, businesses will be scrambling to understand their options and in weeding through the minefield of different policies. The MLR will drive insurance rates to the public even higher than they are and that is hard to imagine. Already we have reduced our services because we simply cannot afford to run our business as we have over the years.

—*Dave Bommarito (MI)*

Aetna has withdrawn from the state I practice in, Principle sold its block of health business and there have been others. This decreases competition. There have been several withdrawals from the child only policy market because of the preexisting conditions requirements. Others have indicated they will reserve the right to decline or simply jack their rates up. We see plan menus offered by companies with reduced benefits and rate quotes skyrocketing. There is great fear that many small employers will be priced out of the market and be forced to drop private coverage to open the door for complete federal take over with a single player plan.

—*Neale Musolff (MI)*

Ohio

A 52-year-old female client needed to be transferred from one hospital facility in Cleveland to a hospital at the Cleveland Clinic. They were frantically waiting for approval from the insurance carrier. The client's husband called me on my cell phone—I was in Maryland on vacation—he was frantic about getting the transfer for his wife. What could I do to help?

My initial response was, “I am not really sure but let me think about this for a few minutes.” After some thought, I called a contact in Cleveland asking for help getting the approval. Within 20 minutes, the job was done. As I called my client's husband to tell him the insurance carrier would be approving the transfer, he picked up the phone saying “Thank you!” The social worker at Hospital A had just gotten the call to move this woman to the Cleveland Clinic. He was overwhelmed with relief at what I had accomplished with just a few phone calls. I knew who to call to light the fire under the responsible person for giving the go-ahead.

This is NOT the end of this story. My client ended up having a brain aneurysm at the clinic and was there for months. There was so much red tape about where this woman would be transferred once she was stable. I asked a lot of questions—these people really had no one to be a “go to” person for them. The husband was a wreck over his wife's medical state. I ended up going to the clinic to be an outside advocate for this couple. I met with the social worker and the head nurse on her floor—asked all the questions I would want asked if it were me.

Things have worked out fairly well. My client—who was severely disabled after the aneurysm—is now at a local

nursing home (she was initially transferred to an LTAC). She can talk and is starting to walk—when everyone thought she'd live in a vegetative state! What a miracle!

I keep up with this family and still visit the patient and see for myself how her coverage, and her recovery, is coming along. Through excellent medical help, perseverance and a lot of faith, this woman will probably be ok, and I was happy to have had a part in this miracle.

—**Francie Dunlop (OH)**

I have been a broker since 1994. What I offer my clients is the knowledge that I will handle all their needs. This involves resolving claim issues, enrolling and educating each and every new hire, and keeping them informed on what is going on in the industry by periodic newsletters via mail and now by e-mail. Employers have enough going on that the service of stepping in and enrolling and educating their employees on their benefits is an invaluable service to them. The time it saves them is a huge benefit, and, not to mention, the paperwork is handled efficiently, and the employee meets me, and knows I am the one they need to contact. This keeps private matters private, and certainly keeps exposure to private health information out of the workplace as much as possible. I also get as creative as possible in aiding the groups with cost-saving alternatives and options in their health benefits arena. These are things that they do not, and many would not, be able to figure out on their own.

—**Sherry Bender (OH)**

Minnesota

Short-term medical insurance has traditionally been a very affordable option in this market for families in transition. However, as a result of the changes brought on by health care reform, the largest carrier in this market will only issue single policies on a short term medical policy and only to people 18 and older. So, a family called me yesterday about her husband changing jobs. The new employer has a 90 day wait before health insurance begins. She wanted to get short term coverage for 90 days for her family, including four children, but she is no longer able to get this coverage and will instead have to pay the high cost of Cobra coverage or go without insurance for 90 days.

—*Carole Elfstrum (MN)*

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 (MN)*

This is what I do on a day-to-day basis as a licensed health insurance agent:

- I assess clients' current level of benefits.
- I field underwrite the risk to assess what they might be eligible for.

- I present the risk to all carriers.
- I review what the group, or individual, wants in their benefit package. I define what is necessary, and what is desired.
- I present offers that meet or exceed their needs.
- I make suggestions based on my experience in the market, and with other buyers like them.
- I point out the 'pros & cons' and answer questions, until *they decide* what path to pursue.
- My staff and I complete the necessary enrollment materials, screen all applications for completeness, and forward to the carriers.
- I deliver the 'offer of coverage,' answer final questions, and have employee meetings as necessary.
- I shop for my clients. I shop in a market fraught with many pitfalls they might not realize, *until the first claim occurs!*
- I then service the products throughout the year.
- I maintain E&O insurance, adequate for my exposure.
- I maintain appointments with all "the players" (insurance carriers) in the market.
- I maintain continuing education for compliance with all states in which I'm appointed.
- I maintain membership & participation in NAHU, NAIFA, AHIA, and LUTCF.
- I'm active at the local, state and federal level.
- I'm on the Board of Directors of my State's Risk Pool (MCHA).
- I review all new plans as they become available to my clients.

- I counsel all who present themselves to me without any fee.

I'm a professional life & health insurance agent.

—*Harlan V. Johnson (MN)*

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.

—*Joan Kohl (MN)*

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. As an agent, I answer questions and meet needs for the uninsured, employer groups large and small, employees contacting me, as well as low income individuals asking for advice and seniors. I am an educator, consultant and counselor, benefits translator, a client advocate, a financier for health care and a negotiator.

I work with the government, insurance companies, and providers of health care. In the past five years, my role has increased become more complicated. I have become the point person for my clients in all areas of their health care. 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 health care insurance needs on a day-to-day basis.

—*Sandra J. Neutzling (MN)*

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.

We are sending you several case studies of some of the clients we have worked with over the last 30 years while in business.

We believe in a private health care marketplace that facilitates competition and thus provides better results for employers and employees.

MULTI LOCATION, NON-STANDARD SOLUTION

Challenge

This company manages three- and four-star hotels in several major cities. Each hotel averages 250 employees. The central corporate staff does not maintain HR staff or training to effectively operate their complex benefit programs. Their previous health plan was self-insured and costs were out of control. Budgets were in disarray with each hotel as its own cost center. The medical benefit plan was weak, poorly understood, and not competitive with other hotels. At some of the hotels, paymasters who had not been trained in employee benefit programs were tasked to handle hotel benefits. Benefits are a secondary function with payroll being their primary responsibility, and they reported to the controller, not to the HR Director. There was no central repository for all critical forms and records. The hotels were not capturing the provider discounts available in their region, specifically for their health/dental plans. They needed experienced personnel to solve claim/billing problems with various insurers and providers. As with most hotels, high turnover of personnel presented a problem in administration. The performance of the 401(k) plan was poor, and the employees were having difficulty understanding the plan. On average, English was a second language for 60% of the employees. The CEO expected the VP of Human

Resources to manage corporate HR issues and not to be tied up with benefit issues.

Solution

RAM's work began with defining available insurers in their various locations. We determined which insurers/HMOs would deliver the best care/benefits to their employees. Detailed geo-access studies were performed to ensure proximity of providers in their residence/work areas. The self-insured plan was terminated and all employees enrolled in local managed care plans for their location. This involved using 15 different contracts with 11 insurer/HMOs for just the medical and dental plans. We were able to install first class plans with added first dollar benefits in each location. RAM continues to manage the enrollment process by making presentations on-site each year. Presentations are currently made in English, Spanish, Polish and two Chinese dialects. Responsibilities for eligibility, enrollment, and billing functions/responsibilities were then moved to RAM. Two senior customer service coordinators (CSC) were assigned to manage the process and to handle all service-related issues. Audits are conducted periodically and premium savings have occurred through close management of the employee benefit termination process. The controllers and human resource directors now have outside help in the monitoring of premium adjustments, benefits, and insurance carrier service issues. The RAM CSC's serve as the hotel's first call for help. We added the benefits CONNECT HRIS system to centralize coverage and eligibility information. The CSC's are responsible for all updates to the system – including additions to the system, coverage changes, and terminations. The hotels each have access to view all employee information to verify any questions that they may have regarding coverage or personal changes. RAM receives payroll data feeds and submits all changes either online or via Electronic Data Interchange (EDI). The 401(k)-plan administrator was replaced and new account options were installed. RAM has the primary role in improved employee communications to satisfy IRC Sec 404c exemption requirements. RAM hosts all recordkeeping functions, and we have a duplicate set offsite. The corporate headquarters has not had to add

any staff, and RAM has become their outsourced HR department for all employee benefits.

Results

RAM was able to document savings of one million dollars in each of the first two years, which equates to a 21% savings. Through skillful marketing and negotiations, RAM has been able to keep the hotel's cost at the low end of the market while delivering the highest quality benefits possible. Budgets are now more predictable and RAM's forecasts have been within 5% of actual renewal rates. We've streamlined the benefits administration process for each hotel; reducing the time it takes for them to manage employee eligibility, enrollment, and billing. Employee satisfaction is very high. Accor management resources are now free to concentrate on other essential functions. All of this has been accomplished at no direct cost to the company or the hotels.

POOR SERVICE WITH AN ONGOING LARGE CLAIM

Challenge

Buffalo Wild Wings was self-insured with a vendor that had high fixed costs and underwent a claim office conversion. As a result of the conversion, people would be randomly dropped from the plan, or people would just show up on the plan. Others would have to be entered several times. Compounding the problem of finding a new vendor to pay their claims was the fact that there was a major ongoing claim that caused stop-loss carriers to decline to offer coverage.

Solution

After a complete marketing, RAM Benefits did the financial analysis and determined that if we could convince a quality carrier to quote stop-loss and exclude this claim, the financial savings due to lowering the fixed costs would more than cover the expected costs for the large claim. We then negotiated directly with the underwriter of a major stop-loss company. They agreed to exclude the first \$35,000 in claims over the specific stop-loss level on this individual even though it is against their policy. All future claims would not be subject to this type of exclusion.

Result

Buffalo Wild Wings was able to move to a new third party administrator, solve their eligibility issues, continue to offer the same networks to their employees, and save well over \$150,000 in fixed costs. In addition, their maximum claim liability went down by another \$150,000. Fortunately, the claim liability was not an issue because their claims went down when they changed vendors.

SIGNIFICANT ACQUISITION

Challenge

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

Solution

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. That test states that if the plans are actuarially similar, there is not a discrimination issue. Therefore, we recommended 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.

Result

By taking their time and not using the quick and easy solution, Christensen Family Farms saved more than \$500,000 between January and July.

NETWORKS AND THEIR DISCOUNTS

Challenge

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.

Solution

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.

Result

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.

CONNECT SETUP FOR: BIOMEDICAL COMPANY – 200 EMPLOYEES

Challenge

We were introduced to this biotechnology client in 2002. Our first meeting was with the Human Resources Director and Manager. The challenge was they had multiple medical, dental, life, disability, 401(k), flex, etc. benefit plans and had to fill out multiple forms for new hires, any carrier/plan changes for open enrollment, life-events and more. Payroll was being processed through ADP, but they were not tracking benefit deductions very accurately because of the lag in time between HR forms processing and payroll changes. The company was faxing forms, emailing data (un-secure PHI), and going online to multiple carriers to enter employee data. The HR department was staffed with two highly compensated HR people and two HR administrative staff to manage a 200 employee company. The CEO, CFO, and management team wanted a solution to reduce the HR department or paper-based enrollment and go to a web-

based system. Finally, management thought the HR department and the company as a whole had too many management personnel so 25 managers, including the two senior HR managers, were fired three days before our benefits CONNECT system was completely installed and ready to go live.

Solution

The company hired RAM Benefits to implement the Benefits CONNECT system after three meetings and an online demonstration with senior management. The solution to their problem was straightforward. First, we gathered all the employee demographic and benefit data by extracting this data from their ADP PC/Payroll system then uploaded the data via a 500 report into the benefits CONNECT system. Second, we gathered all of their benefit plan contracts, plan designs, summary data and built the plans in the system. We then attached all of the benefits to the employees and entered in all dependent data and added all the medical, dental, life, disability, etc. forms into the system. We tested this data for all scenarios. We built a company-specific open enrollment and new-hire guide for employees to follow step-by-step for their “required” online open enrollment. Then we performed four training sessions (one virtual via the internet) for the employees to show them how to use the system.

Results

Our client had all employees enrolled for their benefits online within a three-week period. As mentioned above, the HR staff was cut from four to two employees within days of our client going live on benefits CONNECT, and open enrollment. This posed a major problem initially, but was quickly resolved by RAM performing in-depth advanced training sessions for the remaining two HR staff to complete open enrollment and manage the system going forward. The client is now able to run their HR department efficiently with two staff instead of four which equated to a savings of \$160,000 per year in salaries alone. Also, since the employees are doing all of their own demographic and benefits changes via benefits CONNECT the managers are able to perform other duties. This employee self-service (ESS) has made the company’s Return-On-Investment (ROI) a reality since the setup charge was \$5,000 and the PEPM (Per Employee Per Month) charge was \$2/PEPM. The time

saved in the HR department through more efficient HR and benefits practices equated to dollars savings due to less staff needed to complete the work. Also, employees are now able to answer most of their own questions, thus creating more time for HR to do other tasks. This client has been using benefits CONNECT for 2+ years to date. Future technology goals are to set up Electronic Data Interchange (EDI) to the medical and dental carriers, as well as set up a payroll interface to the company ADP payroll system.

COST INCREASES AND CONTRIBUTIONS

Challenge

Company R, a large company with approximately 2,000 full-time employees whose primary business is meatpacking, was facing large health care cost increases and their prescription drug costs were rapidly rising. In addition, a large percentage of the employees were working in the U.S. via their green cards and did not highly value their benefits, even though the employee cost per paycheck was less than 5% of the total cost. Some of the employees paid nothing for insurance. However, if the contributions were drastically increased or benefits significantly decreased, the fallout from the management and office staff could have disrupted business. Another challenge was the political ramifications of being the main employer in several smaller towns. If an employee could not afford coverage and had large claims, the employer could be viewed in a negative light.

Solution

Through a series of meetings, RAM Benefits was able to help develop a series of benefit and contribution changes. Then, a team from Company R and RAM Benefits toured the various plants and held mandatory meetings explaining national trends, industry trends, and the new benefit structure. The benefit changes included implementing two medical plans (vs. the previous singular plan) and changing the prescription drug co-pay from a flat dollar amount to a percentage co-pay. The lower plan of benefits continued to have a very nominal weekly contribution. In addition, the dental plan enrollment was no longer tied to participation in the medical plan. Salary adjustments

were made to office staff on a one-time basis to account for the increased contributions.

Results

Participation in the health plan continues to be high, with the lower compensated employees migrating to the lower cost plan. Salaried employees continue to purchase the higher cost plan, but now have a better understanding of the true cost of the benefits.

Prescription drug costs decreased by over 20% and in two years still have not returned to previous highs. The medical claims went down minimally and over two years have remained flat. The benefits adjustments have been well received and have helped Company R remain competitive with their competitors.

— *Scott Haskins (MN)*

Nebraska

Surprisingly, I would say the vast majority of people inside of the health insurance industry are appalled by the expansion of dependent eligibility to age 26. In addition, the universal health insurance industry reaction of ceasing to offer child-only coverage due to the removal of preexisting condition limitations has proven to be very detrimental to the marketplace. In short, parents are forced to either pay for child coverage at higher costs through their employer plan, apply for individual coverage themselves in order to get their children covered on an individual policy, or cease to cover their children altogether.

—*Scott M. Stevens (NE)*

As an independent broker serving self-employed professionals and tradesmen, I broker for many of the major individual health insurers, each with a group of products, and with each company having a different set of underwriting challenges. I consider myself an expert field underwriter who presents the product most fitted to the client.

The benefit I bring to the client is that I assist each client through the challenges of their relative underwriting, and bring them price efficiency. That efficiency generates rewards for the positive choices they make regarding their health. Examples of that reward include low relative bodyweight and a non-smoking status. My active analysis of the deductible/premium ratio assures them that they do not need to pay excessive premiums to achieve a low deductible.

The result of my efforts is that these individual plans are more affordable than group plans of similar content. That is just because the group plans have premium up-charges for tobacco and obesity built in for all insured.

In summary, the insurance policies I present can reward the insured for his accountability and actuarial advantage with lower premiums, and an attitude of not insuring what is not important to the client.

—*Tom Hanthorn (NE)*

Two years ago, I received a phone call from a 32-year-old woman. I could hear the desperation in her voice from the onset of our conversation. She was quick to explain to me that her husband had been laid off and their COBRA was running out in 30 days. This was a major issue because she was on Medicare through disability. This poor young lady had a terrible kidney disease, and was receiving dialysis regularly. She was also legally blind, due to complications with her disease. As her COBRA period was ending, she'd tried frantically to find a coverage solution for herself and her family. She had been in contact with all of the state and federal agencies she could think of, including HHS, CMS and SHIP, a volunteer coverage explanation agency for Medicare recipients. All of these resource points told her she had no coverage options outside of her husband getting new group insurance. That was not happening fast enough, and may not have happened at all. The client couldn't accept this. She found my name via the Nebraska Association of Health Underwriters website and called for help. Upon reviewing her case, I found that one company had filed their Medicare Advantage plan in NE to accept participants under the age of 65, on social security, disability and Medicare. Since I was not licensed to sell this product, I put her in touch with the right people at the company offering this product. After some joint explanation of her scenario, and how they filed their product, she was successfully enrolled. Through all of the heated exchanges and tears, I realized the vast holes in the administration of our safety net programs. I took it upon myself to assist a fellow human being in need. I should add, although it makes little difference, as I acted out of principal, neither my firm nor myself made a single dollar on her case. However, I was proud to use my skills to better someone's position in life. I am becoming concerned that this scenario will become more commonplace, and ultimately unsustainable, if the agent is crowded out of the solution side of health care reform.

—*Brian Urban (NE)*

Wisconsin

There are numerous ways in which our agency assists clients beyond the initial sale. Here are a few examples:

Individual clients—when they contact us with any questions or concerns about their policy, such as provider network changes, benefit changes or claim questions, our agency handles the inquiry. We work with the insured, the carrier and the provider (if needed) to resolve the question. Also, when I receive a renewal on an individual client I check with the other carriers I work with to see if we might be able to match benefits at a lesser cost to the insured. Each year I contact them to discuss their options.

Employer clients—prior to each group renewal I request basic census information and go to the market to get base quotes. By the time I receive the renewal, I have enough information for the client to make an informed decision on whether or not to go to the next step of applications. If a client goes to application, our agency assists with every step of the process to ensure accuracy and privacy of information required. I then meet with the client once the final rates are determined to discuss the pros/cons of each carrier. We also hold employee meetings to discuss the benefits, how to manage their out of pocket costs, etc.

Another service we provide is mailings to our clients on issues that impact their benefits. An example of that is in regard to the COBRA subsidy rules. I've sent my clients information on the subsidy rules, forms, etc., and encourage them to contact me with any questions so I can help walk them through this process. I've also attended several meetings on the COBRA subsidy to make sure I have accurate and up to date information.

I have also worked with the provider community to provide education for my clients on wellness. One of our providers will do health assessments for a small fee based on level of participation. Based on the results of the assessment, we then tailor our wellness presentations to topics that impact the majority of the employees.

We take our client relationships very seriously and pride ourselves on doing what is best for each client's individual needs.

—*Kate Ludwigson (WI)*

Without the help of brokers, small business would be lost in regards to group health insurance, employee benefits and related legislation. A prime example is the ARRA COBRA legislation that was recently passed. I have spent all week explaining to my clients how to comply and how to get reimbursed for the subsidy through their 941 payroll forms. Most small business wouldn't even know about state continuation of COBRA if we were not there to tell them about it, much less explain it to them and administer much of it for them.

Many small businesses have no human resources personnel. We are their HR office. I deal with new employees and also work with those who are leaving by setting them up on state continuation or COBRA or I try to find less expensive options with individual plans to make things more affordable. Our relationships with our clients are ongoing since they have no time to deal with everything we do. All my clients' employees are given my business card and they call me with questions or issues with things such as healthcare claims, provider questions, coverage questions or any other issues that arise. After I have written a new policy for a new client, that is where the real work begins.

Brokers are the gatekeepers to the health insurance world. We know which carriers are good and we know which are a right fit for the needs of our clients. It is with the broker that competition is at its best. If insurance companies don't make our grade, they don't get sold. If their rates are too high or their coverage is lacking, I let them know. PPO, POS, HMO, HSA, HRA, and FSA are just a few acronyms our clients wouldn't understand without our help. We have to continually analyze our client's changing needs. I just returned from a small business client who needed my help setting up multiple plans. My client's workforce became more diverse and thus we wanted to offer more than one health plan and let the employees choose the plan that best fit their

needs. In this case, we offered three plans, a \$500, \$1500 and a \$2000 deductible HSA plan.

We are ongoing consultants for our clients who would otherwise be uninformed simply because they have no time to spare to learn the ins and outs of the health insurance industry. They have all their focus on keeping their businesses successful. I work with basically every health insurance company and HMO contracted to do business in my state. It would be impossible for business owners to know every coverage difference between them unless they did this for a living. For example, I have a client whose child was born without a lower right leg. There are only a couple insurance companies in my state that do not limit coverage on prosthetics. Most limits on durable medical equipment and prosthetics range from \$2500 to \$5000 coverage per year per person. My client's son's costs were \$25,000. That would be money he would have lost if we were not there to fit him with the right insurance company.

I could write for hours on everything I do, but most of my time is spent servicing my existing clients (free of charge) and, I might add, very little is spent searching for new ones. I've been a broker for 15 years and prior to that I was a group health underwriter for six years. The payer system is not broken in the private sector; in fact, it is alive and well thanks to competition. The healthcare delivery system is broken, along with Medicare, Medicaid and the state-run programs.

—*Robert Jandrain (WI)*

I am an insurance agent specializing in the small-group market. On a daily basis, we help our clients wade through the process of deciding which insurance plans will suit their budget and employee needs. We apprise them of the variety of products available and how these

plans, such as health reimbursement arrangements and health savings accounts, may be better options than their current traditional plan with deductibles and co-pays. Many employers don't really understand the nuances between all these plans and how they may help or harm them. We discuss the pros and cons between having a group plan and not.

I have helped a number of clients resolve complicated claims issues. Without my assistance, they most likely would have just given up and paid significantly more in claims than they were obligated to pay. While insurance carriers strive to pay claims correctly, many times, I find it is the provider who made the error. The insurance carrier is merely paying based on what they receive. Without the experienced agent reviewing this information, it may go unnoticed.

The recent COBRA subsidy is just the newest issue to review with clients. Many have looked to me for guidance and explanation of what their responsibilities are. Even though this is an employer compliance law, many employers don't truly know what they are supposed to do. The smaller the group becomes, the more likely it is they may overlook this important aspect and put themselves and their company in serious trouble.

I hope this helps explain in an abbreviated way, how important the insurance broker is in the process of selling group and individual insurance. My clients turn to me for guidance, problem solving and support. Many have told me how much they value my service and would be lost without it. For the small business owner, I am their human resource department in regards to the insurance benefits.

—*Laura Bagin (WI)*

Alabama

I have been a Medicare sales representative for 15 years. During that time, I have developed an excellent discourse with numerous community centers of influence. I have been an avid proponent of doing the job right. Even the Area Agency on Aging discusses issues with me and a handful of agents who have mastered Medicare and educated the area of Mobile on not only our plan benefits, but also Medicare itself. Many times, I have left clients with total confidence that they now were clear on how Medicare is administered, including reimbursement rates, demographics, etc. Until plans came along, the federal government did and still does send out a book for people coming under Medicare. This book, even after the untrained person reviews, is totally confusing to beneficiaries. I don't simply enroll people, I educate them. I even go as far as to get all other help for clients, something the federal government obviously spends little time doing.

An example of this:

One day I went to Irvington to an appointment. I had difficulty locating the beneficiary's residence until I noticed a house in the middle of a field. I was training another agent that day and told him to drive down a pig trail into the field, thinking maybe she lived there. 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. We were in complete disbelief. I asked her if the trailer belonged to her. She said no, but 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 with 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 coinsurance. 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 am in the helping business. It is my job to help my clients. 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. How else will people, many uneducated, know what is available if we don't contact them?

The above story is true, and I come across this every day on my job. To eliminate the agents like myself who go into the highways and byways helping these people will hurt them to no end. Please make this a priority.

—*John Walley (AL)*

Florida

As 2008 was drawing to an end, my office had submitted our last employer group health case (a client named City of Life Church) for the year to Aetna for processing and would be closing our offices for the New Year holiday. The underwriting seemed to be moving very slowly, as it usually does this time of year. We hoped to have final approval by the end of the first week of the New Year. Little did I know that one client would begin the year by completely changing my life.

On January 2, I received an urgent call on my cell phone—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 youth pastor, David, 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. How could I expedite the group’s approval?

Remember, the case was still in underwriting. Going through the normal process, it would take at least another week for finalization. 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.

That afternoon, I received a call that special tests were needed before the Thursday morning surgery. David would be flown to Cook Children’s Hospital the next day and tests would begin early Wednesday. The diagnosis code did not allow for Aetna’s approval of the special PET scan and MRI. I initiated a conference call with my manager and his manager, Sherry, and after bringing them up to date on the problem and the urgency, Sherry conferenced us in with a friend she had in Care Management. The friend was able to expedite his case and approved all his tests, including the lifesaving surgery on Thursday by the end of the day, all while

keeping me updated and able to give the family just a bit of peace during this difficult time.

After David had the tests, and the surgery, 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 the surgery Thursday morning, he would likely not have made it. The tumor had begun filling with blood and could have burst at any time, rendering the surgery useless.

As it turns out, David has a very rare form of cancer (one of forty cases the world over) and he will need specialized chemotherapy and treatment to fight this disease.

Without the entire Aetna team moving mountains to make a difference in a family’s life, this story would have had a much different ending. I no longer see myself as just a health insurance agent—I am a humanitarian.

—**Tanya L. Burns (FL)**

This past Friday, an employee of our group client could not get his needed medications at the pharmacy. Despite the Pharmacy Benefit Manager being closed for the holiday, my staff was able to work with the pharmacists on a resolution so he was able to get his prescription. Had it not been for the broker, the member would not have been able to get his medication.

—**Larry Lee (FL)**

The following appeared in the *Orlando Sentinel* on November 27, 2003:

Insurance Angel

Special thanks to Maryann at R.W. Morgan Associates, in Altamonte Springs who took lots of time and received no compensation to find out if I qualified for health insurance. I am no longer one of the millions of uninsured in this country! What a great human being; Bob Morgan is fortunate to have such a superb employee.

Anonymous (FL)

With your knowledge of the benefits and insurance industry, you have helped supply quality benefits at

competitive prices. What I appreciate most is the many, many hours of labor you saved me and the confidence you gave me that we had the right policies to offer.

Sam Taylor

We are pleased with our benefit programs and believe that we have a strong combination of quality and price. You are always willing to go the extra mile! We appreciate your insight into our needs and your ability to bring appropriate solutions to us.

David Graham

Immediately you stepped up, taking the action to establish an accurate database of our group's membership. You and your staff provided excellent service to our staff and employees during this transition.

Jeffrey H. Anthony

Larry is not a salesman, he is a partnership builder. He is an agent, in the truest sense of the word. Larry represents his clients and isn't shy about asking for those things that will help them succeed.

Paula Rutili

With your aid, we were able to reduce our potential liability by over fifty percent.

Michael A. Sandifer

Superior service, knowledge of the industry, and skill is what makes you valuable to our company...It is also a pleasure to work with your staff. They have always been helpful, professional and courteous.

Ann Lockhart

Our agent's recommendations are always based on what is best long term for MAC Papers. Plan Analysts has always been our advocate. . . . [they are] a successful advocate between their clients and the insurance carriers.

Darnell Babbitt

Plan Analysts was able to enhance our benefit package for relatively no increase to Masthead Industries.

Pat Terranova

Through the years, I have remained confident in your ability to perform the necessary due diligence and to represent the best interests of my company when evaluating and negotiating with various carriers. It is very

reassuring to me to know that this crucial aspect of my business is in the hands of someone I can trust.

William T. Buckingham

Most companies don't give us the kind of superior service yours does; you have always provided us with superior benefits. I know insurance is a very competitive business but few offer the quality and professionalism of Plan Analysts.

Thomas A. Bryan

—submitted by Larry Lee (FL)

My name is Jamie Clark. I am the VP/CFO of Paul Clark Ford-Mercury, Inc. in Yulee, Florida. As many of you are well aware, the past year and a half have been trying times in the automotive industry. It's been a test of our faith and resolve, to say the least.

Being a small- to medium-sized automobile dealership, it is difficult enough just simply making sure that the business runs as smoothly as possible. Without the guidance of our group health & group dental agent, it would be impossible to ensure that we complied properly with the rules and regulations set before us. Not only do they provide us with the best options to choose from in terms of policies, they also ensure that from billings and claims to COBRA, we are doing all that we are required to do. They go above and beyond even that in assisting our employees when they have individual needs relating to their group health or dental.

Personally, I can give you numerous examples of how they provided me and my family with sound, professional assistance when I had neither the time nor the knowledge to handle those issues myself. At one point, we switched carriers and all employees began receiving notices that their claims and the claims of their dependents were being denied. I too, was one of those denied coverage under the policy we had. I made numerous attempts with the carrier to clear up this issue so that our employees would have the coverage that they the company was paying for; however, I was unable to resolve anything. I finally contacted Tim Owen of Owen & Associates, and he immediately determined what the problem was. The previous carrier had not deleted us from their database. They were not billing us, but just had us in as their client. Mr. Owen made the necessary

phone calls, wrote the necessary letters for our company and made the issue go away. Once again, our employees could go to their doctors and receive the medical attention they deserved. Without Tim's knowledge and assistance, we would not have been able to correct the issue. What a blessing he and his organization were to our company in that situation. From a more personal standpoint, Owen & Associates has guided me numerous times as to the course of action to take to minimize my out-of-pocket expenditures when certain procedures were required. The group has done that, not only for me and my dependents, but for countless other employees under our company's group health and group dental policies.

In closing, without the knowledge and assistance provided by our agent, there is no possible way we, as a company or as individuals, could properly manage our group health or group dental benefits. A company of our size cannot possibly devote the resources needed to maintain this level of expertise. Our hope and prayer is that those who read this realize the important role our agent plays in ensuring the continuance of our business.

—*Jamie C. (FL)*

Georgia

The cost of marketing and system changes due to the mandated benefits is being felt by all the carriers along with the medical loss ratio requirement, guarantee issue for children, and impending change in taxation. This impact flows down to the consumer.

We are no longer able to provide child-only policies due to the guarantee issue mandate. So parents who, for cost reasons, were insuring their children on an individual policy no longer have this option. Everyone concerned is hurt by this. The parents are faced with higher premiums and the agents and brokers who were selling these policies are not able to take care of their clients. I'm losing income with lower production.

—**Claire Howes (GA)**

Not only do we help with the initial sale, but also with ongoing renewals, COBRA administration and keeping clients compliant with all new governmental regulations. We also handle billing and claims issues for clients.

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's and mother's hospital stay separately when they should have been billed together. The initial out-of-pocket expense to the patient was \$7,000 but, when reprocessed and paid correctly, only \$3,000.

We, as brokers and consultants, do this all day long. Our value to our clients is immeasurable.

Dear Dan:

I want to sincerely thank you for your support in establishing a health savings account health insurance policy for my family.

As you know, purchasing health insurance is a very emotional process, especially when you have young children. Having come from traditional employer-provided policy, we were grateful for the time you spent with us explaining and getting us comfortable with the value and benefits of a health savings account. And, as the insurance company combed through our health histories

in the underwriting process, your direction and support was greatly appreciated as well.

I am thrilled with the policy and coverage, as well as the cost of the premium—especially as I compared it with the COBRA benefits offered to me, which were three times the cost.

I won't hesitate to recommend you and the HealthLife Group to anyone looking for health insurance, and thank you again for your support!

Lon C.
—**Dan Boaz (GA)**

I fully understand the need for health reform and affordable medical insurance, but I am not sure that national health care would be the answer.

We have used the services of insurance broker, Pritchard & Jerden of Atlanta, GA since 1999. Prior to 1999, we used the services of CUNA Mutual Insurance and worked with Mr. Charles Caswell at CUNA and then with him and his staff when he became associated with Pritchard & Jerden.

I have worked with Jill Bushnell for several years and have found she has always been attentive to the needs of our organization, not only in negotiating the best rates for us, but whenever we needed assistance or follow up with insurance carrier issues. I feel there is a definite need for the insurance broker industry above and beyond any initial sale. It has certainly been true in our case and makes our lives easier knowing we have someone to "go to bat" for us with the insurance carriers if and when necessary. Over my years, I have seen the intervention of our brokers on our behalf to help with issues that were not being resolved with the carriers.

There are many other alternatives to consider regarding health reform and I hope that our legislators see fit to pursue all the options before considering national healthcare.

Jean O'Malley
—**submitted by Jill Bushnell (GA)**

Wow! Where do I begin? Pritchard & Jerden has worked with W.E. Marshall Company for 15+ years. Each year, I have at least five different agents wanting to give us a quote. And, each year, I tell them I am more than happy to hear what they have to offer, but in all honestly they would not be able to come close to what we receive from Pritchard & Jerden in terms of value and customer service. Pritchard & Jerden has always given us more than 150% in customer service. And, at no time, have we ever felt that we were being billed unjustly.

For at least seven years, I have worked with Jill Bushnell very closely. Each year at renewal, Jill works very hard at marketing health insurance carriers for our company. Once a carrier has been determined, Jill works with me on the rate calculations for each employee. If I ever have any problems with the carrier, she will pick up the phone and call them herself...until I am completely satisfied—which, by the way, can be a tough job in and of itself.

Joan Sondag has worked with me on workers compensation and general liability issues. Joan has always assisted me with rate breakdowns for each building that we are insuring. If I need a certificate of liability for one of our customers, it is taken care of immediately.

I really just can't say enough about all that Pritchard & Jerden does for our company. Everyone I have worked with goes above and beyond the call of duty. I would say that I speak with someone from Pritchard & Jerden on a weekly basis.

I can't imagine not having them around.....

—submitted by Jill Bushnell (GA)

I believe that it is important to have an agent in the corner of every business, especially the small business. These hard-working business owners are already wearing many different hats—they are the HR person who hires their staff, the CFO who handles all the financial concerns, the customer service department, the ad agency, and often even the janitor. They really can't take on the job of insurance agent as well. It takes me a long time to gather the information to show a group the best plans that are available for them. I am already hooked into the systems and speak the language but it still takes me a good deal of time. Imagine these business

owners who are already overworked and tired, but want to do a good job for their employees and take care of them. Now they may have to try to figure out the best insurance plans and companies, and then try to figure out how to get on a “pre tax” plan, and then try to explain to their employees what their benefits consist of. When all that is done and the employee has a hospital bill that doesn't get paid, or ID cards that didn't get delivered, or there is a bill that doesn't look right, are they are supposed to be a full-fledged insurance agent, too? They need to have somewhere to turn for the answers. Think of all the time we brokers spend in classes and informational courses to learn about the new plans and the correct procedures. Small business owners don't have that much time on their hands.

Furthermore, the Medicare system is very confusing to our senior citizens, and now they may have to decide which Advantage or Supplement is the best for them (sorted by county, company and then by plan design! The individuals who have recently been unemployed and are trying to navigate the insurance marketplace are all having a hard time trying to figure out who will take them, and trying to see what plans are going to serve their needs the best. These are important decisions for anybody. For both of these groups of Americans, an HR department or broker has always handled all of this and they just really don't know the system. These individuals all need help with these decisions.

In my office, we try to take on the role of an advisor, not an insurance “pusher”. If that is all we were, it would still be difficult for a business owner to take on this responsibility, but we do so much more than that. We offer many services so employees don't spend all their time on the phone trying to fix their bills—that could be enough lost time for an employer to drop the coverage. We also work on billing issues and basic service issues. I think we have amazing insurance companies that really strive for excellent service, but there are always things that come up. Worse than that are all the companies that pop up promising to be “like insurance companies”, or that work through associations and can handle the insurance needs of all people who pay a few bucks extra each month just to join the associations. And there are the ones who just collect the money and aren't really associated with any insurance company. I realize that

this goes on even now, but with the Internet and NAHU and other ways to legitimize ourselves, we are able to slow down the losses from these dishonest people. Agents provide a valuable and trustworthy service to companies.

We contact our clients all year long with updates on what is new in the industry and what laws are changing. I cringe to think of what our clients would have done if we hadn't kept them abreast of the recent changes in HIPAA laws and the COBRA act. I have run classes through our Chamber of Commerce and published articles as well as working directly with my own clients to make sure our community is keeping up with the rapid changes that are occurring. These are very important laws and business owners need to be following them carefully. I have made so many businesses aware of their need for workers compensation (an insurance item that I don't carry), and liability insurance. I have helped many of them understand HR laws, such as Georgia Continuation of Coverage. Without this service, employers may make costly, albeit innocent, mistakes. Agents are in the business' offices all the time; we provide ideas and information that they can use. I have helped many businesses with networking, advertising and even hiring. I work very hard, and between my information and the letters that I have received from my clients, I think it is pretty clear that they consider my proficiency very important to their insurance package. I make it clear that I am here to handle their insurance business. Insurance is my job and my area of expertise; with me around they don't have to know about it. I keep them informed, I negotiate their rates, I advise them of which companies are A-rated (AM Best). Most people don't even know what that means until I tell them. They don't need to be insurance experts; they just need to take care of their business. That is where I come in.

I'm afraid that if we make it harder on people to have insurance, more businesses will decide not to offer benefits and that will have devastating consequences. Many individuals, when faced with a task they know nothing about, refuse to take action. This would be a big problem for our unemployed individuals as well as our seniors. I realize that changes need to be made, but don't try to make the business owners take on more important

roles than what they already do, and then hold them to strict laws that will punish them if they don't get it right. It is the business and the employee that will pay this awful price.

—**Linda Mackey (GA)**

I have been a client of Linda Mackey Insurance for over four years and she is one of the most knowledgeable and dedicated insurance brokers I have ever worked with. In today's economy of ever-rising health insurance premiums Linda has always provided me with high quality and cost-effective health insurance options for my company. The staff at Linda Mackey Insurance provides excellent customer service and truly understands an organization's challenge to provide quality, cost-effective insurance options to its employees. Linda is extremely well-versed in the benefits of various insurance plans as well as industry trends and best practices. When my organization needs quality insurance I trust Linda Mackey to handle all of our insurance needs.

—**Lisa Willis (GA)**

Linda,

This is just a note to tell you what an outstanding job Monica has done. I was having difficulty getting ID cards for one of our employees. When Monica heard the message, she immediately put things in motion, and lo and behold, the cards that I'd been trying to get for almost a month now arrived yesterday. She did an outstanding job of correcting this problem for us. You have a "diamond" in Monica—kudos to her. Excellent work—absolutely excellent.

—**Mignon A. Johnson (GA)**

We opened our first World Gym location in Peachtree City in October of 1998 with seven employees, two of whom were full-time. At that time, the ability to offer a group health insurance plan was not a possibility. Years later, as our one facility grew into three and our full-time staff grew to fourteen, we became financially able to offer a good quality health plan to our valued employees.

I met with four different providers, one being Linda Mackey of Linda Mackey Insurance. After looking at all of my options, I chose Linda Mackey Insurance for two specific reasons. The first reason was that Linda "knew her

stuff.” I know that does not sound very professional, but that phrase pretty much sums it up. She knew that this was the first health insurance plan that World Gym had ever been able to offer and she made sure I understood all my options before a decision was made. The second reason I chose Linda Mackey Insurance was because of the comfort level Linda provided to me in making this decision. I had the opportunity to provide a wonderful and quite necessary benefit to our employees and I wanted it to be the best health insurance available in regards to coverage and cost. Linda made me feel confident in my decision.

I would recommend Linda Mackey Insurance to any company, large or small. Her staff has always been warm and friendly on the phone and eager to assist us in any health insurance situation that occurs. Linda herself is never too busy to return phone calls when she is out of the office and makes calls to check on us as well. Our experience with her company started in August of 2005 and I look forward to many more years working with her and her staff.

—**Kim Hershey (GA)**

Dear Dan:

As you know, my business, Hesse Financial Advisors LLC, completed a change in ownership a few months ago. As a result, I became a managing partner of the firm, and was charged with the responsibility of replacing numerous business functions with local providers to maintain a seamless experience for our clients. All of these changes occurred at the same time, and all required a high level of urgency and accuracy. Implementing a new health plan was one of our internal functions on the list.

We had two goals, 1) to provide our staff with a similar cost structure to what we had previously, even though we didn't think this was possible since the previous owner was a Fortune 200 business, and 2) to match or improve upon the benefits we offered our staff. These were substantial objectives for any sized business, let alone a small firm like ours.

I can't thank you enough for the many meetings at my office and for your analysis of our situation. You ultimately delivered us a package that exceeded our

expectations and achieved both of our stated goals. I so appreciate your patience and your skillful knowledge as you listened to our various requirements and maneuvered us to the finish line of this obstacle course. We have since implemented your recommendations and we are completely satisfied.

Thank you for going above and beyond to help us address our health plan needs. I encourage anyone with a small business to discuss their situation with you, so that they can also experience the Dan Boaz “touch” and achieve their specific objectives.

Stephen A. Siders, CFP
—submitted by Dan Boaz (GA)

In Re: Letter of Recommendation – Jerry Hardin,
Pritchard & Jerden

Dear Mr. Jett:

I have been asked to provide a letter of recommendation for the above stated individual. For the sake of introduction, my name is Malcolm McCarn. I am the CFO & General Counsel of CKS Packaging, Inc., a manufacturer of plastic containers. CKS Packaging has 15 operating facilities spread throughout the South; we have more than sixteen hundred employees. Sales for 2008 should be approximately \$285M.

We have been self-insured for 15 years and used another TPA for more than 10 years. I met Jerry in 2005 when he came to offer me an alternative to my current TPA. Over the course of several months we developed a friendly but professional business relationship. He made a proposal for our health insurance, and even though the bid was unsuccessful, Jerry continued to make innovative suggestions that would reduce insurance costs for the company.

In the spring of 2006, he suggested a pharmaceutical program that would reduce costs by more than \$100M to a program I thought was already pretty lean. His suggestions proved to be correct so we implemented them.

Change is never easy, but when the right person comes along that you think can enhance your operation, make your company more efficient and most importantly

reduce costs thus increasing profitability you must do the right thing. I changed because Jerry seemed to be that person for CKS Packaging. He continues to service our account today.

Jerry is a man of integrity, an astute insurance person and the person I needed to assist me with the sometimes difficult health insurance decisions facing employers today. I recommend him without reservation.

—*Malcolm McCarn (GA)*

Mississippi

My mother has been an insurance agent for many years. Like her, I started at the bottom—answering phones, filing, entering individual policies into the system, and learning the business from the ground up. I soon found out that many of my assumptions about the health insurance industry, and the job of an independent agent were quite wrong.

As a health insurance agent, I understand our role of working for our clients and negotiating with insurance carriers. I maintain and acquire new clients by showing them a new carrier or plan design which will either save them money on their existing benefits, provide them with better benefits for the same money, or on some heavenly occasions, accomplish both. Some businesses just starting a benefit plan will also call us or be referred to us for help in this process. These are my primary modes of acquiring new business.

Either way, my ongoing job is to then educate the employer's representative, usually an office manager or CFO, about their particular carrier, plan design, or group health insurance in general. I then present the benefit plan to the employees, enroll those who are interested, compile their paperwork and submit all the information to the carrier. I also enter all the information into my own database to monitor employee changes and movements throughout the years. I also work with the employer throughout the benefit year on what seems like the constant changes with carriers and the regulation of the insurance industry.

Once a year, the insurance carriers review the price they are charging each individual case. For every account and every renewal, we study the market to make sure that the carrier and current plan design are best suited to the client's needs. This can be a frustrating process because we cannot always shield clients from continually rising costs.

This is a personal business. We are involved with people and their families. It's not just about the numbers, even though a large part of my job is protecting my client's

money and finding them the most cost-effective solutions for their needs. This job can be exhausting, frustrating, and even heart-breaking as we are involved in the business community and in people's lives and health problems. And much of that is not pretty at all, especially when doctors, hospitals and health care are involved.

The second case I ever wrote was for a lumber company down in southern Mississippi. I met with the owner and showed him a plan with a new carrier that would save him \$40,000 a year. He was a retired CPA who bought a logging company that became the family business for his son, daughter, and son-in-law. On seeing this new plan and the savings generated, he commented, "Do you know how much work we have to put in to make that kind of money?" It felt good to be able to do something for a man like him—a man I respect. As I was reflecting on this particular case later, I thought to myself, I like this job.

After two years of working with that man, I've kept them under their costs, even when they had some challenges with their carrier and plan. But that's also why we spend 20-30 hours per year in Continuing Education and another 40-80 hours per year studying new plan designs and new regulations during long seminars—to be able to provide the kind of expertise that I was able to with my lumber company.

But even with the rewards there is also a cost. I face job-security threats from the political situation both in my home state of Mississippi and at the federal level. Competition is what keeps us in the game. Changes in the economy, competition within the agent community, and our own personal challenges constantly keep us on our toes.

I am proud of what I do. I make a difference everyday in people's lives and businesses.

—Dennis Mobley (MS)

North Carolina

This story is about a lady in my choir at church who made a comment about a large out-of-network claim she was paying and the fact she had not had any help from her husband's HR department with the claim. At my firm, we do not handle the particular group in question. But I have groups we do work with in that area, knew the carrier and the plans they offer, and how to get the best out of their customer service department. I sat down with her, had her explain what had happened and what the cost of the claims were. With just a little education from me on how the claims process should work, coaching on what to say to customer service and the numbers she should call to get help right away, she was able to get the claim reprocessed and saved hundreds of dollars on the claim. This took less than an hour of my time but made a huge difference to this family.

Another personal friend is a teacher and he is dying from cancer. We have been working with him for the last couple of years during his fight, helping him make decisions on the medical plan options he should be choosing, looking at his other benefits and helping the family plan how to make the transition from his benefits to hers when the time comes and maximize what they are receiving while keeping the cost in line. He is a state employee and we receive no compensation for the help we give, but have spent hours with this family advising them.

—*Teri Gutierrez (NC)*

My secretary, co-agent and I have spent countless hours with laid-off employees trying to help guide them through the new COBRA changes and the state of NC's high risk pool. We average spending about ten hours per case/person wading through these matters. Additionally, we have had to fax and re-fax information that was on the application that we submitted. I feel responsible for helping these people, but I don't get compensated for the hours and hours of education and assistance that we try to provide. I live in a textile community where, like everywhere else, the layoffs are endless and workers are getting little education and assistance from HR departments. We realize that these employers have to

meet the "bottom line" or close the doors, so we become their HR and counseling departments.

—*Omegia W. Seaford (NC)*

As an insurance broker for employers, our job is to help educate the employer and their employees about the effectiveness of their health insurance coverage and the ultimate cost of coverage year after year.

Our job is twofold. First, we negotiate the best rates while matching appropriate benefit designs, along with educating consumers on how to use their health insurance throughout the year. This is only the beginning. Secondly, employers need our hands-on services throughout the year to effectively coordinate the demand side of their healthcare. This means providing education, incentives, medical testing such as bio metrics and health risk assessments, along with health clinicians providing counseling for high-risk employees throughout the year. Our objective is to help the employer and employees reduce the number of health risks through changing the culture at work and high-risk behaviors. As we reduce health risk throughout the year, we are bringing the cost of health care back to more affordable levels, which is what the employer and employee need in order for them to continue to purchase health insurance for themselves and their families.

Our job is a total team effort with the employer and their employees.

—*Steve Wilson (NC)*

I would like to tell you one story about our agency and one about our chapter.

The first is about a large client (125 employees) that had an issue with an employee's dependants that for some mysterious reason were "removed" from the covered roles of the plan. We were able to get the kids put back on the plan after a couple of calls. What we didn't know until months later is that when the carrier's system removed the kids it also backed out all of the claims ever paid for by the carrier. This caused the physician's practices the employee's children were seeing to go after

the employee for all of the back charges. While we were figuring it all out the system removed them again and this time backed out most of the claims we had just had replaced by the carrier. In the meantime, one of the physician's offices was collecting and applying the office co-pay incorrectly to the employee's account. To get this all figured out and settled before the employee was taken to collections, our office sat down with a six-inch high stack of bills, EOBs and the employee's checkbook and credit card statements and created a spreadsheet. We then met with the carrier's claims department and the physician's office and assisted in getting the entire thing sorted out so that the correct parties (carrier, physician's office, and employee) each paid the correct portion. This was a several day process and took hours and hours of work but we felt it was our job to make sure the employee was not charged one penny they did not owe.

The second story is about members of our chapter. North Carolina has a new high risk pool called *Inclusive Health*. Last month, there was an "Inclusive Health Day" at one of the large hospitals here in Raleigh. Several of our members gave up their day to go over to the hospital and sit down with folks that needed help working their way through the application process. Applying for the coverage is no easy task. Not only did our members work with the people applying to the high risk pool but they spent hours talking with people and helping them with the new COBRA subsidy rules, Medicare and Medicaid questions. They were also helping train the hospital employees so they could advise people as to how to get into the high risk pool. All of this was done simply to be of service to the people of North Carolina.

—*Teri Gutierrez (NC)*

South Carolina

My health insurance agent company, Creative Insurance Consultants, is always available to help me navigate the confusing maze of health insurance. They are so valuable to me and provide me assurance I am selecting the best plan for me and my family. Creative Insurance Consultants work really hard to answer all my questions and have always provided sound advice about coverage and policies so that I feel I am making the best decision about coverage. When my son was born, Creative Insurance Consultants helped me make sure I understood how to add him to my policy, explained all the options, and helped assure me my claims were being processed correctly after his birth. This was a huge relief.

—**Robin Blackwood (SC)**

Service, service, service...this is what a good agent or broker does for the client after the sale. Many times, as in our case, an agent has various small employers (two-49) that do not have a HR director and thus utilize us in that role. We get many calls daily about a claim issue, billing issue, and now more frequently stating, "I can't afford my current coverage. Is there anything else out there?" It is our practice to tell every employer and employee when in a meeting to please call us to help them with the issue because more than likely when they call the 800-number they are going to get frustrated with the time it takes or the outcome of the call. We feel that it is much more important for them to understand that we care about their concerns and that we will do our best to resolve the issue quickly.

We as agents know these people firsthand and they trust us and our judgment. They know that what we are telling them is the truth and that they can count on us to be there when needed. It is absolutely vital that agents in this industry have compassion and a strong will because we certainly are not getting rich in this line of work.

—**Lori Dickerson (SC)**

We have been encouraged by partnering entities to write you to discuss elements of our value proposition that are making a difference for our employer clients. We offer a myriad of HR-centric services that assist our clients from an educational and compliance perspective.

1. Semi-monthly (nine out of 12 months), we deliver a seminar series called in FORUM at which HR professionals and business owners alike attend to interact with speakers on a non-insurance products topical basis. Speakers engage with employee handbook compliance, federal and state regulatory changes, 401(k) regulatory changes, ARRA, etc. We are averaging about 40-45 employers attending on a regular basis. We do not charge for this event.
2. We build a customized benefits portal for our clients at no charge to them that contains all insurance plan specs, SPDs, HR Forms, wellness content and a page for PHR development. The site provides timely newsletters with pertinent content.
3. We provide no-fee access to our staff for HR and wellness consulting with experienced professionals in both categories.
4. We offer, on a voluntary basis and without charge, a very basic form of financial wellness training based on the Dave Ramsey brand. We are Endorsed Local Providers for his organization (ELPs). This education for the employees and their spouses alike provides them the tools to get out of debt faster and teaches them how to spend their money more wisely.
5. We offer access to a specialized group of professionals called the Employer Advisory Group (EAG) to provide solutions in areas we cannot provide for the employer such as P&C, Senior Products, Business Banking, Labor and Employment Law, 401(k), Business Continuity Planning, etc. This is a value-based group that voluntarily meets monthly to educate ourselves in order to offer value to our clients and the community alike.

All of these components are in addition to our daily role as employee benefits brokers. Our clients have commented often that they would be without resource and probably in a lot of compliance trouble if they were not able to utilize the tools we offer them.

—**Colin Smoak (SC)**

Tennessee

Two of my clients are a couple and the husband has cancer.. Several years ago he purchased what he thought was health insurance. He pays over \$300 a month for his coverage. He has to have regular CT scans that cost \$7,000, but his insurance pays him back \$150 every time he has a CT scan. This couple—he's retired and his wife drives a school bus—owe over \$100,000 in hospital bills. He wanted to buy some decent insurance, but because he has this mini-med plan that is no good for his serious condition, he is not eligible for the state or federal plan. His wife's school insurance tells her that his voluntary disenrollment from his current plan is not a qualifying event, and therefore, they will not allow her to put him on her insurance. I could do nothing to help this man.

Whatever we do, it should benefit *people*...not insurance companies, lobbyists, congressmen, senators or insurance agents...it should benefit *people*.

—*Mary Nita Bondurant (TN)*

Kansas

Robert is a single dad who works for a local nonunion plumbing company. The company pays for his health insurance, but he pays the premium for his third-grade daughter. At open enrollment he was planning to take her off his group plan where he was paying \$233 monthly and put her on the same plan with a private carrier for \$38, a savings of nearly \$2400 a year. But due to PPACA requiring carriers to accept children's preexisting conditions, carriers had to drop child-only policies. Robert lost this choice and is forced to keep his daughter on his group plan.

—**Beverly Gossage (KS)**

Here are some excerpted comments from LTC clients:

I have read and re-read your informative long letter with excerpts included below. We really appreciate your taking time to send us your opinion and information.

Carolyn S.

What an outstanding analysis in a short time period!!! Thank you so much. I truly appreciate all the guidance and objectivity you put in your work. You are clearly a consummate professional and subject matter expert.

Chuck R.

I really appreciate getting the facts and some idea of the cost of this insurance without having someone come to my house. Thank you so much. I would be glad to recommend you to anyone who was interested.

Connie C.

I am most appreciative for your kind help. I am glad there are people such as you who obviously love the insurance industry because it would drive me absolutely nuts (and almost did). Claude, if you ever need a Wichita reference, I would be ever so pleased to give you a glowing recommendation. Thank you again for all your help and for throwing me what seemed to be a life-line when I felt as if I were drowning in the ocean of Long-Term Care Insurance facts and figures and dos and don'ts.

Dee O.

Thanks for all of the information you have given me. It helped me in selecting the policy.

Grace W.

Thank you for the favor of your valued assistance.

Jim C.

I want to say "thank you" for your time and helpfulness in making our decision on buying long term care.

Jim W.

Stumbling on to the web site where I connected to you was my best step. Thank you for your timely and informative response to my remaining questions.

Julie B.

You have hit the mark.

Karen A.

Thanks for your prompt and thorough response...you have given me some serious food for thought.

Ken R.

I heard from Toby today that your advice was invaluable to him. I'm very grateful to you for your assistance. He elected the options you recommended and added the spouse's benefit. Thanks again for taking your time to help.

Ken R.

Thanks for all the good lessons on LTC.

Mike M.

Thank you so much for your great, informational letters. You have really helped me in making informed decisions.

Nancy W.

Claude, you sure came up with a lot of ways to save money on the premiums.

Neal B.

Thank goodness there are people like you to help out as this is a big decision—not only money wise!

Pat C.

I appreciate all that you have done for me, mainly educating me about LTC, and I would be happy to have my friends contact you when they are interested in your product.

Richard K.

Thank you for taking so MUCH of your valuable time explaining some of the important considerations in contemplating a LTC purchase and how prompt and unselfish of your time and connections you've ALWAYS been for me.

Ron S.

You're terrific!

Sam C.

—submitted by Claude Thau (KS)

Louisiana

My name is Will Chapman and I am an independent agent in Baton Rouge, Louisiana. Our agency employs six licensed agents and has four additional staff members. We specialize in small group (two-50 employees) and individual health insurance.

Anyone who believes that brokers only sell a product should come spend a week in our agency. Ninety percent of our time is spent servicing our clients with 10% left for prospecting. While prospecting, we are educating new clients on the best solutions available to fit their needs on a whole host of products (HSA, HRA, PPO, HMO, POS, Medicare Part C and D, Dental, Disability, Life, Section 125 plans, COBRA administration). We do not sell—we educate and then we advise.

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, we handle billing issues, we enroll new hires, we provide COBRA administration, we provide benefit fairs and we even provide cookies at Christmas for all of our group clients. We check in with our clients throughout the year just to see what we can do to help. 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.

It is important to note that we are the least expensive delivery system available. We are 1099 contractors—insurance companies do not pay taxes on my behalf, they do not provide us with a staff, and we are not paid unless we build trust with a client and they purchase a product. We work very hard and have to be very knowledgeable to stay at the pace the health care system is traveling. There is no way a governmental agency in some far-off location could match the service and value we bring our clients. There is no way the government can institute health care reform without the help of the agent

community. We are the point of contact for all who purchase coverage. In Louisiana, there are 1,500 brokers for a population of 4 million.

The bottom line is that we are not salespeople. We are not here to make a quick buck. We have developed long-lasting relationships and our clients depend on us. They know they can rely on us to do what we say and deliver what we promise.

I appreciate your time and hope to be serving my clients a year from now after health care reform takes shape and for many years to come!

—*Will Chapman (LA)*

I know most brokers go above and beyond to help their clients—many times with things that they receive no compensation for. How many of us assist people who are not even our clients with accessing information on and actually enrolling in plans such as Part D Medicare, CHIP, High Risk Pool and HIPAA plans? I know I have done a good bit of this in the past few years, and I am sure many others have as well. It is very difficult for the average person to get information they can understand and even know where to get that information on most of these programs. Also, many people don't even know these plans exist, unless we tell them about them. I try to help anyone I can, even though I am not compensated or get a modest enrollment fee. The Part D program, in particular, is extremely complicated. I have helped many navigate this maze and try to select the best plan for them out of 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, and too many others who would be lost and probably end up with a plan that is not in their best interests, 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 healthcare reform legislation.

Who would be better to explain and assist people with their many choices? If we did receive some compensation in return, it would be less expensive and would really reach those who need the help (on a personal and professional level) than expanding government bureaucracy. I am hopeful that the real value of what we provide, as brokers, will be acknowledged and put to work for all of our citizens!

—*Lyle D. LeLeux (LA)*

Missouri

People need health care. I try never to let a prospect leave without help, even if it means pointing them in another direction. My bottom line is to provide information first. If I don't have a product they can afford or because of health issues know I cannot get health insurance coverage for them, I have resources to which I refer my clients.

—*Jillian Merrill (MO)*

My story is simple. I have worked in the group health insurance arena for over 20 years, and I feel the key to this industry is helping people, and educating them about their insurance and the legislation that directly affects their lives.

I was recently speaking with my aunt who had been recently laid off from a construction firm. She stated that she did not have any coverage because she could not afford the COBRA coverage that was being offered, and could not get an individual policy because of her current health conditions. She was not notified of the change for COBRA in which her employer would pay 65% of the premium if laid off due to a slowdown in the economy. Luckily, I was able to inform her of her rights within the time limitations concerning this COBRA change. She has since contacted her employer and is currently covered under her employer's group (COBRA) plan until business picks back up. This will also keep her from having a gap in coverage for the pre-existing conditions she has.

All of the new legislation being presented makes it even harder for small employers and employees to keep up with everything. Brokers play a vital role in educating their clients in so many ways.

—*Shelly Murrill-Dotson (MO)*

My clients, Bruce and Lisa Doctor, are the owners of a small landscaping business with employ about 18 full-time and some part-time/seasonal employees.

At one point, Lisa was experiencing problems with her back. She saw a number of providers and finally decided on a surgical procedure to correct the issue. The physician she selected was located in a facility about 1000 miles from where she resides. She called with questions about plan design, in-network discounts, etc. I explained the process she would need to go through to "pre-certify" the procedure.

On a Thursday at 3:00 p.m., she called my office while she was undergoing the registration process at the facility and scheduled to have the procedure the next morning at 7:00 a.m. She had just been told the hospital did not have an authorization number from the insurance carrier. Lisa and her husband had been on the phone for an hour with the insurance carrier and there was no resolution in sight.

I started problem-solving based on my thirty years in the business. I verified what steps had been taken, determined what needed to be done, contacted the provider, facility and carrier. In a conference call we were able to resolve the issue and obtain the necessary authorization number from the carrier.

Lisa had the procedure the next morning at the scheduled time.

Without the help of a broker, Lisa and her husband would have been forced to return home without the procedure. They would have incurred additional expenses and the providers would have had an operating room empty for three hours. The inconvenience and frustration would have been unbearable for my clients and an inconvenience to all parties involved.

Lisa and her husband Bruce are testimony to the value a broker has in the healthcare process.

—*Michael R. Gross (MO)*

Oklahoma

I had a client who was pregnant with twins and confined to a bed at the hospital. Although she was not having contractions, her situation was high-risk and her doctor would not allow her to go home without a fetal monitor. The insurance company would not allow coverage for this device even though clinical outcomes were good. We contacted the manufacturer of the device and they were willing to give her the device at no charge if we would forward her positive outcome in the form of an appeal to the insurance company so that the manufacturer might possibly get a contract with the carrier. If we hadn't gotten involved, the claims would have been significantly higher, due to the fact that the patient would have been confined to the hospital for several days. This would have cost the member and insurance company more money. This was a win/win for everyone.

—*Melissa Roberts (OK)*

We had a recent claim that we felt was not being paid properly. We contacted the hospital, the network, and the carrier to figure out why and determined the fault was with the provider. We provided them the section of the certificate booklet that indicated the claim should be paid. After three claim payment denials, we created a letter and submitted all of our documentation to the state insurance department. The claim was finally paid four months later and we were able to save our customer \$22,000.

We had another situation where a customer had an untimely enrollment after a baby was born. We provided the carrier all of the steps and documentation that we had regarding the birth of twins and pointed out why the insured didn't know he needed to complete a form to add them. We noted that the insured received a letter from them regarding the babies being born and that they would be monitoring their stay in the hospital which is why they thought the babies were added. The letter only indicated they needed to notify their employer—it didn't indicate they needed to complete a form. After six months of going back and forth with the hospitals and carrier executives, the claim was paid. This saved our customer \$99,000.

Another customer changed carriers and was partially self-funded. We had gone over the renewal with the current carrier and specifically asked them how much money they would owe should they change carriers. He pointed out the amount on the renewal that would be required to be paid. The customer changed carriers and later got a letter from the previous carrier requesting payment for \$150,000 more than what was on the renewal. The carrier pointed out that the customer had signed off on the higher amount at the beginning of the contract year and that the number provided on the renewal was a typo. They failed to change the amount from the prior year's renewal. I pointed out that although they signed off on it a year ago, the renewal was released and discussed and that a representative from their company, in a meeting with us, confirmed the amount that would be due should the customer decide to change carriers. After executives reviewed the situation, they waived the additional money due.

—*Carol A. Anderson (OK)*

I want to tell you how valuable my insurance agent is. My agent, Carol Anderson, gives me yearly advice on the benefits that my employees need and she does an outstanding job of finding the best plan with the best rate that fits my office budget and that gives us the highest quality benefits. I can't imagine the hours that she must put in to find just the right plan for our office of eight people.

I would not want the U.S. government telling me which plan to choose or how much the plan was going to cost without being able to make that decision myself.

Carol plays a huge role in my dental office to keep all of us covered properly and I cannot imagine where we would be without her.

—*Conrad C. (OK)*

Texas

The fact that you cannot get child-only coverage in Texas has had a dramatic affect on average American families. I could give you hundreds of examples but here are just a few:

1. Mom and Dad work, have group insurance but to add 1 child it costs \$500 a month which is a dramatic hardship on their budget. Prior to PPACA, I could have helped them for \$60-\$100 a month. Now I tell them to call their Congressmen and the President to let them know the hardship that they created.
2. Single parent age 65 on Medicare can't get coverage for his children under age 19.
3. Single mom laid off would like to purchase for her child but can't.
4. Parents with 17-year-old daughter who has a baby can't get coverage for their daughter or granddaughter.

The list goes on and on. This law has had dramatic real negative effect on people.

—*Stephen W Herbert (TX)*

I offer a website for employees to find coverage for their dependents, and at present it is useless. The rates for child-only policies have gone through the roof, and when I have been able to sign up an individual, there are stricter guidelines for acceptance. The rates are very similar to group rates. Since the individual member can't take advantage of the 125 plan, I have recommended most of them to stay on the group policy. The carriers are also allowed to charge whatever they like for the children with a preexisting condition, which made my last rate over \$500 per month for one child.

—*Michael Wenzel (TX)*

Divorced parents with children in Texas and many other states are now left with the need for one of them to be on their children's court-ordered policy, assuming that the parent is able to pass underwriting. If they cannot, they dare not cancel their existing coverage, while the children will be forced to go without health coverage

unless they can join an expensive group policy as a dependent, apply to the state risk pool or qualify for state or federal support such as Medicaid.

—*Tony Jones (TX)*

I have a small-group client that ranges from nine to 11 employees in Houston.

In May of 2008, the owner's wife and two daughters went to New York City for a weekend event that included the wedding of a friend of one of the daughters.

While in New York City, one of the daughters became seriously ill and was rushed to a hospital. It was determined that her appendix was about to rupture so emergency surgery was performed. As one could probably guess, ALL of the treatment and care given was in an out of network hospital with out-of-network physicians.

The family, upon receipt of the EOB, had serious sticker shock. They called me after several conversations with the hospital's accounts receivable department. They owed the hospital a very large sum of money.

I called the carrier and got the necessary information for the insured to appeal the charges. Within a few weeks, my client called to thank me and say that the carrier made adjustments in the billing to reflect PPO pricing due to the fact that it was an emergency situation.

I am glad they chose to call me instead of working out a payment schedule with the hospital.

—*Tom Cottar (TX)*

There are many times I am needed by my clients to help explain how their bills and EOB (explanation of benefits) coordinate. The phrasing between insurance companies and doctors' offices do not always match. It is left to the client to figure out what to pay and what the carrier has paid.

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.

The clients I have know they can call me at any time with any question. My clients are not only clients, but family. They know I am looking out for their best interest of providing the best coverage at the best possible price.

—**Howard Glenn Hanna (TX)**

I am self-employed. Last October, my wife was in the hospital with pneumonia. Last November, I had prostate surgery. And in January of this year, my long-time health insurance, arranged through a professional organization, decided to up its rates by 150 percent. I went to Austin area insurance agent Misty Baker at Lonestar Benefit Solutions, looking for help. Help she arranged.

From the beginning, I was an obvious Texas Risk Pool candidate. After the insurance company Misty picked for my wife found out about her recent hospital stay, she was rejected for coverage and also became a Risk Pool candidate. Once we were both pointed towards the Texas Risk Pool, Misty helped us complete the original applications completely and accurately, and followed up to check on the progress of our applications. At the same time she steered my daughter, not a risk pool candidate, to high-quality coverage through BCBS of Texas.

I have nothing but praise for the work Ms. Baker did. Of course, my wife and I were special cases, but I have confidence that Misty would have gotten us excellent coverage working directly with insurance companies if that had been possible, just as she did for my daughter.

Any changes to Texas or national insurance policies that eliminate or weaken private insurance options and the work of people like Ms. Baker will be bad news for those needing medical coverage in here and possibly throughout the United States.

—**Steven Z. (TX)**

My insurance agent has been Misty Baker for over ten years now. The continuity in a relationship with an agent

is very valuable. Misty is able to anticipate my needs. She always brings me a set of alternatives when it is time to renew my insurance. When I have had trouble with claims or other matters involving my insurance company, she has helped. When my son, who had a kidney transplant and three other physical handicaps, needed insurance, she found a way into a high-risk insurance pool, and then followed up with both me and the company to see that my son was properly registered and insured.

—**John M. (TX)**

We are a 501(c)(3) non-profit organization. Our insurance broker, Misty Baker, makes a huge difference! She is always available to me and to all of our staff to answer questions about our policy and any other health insurance-related questions we may have. She also makes sure we have the most cost-effective, quality insurance policy out there and she stays on top of the insurance issues that affect us all. As a very busy non-profit manager, I depend on her and trust her. She not only saves me a lot of valuable time, but gives me the security of knowing that we are providing the best possible health coverage to our staff.

—**Pat Gordon Brodnax (TX)**

This is to tell our story on behalf of our Group Health plan agent, Misty Baker, of Lonestar Benefit Solutions.

Xidex Corporation is an emerging Austin, Texas-based nanotechnology company with three full-time employees and three part-time employees. The products we sell are used by the semiconductor industry and in industrial and research laboratories worldwide. Misty has been our group health plan agent since we formed the company in 1997.

A company this size cannot commit resources to an in-house human resources staff, whose job it would be to answer questions about operation of the health plan, offer up alternatives when the plan needs to be re-bid, and deal with other questions as they arise which are critically important to our individual employees. We have relied on Misty Baker to provide these services for our company. She has always done so in a very knowledgeable, professional, gracious and timely manner. Without this kind of support from a knowledgeable, caring agent like Misty, it would be

virtually impossible to find the time and expertise to manage our group plan.

I am pleased to provide this statement on behalf of Xidex Corporation and hope it has a positive impact on the health insurance reform process.

—Paul McClure
—submitted by Misty Baker (TX)

I have been urged to impress upon you the value I bring to the table as a health insurance broker. I hardly know where to begin, but here's just one of dozens of stories:

Several years ago, 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 awhile, or 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.

The week her husband died, she called me late one evening on my office line...I forward my office phone to my cell phone when I leave my office so my clients can always reach me. She was very upset because she said he was struggling to stay alive and she thought it was because he was worried that she couldn't make it without him. I remembered hearing my pastor tell a story about how sometimes we have to assure our loved ones that we will be heartbroken, but we will be all right and that they can go on if they need to. I shared that with her. She called a couple days later to say that she had talked with her husband after we talked, and that a peace came over him and he died that night.

I have been in this business since 1987, and I could tell you dozens of stories about the service I bring to my clients each and every day. It makes me heartsick to

think that what I have loved to do all these years could be taken away from me with just a stroke of some bureaucrat's pen. In most instances, it is the health insurance broker who is responsible for Americans being able to navigate the health care system. Without agents and brokers, the American people will have no one working for their best interests alone...all they will have is a 1-800 number to call. And we all know how utterly frustrating and useless that can be.

—Mary J. Samudio (TX)

My story is all about a good agent. Mary Lou Hudman was, for me, more than an agent. She took her time and her professional knowledge to organize and make calls for me regarding my health insurance and payment of invoices. I commend her for doing this for me while I was unable to help myself. God sent an angel to be with me at my time of need. I had thousands and thousands of dollars in unpaid insurance claims and invoices. She called them over and over again to help clear up these outstanding invoices. At the end of about 18 months, I still had a few small outstanding invoices that I did have to pay-out-of-pocket to keep it off my credit report. But without my dedicated agent I would have paid thousands more. Thank you to Mary Lou Hudman for treating me with professional sensitivity.

—Marsha N. (TX)

We have used broker service for our health, dental and supplemental insurance for many years with the city of Taylor. Jeff Kloc with the Benetex Group in Georgetown, Texas has been instrumental in our renewal contracts with our insurance company. We could not do this without them. They go to battle for us in getting our rates down. The BeneTex Group also helps the employees with not only claim issues, but all kinds of issues. They are a tremendous help and support to my organization. They help me put on a health fair each year with my employees to implement health awareness. They also provide training for staff in regards to COBRA and HIPAA issues.

—Starla H. (TX)

Please be advised by this letter that we at KAYEM Pipe & Steel, Inc. are very pleased with the very necessary and important services provided by our broker, Mary Lou Hudman. We would be lost without Ms. Hudman's knowledge and expertise in helping our company not only

make a prudent decision regarding the insurance provider and premiums, but even more importantly Ms. Hudman has been a great source for explaining, educating and assisting myself and all of my employees with understanding our health coverage policy and its limitations. Ms. Hudman helps every employee individually with personalized assistance in expediting claims, large or small. Honestly, there is no way that I or any of my employees could deal with the insurance company directly for these types of services—they are simply not available.

Eliminating the role of our insurance agent/broker would be devastating to our ability to make prudent decisions when it comes to comparing and purchasing health insurance best suited for our company and its employees, to help with adding new hires, to make certain we are in compliance with COBRA, to reconcile claims benefits and to make certain that billing statements are correct. Our insurance broker is a vital resource for information, claims expediting, and more importantly educating each individual employee about how the health insurance program we have purchased applies to their personal lives.

I therefore ask that you please allow the health insurance agent/broker to continue to provide this vitally important and necessary service required by individuals, families and corporations.

—Douglas J. Kayem (TX)

I have been a small business owner for over nine years and currently employ 15 people in the Dallas area. In that time, I have observed what seems to be an apparent effort by lawmakers to place an additional burden on small business owners, though we are the ones they claim are the “backbone of our economy.” Unlike most of the large businesses I read about lately, we have proven to our employees in these challenging economic times that they are valued and that they will have a job tomorrow. If I see value in something that helps me provide the most cost-effective benefits to my employees, why would you take that away? Without question, I have seen the value of my agent/broker not only in helping me evaluate and understand the many employee benefit options, but also in assisting with claims and correcting billing statements. If lawmakers want to do something to strengthen what they claim to consider so important to our economy, why not

start by listening to the small business owners instead of placing yet another hurdle on the track?

—John W. Spiars (TX)

We value the services our insurance broker and their staff perform on our account. If it were not for their help we would not be able to afford to offer insurance to our employees. They help our company get the most affordable and most beneficial insurance plan available. Because of the help of our brokers, we are able to offer more than one insurance plan to our employees. They are always available to offer advice when needed and answer any questions we may have. They have extensive training to maintain the ability to offer all their services and expertise. We have had the same broker for over ten years. I would highly recommend Hairston, Johnson and Associates to help you with your insurance needs.

—Sharon O. (TX)

We own a small general contracting firm in San Antonio and have been using Hairston, Johnson & Associates as our medical insurance broker for over 10 years. Every year, Sandy Johnson sends over spreadsheets showing us different insurance options we might want to look at to help save our company money. Whenever we have questions we know that we can count on a quick response from Sandy or her staff. A couple of years ago at renewal time, Sandy told us that we might want to look at higher deductible plans, as they would save our company a lot of money. She told us that we or our employees could set up HSAs that would help cover the medical cost differences. She not only brought over information on the different insurance company bids, she also gave us information on HSAs. Since then our firm has been going with a higher deductible plan and all our employees have HSAs. We feel we have not only saved our company money, the HSAs have encouraged savings as well.

—Janie Loontjer (TX)

Our agency specializes in the small employer (two-20 employees) market. Since the companies we work with cannot afford to hire human resource personnel, we assist them with duties that may typically be done by human resource staff, thereby helping small business owners control a portion of their costs. In addition to the placement of insurance, we perform the following services:

- 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, and disability insurance. The 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 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 government and other entities.

In summary, we are the most accessible advocate that employers and employees have in resolving issues with the carrier or provider.

—*Ronald E. Seibel (TX)*

Last October, a client of ours (a new and used car dealer) was forced to shut down his business. He had more than 100 employees in 17 locations but he could no longer operate—he was bankrupt because of the economy. The owner was able to keep the health insurance plan going for himself and his family, and also so that all his former employees could access health insurance through the COBRA provisions until they could find other coverage. Most employees went on to find other employment and health plans, but at the time of the ARRA stimulus subsidy law in February, this group plan had five people left on it as COBRA beneficiaries along with the owner.

Once the new subsidy provision became law, no insurance carrier was providing any information or instructions about a company's responsibilities or even how the new program would be administered. Even though the provision was active on March 1, the IRS didn't publish the model notices until March 19. I can tell you that all my client companies were confused.

Because this company that was no longer in business and its employees no longer making a payroll, the owner began to ask me how he would possibly be able to follow the subsidy's requirements. He had five former employees now on COBRA, but over 100 lost their employment and their coverage last October. They had to be notified and given the option to elect coverage, and how should he do this? Because he turned 65 in April, he chose to cancel the group plan at the end of March and enroll in Medicare. He was scared of the potential liability that he might have if even a few of those 94 people who did NOT elect COBRA decided to re-enroll March 1 under the "special enrollment" privilege.

He no longer had a payroll from which to withhold taxes and therefore “deduct” the subsidy money, and he was afraid that he personally would be required to pay the 65% for many former employees. Yes, he understood that this money (the 65% of the COBRA premium) would be reimbursed to him eventually, but how do you pay something when you don’t have any money and can’t get a bank loan?

My agency works with over 150 employer groups, some small and subject to state continuation; and some larger plans, subject to COBRA. For the last month, we have sent many e-mails to our clients and mailed many copies of the IRS model notices, the DOL instructions, and question/facts detailed by both government agencies, as well as the COBRA administration companies used by our clients, just to keep them informed. It’s all very complicated, and we field questions daily from our clients about this subsidy. Who is eligible? Who do I notify? When do I notify them, and what do I say? How do I get reimbursed? Why do I have to do this?

ARRA is a government stimulus plan, COBRA is an employer law, but because these both relate to employer-sponsored health insurance, our clients view the people in my agency as the experts. Who in the government can you call for instruction? Who can direct you to the place to find the answers? My clients call our agency. Precious little information has been sent to member clients by the insurance carriers. We are the front line person that the employer, the employee, the spouse of the employee and the HR director calls for information and instructions.

For the last five months, for a defunct business that is closing up shop, we have personally worked with 100 people who needed health insurance. For a few of these people, we were able to find individual coverage, and for a few people with health issues, we were able to help direct them to the Texas High Risk Pool. Others had questions about continuation of coverage from the old plan to their new employers’ plans. Others wanted help with our local university plan, Carelink, for low-income people. Most just wanted to find out what was the best coverage for them for the cheapest price. We assisted over 10 people for every one policy that we actually were able to place from this group, but we were glad to help all of them. We are compensated by the business we sell,

and we didn’t sell much business at all during the last five months. We’re just lucky that we were able to continue to be here to help our clients, even if it meant helping them leave us.

If the government decides to offer a universal health insurance plan for all citizens, if there is any kind of choice involved, and particularly if there will be a choice between a private or a federal plan, health insurance agents will be the first people that all of my clients and even most of my personal friends (many of whom I have never sold anything to, but usually am asked for advice on their own employer’s plans) will call.

If the federal government decides that health insurance agents are part of the administrative cost of health insurance that is unnecessary, I am quite positive that the government will need to hire all of us agents as “experts” because all my clients (and all the clients of all the health insurance agents across the country who do the same work as I do) are going to be wanting someone to help advise them as to which plan fits their budget and is the best for them. And I don’t think the federal government has enough phone lines or enough employees to take all those calls.

—*Sarah Gunter Canez (TX)*

Keeping a client happy requires providing extensive support after the sale. If an agency does not provide this support, they can be easily replaced by someone who will.

—*Mark Thurmond (TX)*

Texas RV Supply has had the assistance of Hairston, Johnson and Associates in acquiring top-quality health insurance for the last 15 years. Each year, Sandy Johnson and her associates shop the industry and offer different options that make it affordable for our small business to offer our employees excellent health insurance. At renewal time each year, Sandy or an associate will come to our business and thoroughly explain to each of our eligible employees what each plan entails, deductibles, out of pocket expenses, drug plans, and answer any questions they may have. Then, throughout the year, if I have any questions concerning eligibility, employee claims questions, etc., I will call Hairston, Johnson and Associates for assistance. The staff is always professional, very

helpful, and provides outstanding service within a timely manner. I feel like I am their only client because I receive answers so quickly by phone or email. I don't ever feel like I am left to figure out all of the ever changing laws about health care issues, state continuation, etc. I receive relevant information from Hairston Johnson regarding upcoming changes in legislation that will affect our business, i.e. the COBRA subsidy administration and State Continuation updates affected the American Recovery and Reinvestment Act.

I would also like to tell you how Hairston, Johnson personally assisted me with health care claims and physical therapy claims a few years ago. In 2005, I had shoulder surgery, which required extensive physical therapy. My health care provider at the time limited my physical therapy sessions and refused to approve additional sessions. Marlen Mancias, an associate at Hairston Johnson, personally called my health care provider about my case and was able to successfully explain that the standard physical therapy sessions normally approved and paid for by the provider were not enough for my recovery. This was after the doctor and physical therapist sent letters to the provider requesting additional sessions that were denied. If it were not for Marlen getting very involved with my claims, I would definitely have physical range of motion limitations with my shoulder and substantial physical therapy bills not covered by my provider. In closing, our brokers at Hairston, Johnson and Associates have always treated us with care throughout the years. Helping us renew our insurance benefits is such a small part of what Sandy and her associates do for us the rest of the year. Thank you for listening.

—**Pam Skinner (TX)**

I am writing to share real-life stories about the importance of the role of agent and brokers in helping consumers obtain much needed health insurance.

The most important point specific to our role that Congress needs to understand is that we are the consumer's advocate.

I would like to take a moment to tell you how valuable one of your agents has been to our company. Donna McCright is such an asset to us. She is very knowledgeable,

courteous and helpful. I cannot put into words the gratitude that I and the rest of our employees have for her. She has, in my opinion, gone way beyond the duties of just an insurance agent. She has provided us with tools and education that have been key to our company and its compliance with insurance laws and has helped me on several occasions with our insurance plans and various questions from myself and my employees.

One instance in particular that I would like to comment on relates to our carrier not wanting to budge on a preexisting situation for one of my enrollees. Donna did not waiver in her stance to get this issue resolved and I truly feel she saved a life with her efforts.

Thank you so much for allowing Donna to be our insurance representative as we could not be where we are today without her. I feel that if such an award existed, she would deserve to be Citizen of the Century.

—**Ruth Quan (TX)**

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.

I was referred to this couple. They had a current limited benefit hospital-medical-surgery policy from a major carrier that they were paying a \$900-a month premium. The agent did not return any of their calls. First, I had them sign an agent-of-record so I could service the policy. The carrier would not change the agent-of-record for 12 months or allow me to service it until the policy was 12 months old. When the policy was 12 months old, I requested a specimen policy so I could see their benefits. It had several riders which might have excluded the above-mentioned condition. It limited prescription drugs to \$2000 per person per calendar year. It had a \$25,000 maximum benefit for outpatient services per person per calendar year. It paid 50% after a \$3000 deductible.

They could not medically qualify for another individual policy and they did not have group insurance available to them. I recommended that they change to the Texas Health Risk Pool in order to have more comprehensive benefits without riders or the limits discussed above. I went to their home and spent three hours completing the forms for each of them. The husband wanted to mail the forms himself.

Their e-mail makes me proud to be an insurance agent.

—*Edna Kern (TX)*

This week I spent more than an hour on the phone helping one of my Part D clients who has a Power of Attorney for his elderly mother. They saw a disturbing jump in co-pay costs between their February pharmacy statement and March pharmacy statement. After having called his pharmacy, my client said the pharmacist told him that they didn't understand it—the co-pays just all of a sudden went up.

I suspected the coverage gap, but my client forwarded me an EOB showing that his mother had not yet reached the gap. He had tried calling the carrier's customer dept himself and gotten nowhere, because hourly CSR staff members aren't licensed agents—they are call center representatives who are working their nine to five.

I initiated a conference call to the claims dept with my client on the line giving permission for me to be able to

speak to them, and by explaining the situation to the rep in a way my client could not, we were able to quickly track down the problem: the carrier had failed to initially charge the \$295 deductible back in January, and so now they were catching up and charging it in March. So this is why my client's statements showed co-pays at first, then full price drugs, then co-pays again.

The client was so grateful just to have simple understanding. To say that these people could call carriers and get straight answers without the kind of training that an agent has is ridiculous.

Keep in mind that CMS slashed my commissions this year to \$20 PER YEAR on this product, making it not even worth the cost of mailing out the initial packets and assisting in running Medicare.gov searches for elderly people who sometimes are not computer literate. What I earn is not even worth my time. But because we care about our clients, we do these kinds of things all the time.

So for any lawmaker who feels my role is unimportant, have them give me a call. I can give them a list of clients and phone numbers who would gladly tell them how much I've helped them—above and beyond what is required.

—*Danielle Kunkle (TX)*

Arizona

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 (AZ)*

I am a part owner of an agency that sells both property casualty and health insurance. I have 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 (AZ)*

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 (AZ)*

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 (AZ)*

Colorado

Every insurance company in the state refuses to sell child-only policies, with the exception of one because that carrier obtained a waiver to the medical-loss-ratio provisions due to its small size and also has a deal with the state of Colorado. The premium for a newborn or 1-year-old is over \$300 per month!

—*Mitch West (CO)*

I have been in the insurance business for 27 years and have been an independent broker for 11 of those years. I left the “corporate world” to focus on helping people with my knowledge, empathy and professionalism. I hope I have succeeded on all counts. I’m proudest of the fact that, in 11 years, I have not lost one client due to poor service. I have built my practice around referrals of prospective clients who were too small or inconsequential for many brokerage firms.

Here are some of the ways I “go the extra mile” for my clients and for many folks who will never be a client (at least from the perspective of my being paid for assisting them):

1. I spend LOTS of time helping folks who I know will not qualify for any policy that will pay me a commission. Typically, they have one or more health challenges and are just looking for guidance and empathy and an understanding of their options. I have a chronic health condition and am uninsurable, so I have a high level of empathy. I estimate that I spend about 15-20% of my time helping folks in these situations.
2. Recently, I have helped lots of individual prospective applicants understand the COBRA subsidy and take information back to their former employers and/or brokers. These are not my group clients; I do this because it is the right thing to do.
3. I provide ongoing health insurance counseling to two cancer survivor support groups to which I belong. I have also helped members of the Crohn’s and Colitis Foundation with similar counseling. All of this, of course, is unpaid time.

4. I ALWAYS work late and/or work weekends, to try to make sure that folks have insurance in place before a given deadline; trying my best to keep anyone from being uninsured for even one day.
5. I emphasize personal service, as opposed to buying insurance online. Each client or prospect receives a personalized comparison of the plans I recommend, after LISTENING to the client’s needs and wants. After the sale, I proactively seek out concerns and issues, rather than waiting for the client to contact me.
6. Just because a person is no longer my client (business closes, he gets a job and drops his individual policy, etc.), doesn’t mean that I cease being his/her advisor. I welcome contact from former clients and am always happy to help.

I hope these are at least small examples of how I, as a broker, make a difference.

—*Paul Berteau (CO)*

Penny has been a big help to me as I have had to navigate the realm of health insurance. She took the time that was necessary to help me understand my choices and to get all the paperwork done. She is also very friendly and enjoyable.

—*Tracee K. (CO)*

Penny was a pleasure to work with for my health insurance needs. She knew all of the ins and outs of insurance coverage in Colorado and helped me—even with my complicated health history—obtain coverage. Penny immediately responds to e-mails, and with great detail. She is always patient and willing to answer my questions, Penny gets two thumbs up!!

—*Cameron C. (CO)*

We have an agency of 10 personnel here in Western Colorado. The new COBRA regulations have been very confusing to our clients and for the past month, we have been holding employer meetings to assist our clients in managing the new regulations. We have been providing them with copies of the regulations, election forms and

the new IRS 941 form. Our meetings have been detail-specific and we are fielding calls daily on proper procedure. We are very aware of our clients' needs and always have a real person answer our incoming calls. Our staff strives to satisfy the needs of that client on that phone call. We also have one of our staff members whose job is to help our individual members with claim and administrative needs that our insurance companies cannot respond to in a timely manner. This person and the rest of our staff have helped our agency have a 97% consistency rating over the years. Our primary focus is to provide the best service of any agency in western Colorado.

—*Bill Killgore (CO)*

My office spends no less than 20% of our time educating people on their Medicare benefits. Cover Colorado (the Colorado option for the uninsurable) options, Child Health Care Plus eligibility, and options for which we as agents receive no compensation for our work. This is a service we whole heartedly and willingly provide because these people need assistance in understanding the health care system and what all of their options are.

Within the past two days alone, we have assisted four people in applying with Cover Colorado, taking a COBRA option with another broker, and applying for a Medicare Part D plan, none of which we receive payment for. We, as brokers and agents, are constantly striving to educate ourselves with Medicare and other systems that don't compensate us. The people we help are most appreciative and have referred other people to us, which is a plus for our "business" side. They have said that we have given them more information in a couple of hours than their employers, Medicare or Social Security has given them in numerous attempts.

There are always self-serving individuals in every market, but I know the agents who belong to organizations such as the National Association of Health Underwriters are some of the most dedicated, hard working and ethical people. I am one of them!

—*Robin Mitchell (CO)*

Idaho

I think the largest benefit that we bring to our clients is in claims processing and being an information center for them. We have several clients that we have helped save hundreds of dollars because of our diligence on getting the claims filed in a timely manner and getting them refunds.

We had one client whose baby died two days after birth. Our claims specialist took over and got all the claims taken care of with the permission of the client so she could grieve and not have the insurance company or providers breathing down her neck. That took several months because multiple tests were run on the same day and the insurance carrier needed proof that these tests were necessary. The claims specialists spent hours on the phone getting CPT codes and procedure codes so the family would not have to deal with any of it.

We had one client that had a heart transplant. He was in a hospital out-of-state and their claims person came in and told him he was “out” of his benefit. Our agent called the insurance company to clarify and not only could the client stay in the hospital as his heart was rejecting, but the insurance company felt so bad for the scare that they put in the family they paid for all the claims.

One client sent us a thank you that said “Thanks, Don, for spending the time on the phone with me and the insurance company to help me make informed decisions about my plan, and getting my health factor rating reduced.”

—**Brooks Mathern (ID)**

Insurance Specialists have always given our family first-rate service. When my maternity medical bills were an indecipherable mess, Brooks Mathern spent countless hours tracking down each bill and getting me the information I needed. This was wonderful as it enabled me to spend time with my newborn instead of on the phone with the insurance company.

—**Anne Marie G. (ID)**

Working with Insurance Specialists has been an immeasurable pleasure. They are extremely knowledgeable and prompt in follow-up regarding questions and claim concerns. Transitioning from group coverage to an individual plan presented some inherent challenges for me. They worked extremely hard to answer questions and did all the legwork on tracking down the information in a timely and efficient manner.

—**Heather S. (ID)**

Don was a lifesaver. Right when I was about to be crushed by the fact that my baby was undergoing surgery, Don arrived at the hospital, bought me a cup of coffee, and helped me fill out the paperwork to ensure coverage for my baby. His personal care and attention carried me through an emotionally traumatic time.

—**Tracy B. (ID)**

Insurance Specialists have gone out of their way to help us with all of our insurance questions. They saved us hundreds of dollars by catching a billing error. I would highly recommend their services.

—**Kirsten D. and Michael W. (ID)**

I broke my wrist skate skiing. Michelle had recommended an accident policy to gap my high-deductible medical insurance. She met with me and assisted me in filling out the paperwork. This was impossible for me because of my injury. If I would not have this gap policy in addition to my health insurance, I would be in big financial trouble due to the fact I am a photographer and had to cancel my scheduled photo shoots.

—**Jane M. (ID)**

I specialize in providing insurance services to public entities in Idaho. I work with local board members, mayors, clerks, city councilmen and commissioners. Most, if not all of them, depend on me to sort out all the benefit options and rates for their city so they can maintain a balanced budget. There is so much competition and so many choices that a broker can save businesses thousands of dollars and negotiate better benefits and credit by knowing the policy contracts when working for the client.

Last year, we were able to save a local county over \$270,000 in one year by moving to a competitive bidding situation and negotiating a better deal with their current carrier. Without a broker, the company would just given a rate without any negotiating or any reason to be priced competitively.

We need to keep health insurance in the free market to continue providing the customer and the consumer with options. It is the only way to lower rates in addition to promoting wellness.

Thank you for listening and your time with this important issue.

—*Lori L. Bergsma (ID)*

New Mexico

In rural areas it is typical that a small business will pay for the health insurance of their employee but not the family. If husband and wife are both working, their respective employers pay most of the cost of health insurance for them. It is very costly to add children to a group health plan, so most of my clients bought child-only policies—which are very affordable—for their children. When the provision that carriers have to offer coverage to anyone under 18 came into effect, it caused the carriers to stop offering these policies, so these people then had to enroll the children in their employer group plan at a much higher rate.

—*Renee Swickard (NM)*

In November of 2008, I had a man come into my office on a referral. He was transferred to the “local” office of his employer from the Texas branch. His medical insurance for his family was through Blue Cross/Blue Shield of Texas and did not extend to our area. We applied for coverage through Blue Cross/Blue Shield of New Mexico for him, his wife and infant. His wife was declined for coverage, so I enrolled her into the New Mexico Medical Insurance Pool (high-risk pool). The NMMIP allows for discounts of 25%, 50% and 75% due to household size and income. They did not qualify for a reduction at the time as his income was above “poverty level,” but we had obtained insurance for the entire family.

In March of 2009, this same man came into my office distraught over the fact he had been let go from his job making \$70k per year and was looking for work but did not know how he was going to afford health insurance for his family. I advised him to go down to the Human Resources office and get an application for his son to go on Medicaid and to keep him on the Blue Cross/Blue Shield New Mexico policy until he was approved. Once the son was approved, we canceled him from his policy, saving \$50 on his monthly premium. We then got the

paperwork together to complete the Low-Income Premium Program Supplemental Program application and filled it out for his wife to receive the allowed discount from NMMIP. They qualified for a 75% discount, saving another \$201.75 on their monthly premium.

There are those who think insurance agents are all about commission. I beg to differ. Our clients are more than numbers; they know they can come to us regardless of the matter and we will help in any way we can. In the example I gave above, our agency lost the “commission” by our own recommendation. That is customer service at its best and I am proud to be among the scores of health insurance agents who abide by the principles of integrity in their business.

—*Nicole McWilliams (NM)*

I am an independent broker based in Albuquerque, NM. We are most certainly a small employer state, and the majority of my clients have less than 20 employees. In almost all cases, there is not a designated human resources professional. The same person frequently wears many hats: HR, benefits, payroll, etc. I see my functional role as a member of their management team. I assist daily with enrollment issues, questions on eligibility, resolution of claim issues, and guidance on where to find data on compliance issues (Medicare, HIPAA, SCHIP, COBRA, etc.).

My clients know that I am their go-to person when these issues arise. They have businesses to run, and I save them an enormous amount of time and resources by always being available. In a nutshell, they know that if they call me, I either have the answer or know where to find it. If brokers are factored out in the health care reform process, where will these employers go for help?

—*Kevin Pelletier (NM)*

Utah

I am one of the many health insurance agents on the front line of helping families obtain coverage that fits their needs and their budget. I focus on the individual insurance market with some business in the local small employer market. When I started my insurance agency nine years ago, I determined that every family deserves personal contact with an agent who would give them the ability to understand the complex options for coverage and have their questions answered. I have built my business one family at a time, meeting with them personally in their homes and helping them through the process of choosing and applying for a plan.

In addition to the initial set-up of a policy, my clients call me when any problem or question arises. If they don't remember details of their coverage or if they are having a claims problem, I encourage them to include me and together we work to find the solution. A good portion of my day is spent working with my clients on day-to-day issues.

Because I do no advertising, I have depended on referrals from my clients in order to continue to expand my business. I have been overwhelmed with support from the families I have helped as they have referred me to their friends, family, and neighbors. Many have expressed appreciation for my ongoing help in leading them through the often confusing world of insurance coverage.

I believe that the agent is the most important resource a family has to make sure that they are covered properly and are being treated fairly by their insurance company. I am their advocate.

—*James McDonald (UT)*

I've been an insurance agent for over 12 years, so there are hundreds of examples of how I've helped my clients over the years.

Just 30 minutes ago, I had a client call me who was told by the billing person at the hospital that his colonoscopy was going to cost him \$499. I had recently switched him from a plan that had a \$2,500 deductible, with no

preventive coverage to a HSA plan that did cover preventive care. Thus, when he told me that it was going to cost \$499, I wanted to verify why it was not the typical \$15 co-pay for a preventive visit on his new HSA plan. It would have cost him \$499 on his plan two months ago, but his new plan should only cost him \$15. He called me and then came to my office. I called the hospital and verified with the billing person that as long as the doctor billed the colonoscopy as "preventive" that it would only cost him \$15. My client probably would not have called the insurance company to question the accuracy of the \$499 he was quoted, nor did he have a sure knowledge that they were incorrect. However, he trusted his health insurance agent as a true professional who would serve his needs. He left my office extremely happy that I was able to make sure that he would only pay \$15, rather than \$499.

There are many examples over the years where I have saved clients thousands of dollars per year. For example, I've met perhaps 25-50 clients over the years who had originally signed up with a carrier directly, without using a broker. Five or 10 years later, they call me asking why their rates are so high—sometimes close to \$1,000 per month. In most of those cases, I was able to help the client reapply with the same carrier for new lower rates on the same or a very similar plan, or apply with a different carrier for lower rates on a very similar plan. In most cases, the client was able to keep the same coverage, and reduce cost from roughly \$800 monthly to \$500 or \$600 a month. In other cases, the client, after some analysis and advice from me as their new broker, decided to go to a higher-deductible HAS plan and reduce monthly cost to roughly \$200-\$300. And, in some cases, I helped my client save more than \$5,000 per year, which over a 10 year period, would exceed \$50,000 of savings.

I am currently the broker for approximately 650 individual clients. Most of them are self-employed, work for a company who does not offer insurance, or the insurance they are offered was more expensive than what I could find them in the individual market. Without the knowledge and help of an experienced, professional

broker, many of my clients would still be paying \$800 monthly payments, instead of \$500-\$600 or \$200-\$300 a month if they have switched to HSAs.

As a testimony to the value of a long-term broker, consider the growth of my agency. I have used almost no advertising or leads throughout my career. I moved from Idaho to Utah, and thus knew very few people to whom I could sell. However, I made cold calls, etc. and when my clients could see that I not only helped them obtain an appropriate plan initially, but also called them each year to “reanalyze” their needs, they not only stayed with me, but they told their associates, friends and family about how much a good broker can help them in choosing a good plan and save money by evaluating their needs every year. If I, as a broker, did not have significant value to my clients, I would not have the retention and growth in my insurance agency. I do not have any sub-agents under me. I complete all new sales and all ongoing service for all of my clients. It is hard to quantify exactly, but I would estimate that the total savings that I have provided to my clients over the years to be several million dollars. I hope that Congress understands the true value of a loyal broker who continues to serve his or her clients in the short-term and in the long-term. I have only focused in this letter on the savings I provide to my clients. This does not include help with claims issues and other services that a broker provides to his clients. If brokers are ever “done away with,” it worries me that many clients will suffer as they initially struggle to find the best plan for them, but also I fear that they will stay on the same plan for many years, even if, over time, that plan is no longer the plan that best serves their interests.

Many industries in America are served well by knowledgeable, experienced professionals who help their clients to find and participate in the best health insurance policies for them. I hope that Americans will always have the ability to call a professional health insurance expert, or in other words, their broker, to make sure they have the plan that best suits them from year to year. I cannot be an expert in every field, but I am an expert in health insurance.

I have spent 12 years, 30-40 hours per week (which equates 18,000-24,000 hours) dealing with health insurance issues. I hope Congress does not expect every

American to ever spend that much time, so that they would be as qualified as a broker like me, to truly make a fully educated, professional decision on their family’s health insurance needs from year to year. I hope America is allowed to continue to benefit from experts in every field, including an expert to help every American determine how to best handle their health insurance needs.

—*Duane Andersen (UT)*

About a year ago, I had lunch with an old friend who I only see twice a year—her birthday and mine. At the time—her birthday—I’d been working for the Utah Association of Health Underwriters for about nine months. She and her husband are small business owners. At my birthday lunch the previous August, when I’d been on the job only three weeks, I’d asked a little about their health insurance situation but I didn’t know very much myself. She had told me that their broker always worked hard for them.

So during last May’s lunch, I followed up with more questions about the business and their coverage. She said that although they offer coverage to their employees, she and her family were by far the biggest users. I asked what kinds of rate increases they had seen. She then launched into an excited discourse about what an amazing job their broker had done for them over the years and especially the past two years. She said their carrier had twice wanted to raise premiums by nearly 20% but that their broker had been able to talk them down to an astonishing 0% increase both times. I then asked who her broker was, figuring there was a chance I might have met them or at least heard the name in the past nine months. When she said, “Gina...,” I immediately completed the name. “Dalton?” I asked. “Yes,” she said, “you know her?” “You bet,” I responded, “She’s our legislative co-chair.”

I then found out that in the twenty years they’d owned the business, they’d had two brokers: Gina Dalton and her business partner, Robin Telesco, our state association secretary for the past several years. In the nearly two years that I’ve worked for UAHU and with agents, I’ve met many amazing people; men and women whose main mission is to get their clients the best coverage at the

lowest cost and to support those clients with top-of-the-line after the sale service.

Let's hear it for great brokers!

— *Martine Smith (UT)*

Alaska

I am very involved with my employer groups and 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 (AK)*

California

I have numerous anecdotes about clients who are feeling the pain of health care reform:

- Child-only applications that can't be effective next day due to minimum wait periods.
- Child-only policies not available after February 28 (except the birth month).
- Lower priced plans being phased out due the medical loss ratio requirements, forcing people in higher priced plans to drop altogether while forcing others to stay on lower priced plans with growing risk pools (and growing premiums) and eventually forcing them out of the market.
- People intentionally completing applications in a manner to get a decline so they are eligible for the lower priced state option.

The list goes on.

—*Nick Paloukos (CA)*

Before getting back into private practice in 2008, I had spent the prior 15 years as an executive with some of the nation's top insurers. During that time, I had spent considerable time and energy pushing agents and brokers to sell to the uninsured, indicating it was an opportunity as well as a responsibility. In my short tenure back into private practice, I have focused on the uninsured. A full two-thirds of my new group business written in the last 10 months was for either previously uninsured or for those uninsured due to lost coverage.

We can do well by doing good. The big numbers are nothing more than a compilation of all the little numbers we encounter every day. The bottom line is this: We can make a difference.

—*Brian T Sullivan (CA)*

I do not know how anyone thinks that the general public can easily choose from and understand the complexities of the different health plans and lines of health coverage that are available. Our client base so appreciates the service that we provide to them that we have often heard,

“We cannot do this without you” and “You cannot die until I do because I would not know what to do without you.” We receive thank you notes, flowers, referrals etc. based on the services that are provided by my office. The public is inundated with so much information that they need a professional to work through these issues for them. Additionally, many people are not internet savvy and thus are unable to research these kinds of issues on their own, especially seniors with Medicare Part D.

Brokers provide a very valuable service to the public by informing clients of the health coverage that is best suited for them.

—*Barbara McClaskey (CA)*

I just hung up the phone with a mother in Idaho who was crying over the cost of insurance and by the end of our conversation, she had hope for her family.

The information provided through The Education Foundation has been the saving grace for many of our clients this year. In my 20 years of doing business in our industry, never have I visited with so many people who are not covering dependents because of job loss or simply the cost.

For example, a colleague of mine had a 31-year-old future son-in-law hospitalized and needing a quadruple bypass with no coverage. We provided information and secured help and the person was relocated to a hospital that would render care. The cost share was still 40% and more than the patient thought he could afford on a \$15-per-hour job. End result: the patient actually received the care needed, although the first and second treating small local hospitals had surgeons refusing to treat based on the fact the person had no coverage. We truly saved a life!

You are a pioneer in our industry and I personally want to say thanks to NAHU for making my life a little easier! You've made a difference in our industry but more importantly, in the lives of many Americans.

—*Tomi Winn (CA)*

It is a fact that the majority of consumers are not insurance experts, and they need to have someone who is on their side to help them figure out the complicated terms and conditions of insurance products, not only during the buying process, but when they have to use the benefits of the policy.

We help our clients on a regular basis to understand and communicate with insurance claims departments and providers to get their rightful benefits. We are sure that without our help, many of these clients would have to pay hundreds or thousands of dollars more out of their pocket, or waste several more hours of their time to get their rights protected.

If consumer protection is a factor in any health reform, then there is no better way to protect the consumer than to have experts on their side. It is true that brokers make commissions on writing health insurance policies, but they earn every penny of that money in helping the consumer to choose the most competitive health insurance policy, and helping them get their rightful benefits during the claims process.

—*Vic Vartanian (CA)*

Jane had been insured with us for more than two years. She and her husband had moved to Arizona and started a small business. We had been their agents from the beginning. One day, Jane called to say she had submitted for pre-approval an expensive medication (\$15,000 per treatment) and it had been denied. I spoke to her and researched the issue. It seemed clear that it was medically necessary and had been recommended by Mayo and two other reputable medical providers. I felt it must have been an oversight and submitted an appeal.

The appeal was denied and now Jane was becoming critically ill and was told she might not live without the treatment. I got a HIPAA release and called the chairman of the board at the insurance company. I explained to them the concept of choosing the hill you really want to die on and that this was not that hill. I received a call from the CEO's assistant telling me the treatment had been approved and that Jane should begin immediately. Jane is alive today, two years later, and [she and her husband] are still clients of ours.

As I was curious, I asked the assistant why the treatment had been denied. She told me the original request had been denied as the treatment was not seen as being efficacious in this situation. The appeal had been sent to a physician who turned out to not be qualified and he had used information that was several years old. When I had called, I had included research that was recent and addressed the best new treatment for her condition. They changed claim procedure, fired the outside consultant and moved the claims supervisor to a new position.

This was a quality company that had not updated procedure. This was not a malicious mistake and they did the right thing in rectifying it. My staff made the difference when they did the research and stayed with the claim until it was settled. Had this been Medicare, Jane would have died while waiting for them to answer the phone, let alone dealing with the claim issue.

Good agents make a difference every day in the real lives of people. When it comes to insurance, our clients know that we work for THEM, and our value cannot be understated.

—*Bill Weaver (CA)*

Yesterday, I had an 84-year-old woman in my office who lost her husband two months ago. She came to me looking for a policy through Secure Horizons. Turns out she had a group plan with Secure Horizons through her husband's employer that was better than what I could offer. However, through errors, she was un-enrolled. We spent an hour on the phone with Secure Horizons and put her back on her group plan. She wanted to pay me for my time, but I told her to just refer me to her friends.

—*Anthony Halby (CA)*

A client of mine referred Todd to me for help. As a sole proprietor, Todd has an individual plan for himself and his family. A medical condition shared by him and his son is kept under control by extremely expensive home injectables and with the current economic landscape, they weren't sure what to do. Once we understood their pharmaceutical needs, the key was in determining an allowable plan transfer with the lowest out-of-pocket maximum that had the same drug coverage as his current plan. With some explanation and after walking

him through numerous scenarios, Todd came to understand that the solution was an HSA-compatible plan. The plan transfer was not a simple one, however, because the coverage for his complex treatment plan could not be easily determined from the scant benefit summaries and misinterpretation was simply not acceptable. On many conference calls, even at a supervisory level, our detailed questions baffled the carrier's service and membership department, but with persistence and attention to detail, the results were quite rewarding.

—**Jeff Bader (CA)**

Jeff,

I just called Blue Shield to confirm they got the plan change. They got it and told me the transfer was approved and will take effect May 1.

While I was on the line, the agent confirmed that everything in 2009 applied against the deductible and the plan will be transferred. So, that is very good news.

Thank you for all of your help. I know we had complicated insurance needs to navigate—but you figured it out for us—and I expect the plan change will save us anywhere from \$8,000-12,000 per year.

Stand ready; I will be giving your name out to everybody I know.

—**Todd G. (CA)**

I have worked with Paula Wilson for more than 18 years and at two employers.

At my previous business, as one of the owners, I needed an insurance representative who would provide not only good information for determining plans and employee benefits, but who would assist me in administering our plan appropriately. As an owner of a company with about 15 employees, I could not hire a plan administrator and had little time or ability to deal with individual employees and their concerns.

When one of my staff had a toddler with a seizure condition that was beyond the expertise of her pediatrician, Paula worked directly with the parents to arrange for appointments with specialists at UCLA and

to verify the insurance coverage each step of the way. Her attentiveness eased the parents'—and my—minds during a very difficult family time.

Whenever we had a question about coverage, about procedures, about unpaid bills, we simply gave Paula a call and she worked directly with the employees to resolve their problems.

In 2001, I sold my business and moved to Lancaster and took a job as an administrator at a small private school with about 60 employees. After a year, I recommended to my boss that he interview Paula as a replacement broker. Her record of service at my previous business had impressed me greatly. Paula comes to our location twice a year, once to review plans and once to present to our staff. After she has met with staff and established our program for the year, she always makes herself available to talk with individuals about family concerns and special circumstances. She is always just a phone call away for any employee with questions, problems or concerns.

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)**

Dear Colleen,

This is to thank you for the years of good service you have provided my clients. In 35 years as an administrator of businesses I have never found a broker that gives the consistently excellent service that Kosich & Callahan has provided. You are truly masters of good service. Your staff is professional, friendly, patient, and always seem to be available by phone. They follow through quickly with resolutions to inquiries. Moreover, you have demonstrated excellent ability to solve underwriting problems. There were times when you were able to get coverage in desperate conditions. Your willingness to make house calls and presentations to employee or owner groups to explain insurance programs is a valuable service as well. I cannot thank you enough for good service you have given my

clients. I continue to have total confidence in your firm's advice.

John C.

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.

I was referred to Kosich & Callahan by a trusted associate and choose to continue to work with them because they have done nothing but patiently guide me through the insurance process during our company's seven year continuous growth. A friendly person always answers the phone and they return calls quickly. I also love that they keep me constantly notified of policy changes. I consider Dick and Colleen Callahan friends and will continue to be loyal to them.

Kim D.

— **submitted by Colleen Callahan (CA)**

When we became the agents for Chris' business we told her she was not hiring us to do quotes, she was paying for our advice and service. Over the next many months we worked with her employees and managed the various service issues that came up. And then Chris became pregnant, which was considered high-risk because she has lupus.

Any agent can get quotes and any insurance company can promise to pay claims but the real test is when somebody really needs help. In Chris' case it was matter of life and death.

Having lupus, Chris knew that at some point in her pregnancy she was going to have to go off her medications. That day came, and she became so sick they had to take the baby almost two months premature. I went to the hospital and held her hand while she asked that I take care of her employees if this did not work out. Chris died that night.

When Chris died, it meant her coverage would cease at the end of that month for the baby. I called Blue Cross Blue Shield and told them I was going to use HIPAA and put the baby on their coverage. The people at Blue Cross contacted the hospital to assure them the baby would

have continuous coverage, and they facilitated the coverage change and claims payment.

When the renewal came up, Chris's sister who now ran the company insisted that the group be moved to Blue Cross no matter what the cost might be. We made that move and they are still with Blue Cross.

I tell you this story because I know what a difference a good agent can make in someone's life.

—**Bill Weaver (CA)**

I help my clients daily by assisting them in estimating the cost for new employees and their dependents. I send them worksheets with the rates for different plans and the benefits, explain the benefits for the different plan choices and compare the rates to the plans to make sure it meets each employee's needs. I also assist with the enrollment of new employees by forwarding the applications and having the applications sent to my office where my staff reviews them for completeness before we forward to the carrier. In addition, we follow up with the carriers to make sure the employees have been added to the correct plans on the correct date they are eligible.

Most recently, I have been in contact with all of my group clients to assist them with terminating employees during layoffs and letting them know about the new ARRA laws so that they can contact their COBRA administrator or administer themselves. In addition, I have been pointing those without an administrator to the Department of Labor website to print the new notices to send to all employees who have been terminated since 9/1/08. In addition to this, I have assisted many small groups in changing their plans off of their renewal anniversary in order to cut costs during these difficult economic times.

Each year, when the anniversary date occurs, I present each of the companies that I work with a complete proposal outlining their current plans and comparing them to all of the other carriers' plans to find the best fit for their business at that time. I analyze their situation and make recommendations based upon the employers and employees criteria to find the best plans or combination of plans for their business.

If the employer decides to make a plan switch, we conduct employee meetings to explain the new benefit plans and enroll each employee on the new plans. We collect the employee and employer applications and DE-6 forms and other requirements from the employer and review them for accuracy. We contact the employer for any additional items that were not submitted and send to the carrier. Then we follow up with the carrier to make sure everything is complete for the issuance of the new contract. In addition, during these changes, there are often issues with an employee or employees not receiving an ID card in time or needing to access the correct provider under the new plan. Perhaps there is an issue with the new carrier not billing correctly and we assist with straightening the bill out. Sometimes the old carrier does not cancel at the correct date or close the claims correctly because the wrong termination date has been input into the claim, and we then work to fix these issues.

If any of the employees have issues with claims, I call the membership department for the carrier and work with them to resolve any issues. If there is an issue with billing, my staff and I contact the carrier to correct the bill for the client's benefit.

I have been in this business for 30 years and am a professional. Quality service is the name of the game and the reason I retain 95% of my clients on an annual basis. My clients are my business. They are the most important thing to me. I value each and every one from the smallest to the largest and work each and every day to make sure they are satisfied with the plans, rates, and services they receive from my agency.

—**Robert R. McIsaac (CA)**

Several times a month, I am contacted to resolve a bill that seems inaccurate. Sometimes there is a coding error that can be changed easily. However, I am currently working on a coding error that has yet to be resolved in eight months.

I often receive calls from clients stating that they are simply overwhelmed by the explanation of benefits and the billings from providers. I will simply take the information, simplify it, and tell the client which bills to pay. The most complicated resolution involved multiple

procedures at UCLA over a year. There were hundreds of bills and EOB's that I placed on an Excel worksheet and resolved to the client's satisfaction.

Sometimes we pursue resolutions for months that should have been handled by the carrier in a day. One client placed her Primary Care Physician's (PCP) name and proper code on her application. The carrier made a mistake and assigned her to a medical group miles away from her home. She was on a Point-of-Service plan and was charged a co-pay each time she visited her PCP and did not realize she was being covered under the PPO portion of the plan. When she required testing, the deductible of her plan was charged and only a percentage of the bills were paid. This resulted in over \$4,000 worth of bills that should have been covered under the HMO portion of the plan. I made two appeals (both rejected) explaining that the carrier had made a mistake when assigning the PCP. Finally, working through an executive at the carrier, the client's PCP was changed and the client's bills were reversed.

In closing, I have enjoyed my career in health insurance. I have also been a Peace Corps volunteer and a community volunteer. There are many experiences for which I am grateful, but it is helping people access and pay for health care that has given me the greatest degree of satisfaction.

—**Stephen W. Graeber (CA)**

For over 25 years, English and Company has continued to service, implement and communicate the latest trends, designs and products to small businesses throughout California. Our personal services along with our loyal clients have been our foundation. Over the years, our clients have seen the latest in providing benefits at the most valuable and affordable manner possible due to English and Company's communication and servicing.

At all times, the interests of the clients have come first. If I had not stayed in close contact through newsletters, phone calls and periodic visits, most of these business clients may have sought other avenues without the personal services English and Company provides each and every day. Minimum annual renewal reviews cover employee communications, allowing each employee

personal time to make sure they understand the best methods for cost containment, utilization, understanding how to get the best quality from their health care plans, and gives them a chance to ask questions and have access to our personal toll free number.

—*Mary Anne English (CA)*

When I have my first appointment with a new client who owns a business, I always say: “Let’s draw a line in the sand. I don’t want you in the insurance business and you do not want me in yours. The only paperwork I will ask of you is to pay your monthly premium each month and I will take care of your new employees being added on to the plan. When you have an employee who is leaving I will take care of the necessary paperwork and make sure the Cal-COBRA or COBRA paperwork is complete. By doing all of this, you (the employer) do not have to worry about the insurance paperwork for your employees and you can continue to run your business without any hassles.”

When I am enrolling a new employee to the plan, I will fully explain the benefits and value of the plan and explain how to get the ‘best bang for his/her buck’. For example, when getting your preventive work done, do it at the beginning of the year so if they find anything wrong, you will have the balance of the year to meet your deductible and your coinsurance. If you wait until the end of the year and they find something wrong and the treatment goes past December 31 into the next year, you will have two deductibles and coinsurance. By doing it this way, you can potentially save yourself a lot of money.

In some ways, I am the employer’s human resources person off-site and payroll. I often receive calls from the employer asking me how to handle an employee situation and I do my best to give them good advice. I don’t just sell the plan; I am there to service it always. At the time of the yearly renewal, I am there to ensure the benefits are being accessed correctly and that the benefits are priced competitively. If they are not it is time to shop around for benefits that are more cost-effective. My first concern is always the employer, not the insurance carrier.

I have found, in 35 years, that most people look at insurance as a foreign language and they want me as their translator. They trust me and the services that I represent. The agent does matter!

—*Jerry Abels (CA)*

The following are a few recent experiences that made me feel good about what I do:

1. A client’s employee was going in for surgery and, as such, was fairly tense. He tried to do all his homework ahead of time but when the hospital told him he had a co-pay of \$100 on his HMO, he was confused and contacted his HR department. They referred him to me, the broker. I was able to speak with him directly and provide the following resolution: I contacted the insurance carrier and discovered they had his entire group coded incorrectly, they made the correction and refunded two other claimants who had paid the erroneous co-pay and the employee was able to go into his surgery with the peace of mind that he was 100% covered, just like he originally thought.
2. A client with a new staff member had not properly reconciled their carrier bills for several months. Even though the carrier’s policy is to issue retroactive credits only two months back, we were able to advocate on the client’s behalf to obtain a \$34,000 credit from the carrier.
3. A client’s employee kept receiving a \$550 bill from a lab that they didn’t feel they were responsible for. In researching this bill with the insurance carrier, we discovered that the lab hadn’t properly billed the insurance carrier and therefore the claim was denied. The lab tried to get the funds from the employee, but according to their contract with the insurance company, they must write off the charges. We were able to facilitate communication between all parties to ensure the lab stopped billing the employee and did not send them to collections as had been threatened.
4. A client’s employee complained to his HR department that his wife’s prescription drug claims were being declined. My colleague researched the issue and found the problem. She explained the dual

coverage details to the employee, helped him analyze whether they should maintain dual coverage, and developed a system where we intercept the prescription drug claims to have his insurance carrier manually adjust them and reimburse their monthly out-of-pocket expenditures.

These are just a few day-to-day examples of ways brokers and their staff can and do help folks deal with very real issues in their lives. Our detailed and professional knowledge and understanding of the industry allows us to help people save time, energy and money by advocating on their behalf throughout the health care system.

—**Cerrina Martin (CA)**

Please accept this letter as my way of stating the importance of our company's health insurance Broker. Each year as we begin to come close to our open enrollment period, I can always count on our broker, Paula Wilson, to come to the table with several options, companies and prices for us to look at. The thought of not having this type of personal service or even worse, the thought of having to find the time to shop for these services myself, along with obtaining the expertise to navigate the insurance field, is nothing short of terrifying. Paula has always been available to all of my employees if they were having a problem with their coverage and she has always been happy and quick to respond. She is also a huge help to me in dealing with sometimes uncooperative health care providers. You just can't replace human relationships with a voice on the telephone. It is a full time job handling the daily payroll and human resource duties for my company and I don't believe that putting extra undue and unnecessary pressure on a single individual is good for anyone, especially when we are talking about health care issues.

I believe that it is in our country's best interest to have businesses compete for the business of their clients because it brings about better customer service, honesty and pricing. I also feel that the government itself seems to have quite enough on its plate to be anywhere near effective in handling that job as well as agents do. Brokers are providing a service for those who choose to use and pay for that service and for those that choose not to use them there are other options available.

I appreciate that the purpose of any type of reform is to improve what is assumed to be a flawed system. Our broker for insurance offers our business an asset that, quite honestly, I don't feel the government is able to handle. I wouldn't pay for sub-standard service and I'm really just not interested in the offer that is currently being presented as an alternative.

—**Ramona Tire, Inc. (CA)**

I make a difference in the lives of my clients every day. I have been an insurance agent since I was 22 years old, and I am now 48. My primary focus used to be property and casualty products, but over the last 10 years, I have concentrated on health insurance. I love helping people and that is why I love my job. In California, there is guaranteed health coverage for employers with at least two full-time employees, but most businesses are not aware that this guaranteed coverage exists. I am a strong advocate in assisting people with setting up small group plans. So many satisfied customers have told me that they never knew of the guaranteed-issue law in California and are so grateful to have an experienced agent to work with.

In addition, with so many flexible options for small groups, the employees and their dependents can choose the plan that is right for them. I think the majority of Americans want choice when it comes to health care, and in California, that is what an agent can offer...choice! I have had so many people research insurance plans on the Internet only to come in my office and say that they need an agent to help determine the best plan for their needs. That is what an agent does...we help people and guide them through the process. Agents and brokers are a vital tool in the health care system.

—**Jeff Kane (CA)**

I am a health/life insurance broker specializing in individual/group health insurance, life insurance, and Medicare Advantage/Supplement plans. As an independent, non-salaried broker, I am free to recommend the products of any company I choose. I am very comfortable in this role as I much prefer teaching/consulting to "selling" one product or company. This business model also creates the incentive to build honest, long-term relationships with clients. I

am in the trenches every day trying to find my clients the best possible health insurance options – be they private or public.

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, underwriters, doctor's offices, etc. But our primary role, or "talent," if you will, is the ability to communicate complicated information in a manner consumers can understand. There is an absolute necessity for a qualified field rep who can help the public wade through the complex web of information, regulations, and bureaucracy that epitomizes both private insurance and government Medicare.

I am a vital link in the health care system. I am the oil that makes the machine run. I have strong general knowledge of all its parts and thus can create more open, efficient communication between them. The relationships I have formed with knowledgeable, intelligent people at insurance companies, physician's offices, and the state/federal government gives me the ability to quickly and effectively solve client problems with better long-term satisfaction for all. Trust and professional respect are the qualities that make these relationships work and allow creativity and common sense to reign over stifling bureaucracy and unbending regulation. Without these relationships, my clients and I would feel much more like numbers dealing with other numbers in these big organizations. Consumers need objective, personal liaisons that have their interests at heart and, most importantly, can make the health care process a little easier for them.

—*Rick Bruner (CA)*

Nevada

Thank you so much for the opportunity to communicate some of the benefits that our clients realize by utilizing our health insurance agency. As you well know, many people are intimidated by the larger insurance carriers. This feeling of helplessness leads to several major problems. First, many claims go unpaid or unprocessed due to incomplete information or misunderstood explanations. We, as brokers, let our clients know that we are here for these issues and so many more. Second, many of our clients do not understand the language in their health insurance policy and often neglect to take advantage of preventive services that are offered at little or no cost through their existing policies. Finally, many groups that we insure do not understand the waste of excess insurance. We explain that working and insured married spouses should not cover each other as secondary insureds. I cannot list the dozens of experiences that our team has had in stopping garnished wages for unpaid claims, calling out-of-network providers to work out payment plans and making sure a prescription gets filled for a client (even though the pharmacist cannot verify coverage on the computer). Our customer service reps become so attached to our clients that many times we field calls from them for the simple questions like “Where do I go to get the best deal on generics?” to “How do I seek medical advice for prenatal care?”

My brother Frank and I started our health insurance agency in 1991 and I know that we have helped thousands of clients not only save money (by constantly shopping carriers for the best deals) but also to lead healthier lives through our assistance in utilizing their benefits to the fullest potential.

—*Michael A. Caparso (NV)*

I am an independent agent, so I work with many different companies. I simplify for my clients the different plan designs, the benefits, and the underwriting requirements and payment options. I help my clients, based on their particular situation and needs, determine what to look for in a carrier; a health plan and a network. My carriers are unique and my clients are unique. I use my understanding, knowledge and skill to match the client with the carrier in a mutually beneficial contract.

I work in the individual, small group and senior markets. I feel that I am a valuable asset to both the client and the carrier and my clients have confirmed this with their feedback.

—*Laura Tenney (NV)*

Oregon

I obtain many customers who have applied for coverage online or directly from the insurance carrier and are declined. I have a meeting with them in which we go over their application and what was reviewed by underwriting. I request the client to bring in their doctor's notes for each item they checked "YES" out of the 50 medical questions.

I helped one individual who was previously declined in May of 2008 and she was able to obtain coverage in December of the same year. She answered "YES" to 5 of the 50 medical questions. I called her application the "book" because the total pages submitted were 30 pages!

I helped another individual who was declined and then later received a waiver for a pre-existing condition for two years and the client was "more than willing" to accept the waiver and obtain coverage.

It is hard for me to accept defeat and I urge my clients to "fight this decline." I help them get out of the Oregon Medical Insurance Pool and on to a better plan.

My clients love me and the above scenarios are just some of the ways that I provide excellent customer service. Can Oregon Health Authority or the federal government provide this? I doubt it.

—*Donna R. Green (OR)*

I have been in the group health insurance business for more than 23 years. While the annual renewal process, carrier selection, funding arrangement, etc. are important for clients, it represents a fraction of the time I spend with my clients.

The most recent issue I have spent time resolving with my clients is with the new ARRA/ COBRA law. My employer clients have been calling us left and right to explain the regulation. While we are not lawyers, we can provide them with documented resources from the IRS. Many answers are on the IRS website but it is impossible for the average person to navigate the thousands of subjects and pieces of information. One particular client who has part-time personnel is trying to run his business but needs constant help with insurance procedures and

government regulations. Another client has an employee whose dependent has an illness that the hospital and third party payer cannot seem to get straight because of a coding error. No one will call her back and all she gets is the collection agency demanding payment. The employer does not want to get involved because of the person's health information and the HIPAA regulations. We are the middle person that speaks both languages.

—*Rebecca Swanson (OR)*

I am an independent insurance broker and have specialized in health insurance products for 23 years. I employ three other individuals, two of whom are also licensed. We don't sell insurance over the Internet...we sit down face-to-face with each of our clients, explain their choices to them and let them select what works best for them. These appointments can sometimes take an hour and a half or more. We do a lot of business in the Medicare market. The meetings with senior citizens can sometimes take twice as long, particularly when trying to explain their options for a Part D prescription drug plan. We run their list of drugs through the various formularies so we can determine which plan will be the most cost-effective for them. For this (the prescription drug component), we make \$6.00 per month. That's right—\$6.00! I can't think of one government agency that would offer that type of service for such a small amount of money. We even make house calls for our elderly clients who can't make it to the office.

We handle all of the claims after the sale as well, troubleshoot on behalf of our clients if any billing errors are made, and assist our clients in the appeals process if that becomes necessary. Our clients truly appreciate the service and are constantly sending us thank you notes, bringing us cookies and other goodies and most importantly, referring their friends and relatives to us because they know we will give them the same excellent service regardless of how much or how little money we will make on the product we are selling.

—*Rebecca Swanson (OR)*

Washington

I have been a licensed insurance agent for 24 years. During those years, I have helped thousands of people become insured, understand their benefits and how to use them, as well as provided assistance at claim time. There have been a lot of changes in 24 years. What has not changed is that people want their employers to decide on their benefits. The American public really tunes in to their coverage when disaster strikes—a heart attack, major diagnosis, stroke, etc. Then they are interested in what their benefits provide. Unfortunately that is when it is too late. My job over the past 24 years has been to take care of my customers. I insure them with the coverage that best meets their needs.

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 an 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.

I am also helping a long-term client who had two grandchildren born in November with severe disabilities. One of the babies died this week and the family is not able to make their way through the insurance options they have through their employer or through the government. They are working with Apple Health (our children's program) and SS Disability. These agencies aren't coordinating with one another so the grandmother called me for help. I was able to retain a HIPPA release and was able to speak with both SSI and the Apple Health to sort everything out for this family. I won't get paid a penny, but the personal satisfaction is gratifying and the family is thankful.

Another client aged 55 obtained what he thought was Comprehensive Medical Coverage through AARP. It wasn't. He needs a tendon reattachment in his thumb/hand and this coverage is not provided. He bought this coverage over the internet and trusted AARP. Had he worked with me way back when, I could

have told him this coverage was extremely limited. Now he is not insurable under our state individual plan as he has a pending surgery for which he will have to pay \$37,000 out-of-pocket.

I also enrolled my mother on a Medicare Supplement plan. She was thankful as she had been bombarded with information that she just didn't understand.

Independent agents do good work every day and should be part of the solution. We provide a valuable service to the public. And, when people take time to research their options, we can find them affordable health care.

—**Dana L. Brown (WA)**

Steve,

I wanted to take a minute to express my thanks and appreciation for all Albers has done for me and BCRA in the past three months.

As you know, in October, I came to BCRA in the position of benefits administrator. I came into the company after taking several years off to raise a family. I came in at a time when the company was preparing for an open enrollment period. It was also a time when businesses were facing their own economic challenges. This combination could have created many hurdles for us as we began the process of re-negotiating our contracts. After our introduction in October you and your team began the process of researching plans and premiums that would best meet the medical needs of our employees and financial needs of our company. I know this was challenging as the premium rate increase was substantial. But with your honest and expert recommendation, we were able to narrow down the multitude of choices you presented to a dual option for our employees. This was an arduous task as we required many layers of communication, sometimes repetitive but always needing flexibility. Your team was always responsive to whatever our need or requests were in order to facilitate a decision.

Once the decision was made, Albers was always available to help walk us through the transition. As we were changing plans and renewing contracts you were working

behind the scenes to make sure all the paperwork was completed accurately and on time. You handled the open enrollment employee meetings very professionally and we have enjoyed the use and ease of the Employee Benefit Center ever since. The administrative work after the open enrollment has presented its own set of challenges. There has been less than accurate or sufficient communication with the carriers. There is no way I could have handled the transition without the help of Albers.

I am so grateful for the service we have received from Albers and Company that I wanted to let you know the extent of my appreciation. I would like to name a few people that have really stepped up and successfully contributed to the administration of our benefits.

Rick Rosaaen. Rick was one of the first people I met. He is friendly, easy to talk to, accommodating and very intelligent. I appreciated Rick's willingness to come into a meeting with little or no notice. He listened to our concerns and tried to find the best answer possible to all our questions. I really enjoy Rick's personality and the ease with which he deals with people. I know he does a lot of work behind the scenes and I know we benefit from his hard work and I'm grateful for all his work on our behalf.

Kristin Verone. I have never met Kristin but I know she has met with many of our employees individually. She has been a great resource for our employees seeking assistance with individual plans and Medicare. Each employee who has had the opportunity to meet with her has come back with good reports. Each of them had complimented her and commented on the benefit she was to them.

Brent Price. Recently we have had the pleasure of meeting with Brent regarding an inquiry and interest in long-term care. Brent was given a short lead time to present some options for us to consider. He was flexible, informative, and professional. He presented his findings as well as his recommendations with noticeable expertise. I have appreciated working with Brent on our latest research efforts.

Patty Rice. Patty, like Rick, was one of the first faces we saw. From the beginning she has been there holding our hands through the last three-plus months. I have Patty's phone number on speed dial and don't hesitate to use it!

She is extremely knowledgeable, accommodating, understanding, and helpful. I know there are many days she has worked late and on weekends on our behalf. She has interfaced for us on all levels of the open enrollment process with the carrier and our employees. She has gone to bat for us during negotiations and flexed her muscles during the frustrating transfer of plans. Patty is a pleasure to work with and she has our confidence. I trust her to handle any concern I may have in administering benefits within BCRA. I know that if she can't handle it, she will find someone who can. I really appreciate the relationship that has developed between us.

In closing, I just want to reiterate my appreciation to Albers and Company and the services you have provided BCRA and myself in the last three months.

—Jeni Enslin (WA)

I met with an employer in Spokane, WA last week and conducted an employee meeting to share ways to save money in the use of health care services and go over the benefit design of this group's current group medical insurance plan. This is a service that our firm provides on a regular basis for all of our 750 employer-employee group clients.

After the meeting, four employees approached me with concerns about finding a primary care physician who would be willing to take them as new patients. One of them had experienced a stroke a year or so ago and hadn't been able to get any assistance from his specialists to locate a primary care physician that would take his case. Our firm contacted our local medical society and was able to locate a medical practice that would take these employees on as new patients.

This is just one of many consumer advocacy roles that we play for our clients.

—Mark Newbold (WA)

We are a very small agency (six licensed agents) and most of our clients are small businesses as well (under 50 employees and many under 10 employees). Small businesses make up the bulk of eastern Washington business and are essential to the survival of our small cities. As brokers, we shop for workable benefit options and help small business owners with HR responsibilities

as many of them are too small to employ HR people. We conduct employee meetings to explain benefits and help with completion of enrollments. The most important benefit we bring to the small business owner, however, is knowledge. We work hard to educate ourselves on the ever-changing landscape of employee benefits so we can pass this knowledge on to our employer groups.

The most recent example is how the ARRA affects COBRA rights. Small business owners are busy managing their companies and don't have the time or the resources to keep up on all the government regulations that keep being added to the already over-abundance of required compliance items.

Good agents are the backbone of the insurance industry whether we are recognized or not. The measly 1-10% commission we make for all the hours involved, particularly behind the scenes, pales in comparison to what it would cost the government to provide the same services. All we have to do is look at the mess Medicare is in and particularly the underestimation of Plan D costs to see that government control is not the answer. So much of the time, what looks good on paper does not work in the real world. Sadly, the majority of our elected leaders have forgotten what it is like to live in the real world so it's no wonder they sign onto something without thinking it through.

—*Deborah Kay (WA)*