

Public Testimony by Phil Boyle to the Public Health Committee regarding the Establishing of the Connecticut Health Insurance Exchange March 23, 2011 (Bill No 1204; LCO No 4741)

Senators, Representatives, Chairpersons, Ranking Members and Members of the Public Health Committee I appreciate the opportunity to provide testimony today.

My name is Phil Boyle. I have been a health insurance broker for the past 15 years. I work for an independent agency which is located in Plainville. I am here as a member of the Connecticut Chapter of the National Association of Health Underwriters (commonly referred to as NAHU), the National Association of Insurance and Financial Advisors, Connecticut, (NAIFA), and the Connecticut Benefit Brokers.

I am testifying here today with suggestions on how to improve the operation of the Exchange, defined in the federal health reform legislation which will be developed in Connecticut. Some of the points in my written testimony are to the Exchange in general and others apply directly to Raised Bill 1204, An Act Establishing the Connecticut Health Insurance Exchange.

Professional Insurance Brokers are here to help:

For many years in our State and Country, individuals, employers, employees, and their family members have benefited from the work professional health insurance brokers do on a daily basis to help them select and purchase health insurance. Brokers assist employees of companies and individuals to use their health coverage effectively and make sure they get the most out of their benefits. Brokers assist employer groups in designing their benefit plans; and brokers communicate those benefit plans to the employees. Brokers also help after the implementation of a health plan at an employer group, by providing assistance with such things as billing errors, claim issues that may include interacting with medical providers to correct a coding error.

Brokers will help employers of all sizes to ensure compliance with state and federal laws. Actually compliance has become an increasing educational service which brokers provide as healthcare reform is implemented. These examples show services professional brokers often provide, in addition to helping obtain medical insurance, especially for small businesses, as vital human resource functions.

Addressing consumers' needs quickly and providing consumers with accurate information about their health coverage options will be a natural fit into the Exchange participation. In fact, for all these reasons, state-level private purchasing exchanges which have achieved success, have elected to utilize the services of agents and brokers.

Consequently, we believe, for Connecticut's Exchange to be successful individuals and employers participating in the exchange need to have the option to contact a certified, state-licensed and independent agent/broker for assistance. In addition, the federal health care reform law (PPACA, Section 1312) (see note #1) encourages the use of Brokers in the Exchange process. Furthermore to improve coverage rates, Connecticut should also consider offering agents and brokers financial remuneration for bringing individuals eligible for federal public programs, like Medicaid and Husky, into the coverage system through the exchange.

Comments on improving Exchange operation and suggestions on Raised Bill 1204

Use the Experts – We are looking at this Act in Hartford, which is called the “Insurance Capitol of the World”. The private marketplace in Connecticut has years of experience understanding the importance of evaluating risk in medical insurance; insurance operations; and the interest and needs of consumers. Thus as a way to ensure the Exchange is as beneficial as possible to consumers and will be able to operate as efficiently and effectively as possible the provisions in Section 2 (4) restricting individuals who understand the Connecticut medical insurance marketplace from involvement in the Exchange governance process should be changed.

The number of exchange directors should be expanded to include members who have extensive experience in health insurance company operations and those with knowledge of consumer’s needs and interests. We suggest adding a member with medical insurance actuarial experience; one with medical insurance company operation experience; and one who understands consumer interests such as a professional medical insurance broker.

Freedom of Choice - This Act should not be construed to preclude the operation of or establishment of separate, privately run insurance exchanges in the Connecticut, nor should it preclude the ability of individuals or small employers to purchase health insurance directly from a medical insurance company outside the exchange, or to preclude the purchase of health insurance by consumers if an exchange is not in existence.

More Health Insurance Plan Options - The types of medical insurance individuals need and want varies as their point in life changes. The focus of the Exchange is to help consumers thus the number of plans offered should not be limited. Participating health plans will understand the marketplace and add or decrease the plans offered to meet consumer needs.

Thank you for your time.

Notes:

(1) PPACA Section 1312 – Consumer choice

(e) ENROLLMENT THROUGH AGENTS OR BROKERS.— The Secretary shall establish procedures under which a State may allow agents or brokers—

(1) to enroll individuals and employers in any qualified health plans in the individual or small group market as soon as the plan is offered through an Exchange in the State; and

(2) to assist individuals in applying for premium tax credits and cost-sharing reductions for plans sold through an Exchange.

In support of protecting consumers agents and brokers and others who would like to participate in selling and servicing products through an Exchange could be further required to complete an annual certification process. The certification process being developed will address private coverage options, public assistance, and subsidy-eligible options to ensure everyone involved in any aspect of enrollment through the Exchange is familiar with all consumer choices. Fully trained advisors will help increase overall enrollment.