



# Broker Roles & Interaction with Exchanges

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# Typical Producer Services

## Comparison shopping

- “Spread-sheeting” multiple carrier/plan options
- Benefits; cost-sharing; networks and premiums

## Trusted Advisor

- Provide HR support (insurance rules and regulations; employment law)
- Works closely with owner on benefit strategies and goals

## Enrollment

- Carrier underwriting regulations
- On site employee meetings; education
- “Scrub” applications; oversee enrollment process

## Service and Advocacy

- Solves the “ugly claim problem”
- Eligibility issues
- Billing and payment issues
- Par providers, out of network charges, balance billing in-network

# Typical Producer Services for Medically Underwritten Individuals

## Qualify Individual

- Field underwriting

## Comparison Shopping

- “Spreadsheets” multiple carrier/plan options
- benefits, cost-sharing, networks and premiums

## Enrollment

- Scrub application and accept the first month’s premium

## Service & Advocacy

- Billing and claims payment problems

# Will Exchanges Contract with Brokers?

## Direct Contract

- Exchange is G.A. for issuers
- Exchange pays brokers the “market” rate
- Exchange strategizes with brokers around sales goals/programs
- Exchange trains, appoints, measures & re-appoints (or not)
- Exchange decides brokers’ non-group role

## Carrier Contracts

- All issuers must appoint certified agents
- Carriers pay brokers their “standard” rates
- Carriers strategize with brokers around sales goals/programs
- Exchange trains, certifies, measures & re-certifies (or not)
- Carriers decide brokers’ non-group role

# Who makes & enforces the rules for broker channel?

## Direct Contract

- DoI sets marketwide rules
- Exchange appoints and sets incentives & rules for selling QHPs in the Exchange

## Carrier Contracts

- DoI sets marketwide rules
- Issuers appoint and set incentives for selling all their plans
- Exchange or DoI sets rules for selling QHPs in Exchange

# How does the Exchange learn from and relate to brokers as a “user group?”

- Hire an experienced Sales Manager
- Routine meetings with a broker council
- Early input into SHOP design
  - QHPs
  - Broker support tools
  - Outreach & education
- Process their issues first
- Develop sales/product strategies for them
- Seek market updates & trends

# How should the Exchange market its value proposition ~~[to]~~ with brokers?

- Position employee choice model as defined contribution
- Use employee choice to save employers premium dollars
- Tax credits and affordability schedule are unique to the exchange
- Employer funding thru tax-preferred accounts of direct purchasing in the HBE?

# Other services sold by brokers in the small business market?

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Brokers can sell these services, as part of 1-stop shopping & channel management:

- Life insurance
- Long-term disability
- HRA & FSA set-up/administration
- Property & casualty insurance