

Health Insurance Brokers: An Important Consumer Protection

By Janet Trautwein

When Jane, an Arizona small-business owner, became ill, her doctors prescribed a medication that cost \$15,000 per treatment. She wasn't sure how she would be able pay for it, so she turned to the only person she knew with the expertise to help: her health insurance agent.

Agent Bill Weaver navigated the claims process on Jane's behalf, explaining that her treatment was medically necessary and recommended by the Mayo Clinic and other experts. He even phoned the insurance company's chairman to make sure that Jane would receive the proper care.

While making Jane's case, Weaver discovered new research previously unknown to her insurer -- research that caused the company to pay for Jane's treatment right away.

There are hundreds of thousands of Americans like Jane -- living testaments to the value of health insurance agents and brokers who act as consumer advocates.

Unfortunately, portions of the new health care law may undermine agents' ability to stand up for their customers. Any attempt to squeeze brokers out of the marketplace -- as new rules limiting what insurers can spend on commissions intend to do -- will end up harming consumers.

Anyone who has ever shopped for insurance understands the importance of having a professional adviser. An agent or broker can help individuals and small businesses compare the costs and benefits of competing policies -- and match them with coverage that fits their needs and budget.

But for most agents, a sale isn't the end of their relationship with a customer -- it's only the beginning.

Most agents and brokers spend at least half their time servicing clients after the initial sale, according to a new survey commissioned by the National Association of Health Underwriters, regardless of the size of the business. Almost 95 percent assist with claims and billing issues -- and nearly 90 percent help with compliance information on a daily basis.

Health insurance agents and brokers have also proven particularly indispensable to small businesses. As the vice president of a California small business wrote of her broker in a NAHU survey, "I don't have time to monitor the constant changes in health insurance. Callahan Insurance knows its business, which lets me focus on mine."

No less an authority than the nonpartisan Congressional Budget Office has detailed this phenomenon, stating that agents and brokers often "handle the responsibilities that larger firms generally delegate to their human resources departments -- such as finding plans and negotiating premiums, providing information about the selected plans, and processing enrollees." Small firms also count on brokers to keep them in compliance with a veritable alphabet soup of state and federal laws -- including the new health reform package."

Critics suggest that agents and brokers add unnecessary costs and could be replaced by a

government-run entity. But the government has a poor track record in this regard.

Take 1-800-MEDICARE, for instance. A recent U.S. Senate hearing and investigation found that callers to 1-800 MEDICARE were greeted with confusing voice menus and long wait times. Those seeking help frequently received the wrong information or were simply disconnected.

The federal government's new health reform website HealthCare.gov is designed to provide consumers with information on their health insurance choices, but for some people, all that material may be overwhelming and confusing, particularly for those who aren't internet savvy. But the bigger issue is that finding coverage is only the first step. When it comes to using health insurance coverage, personal assistance can be critical

Consumers crave personal attention. An IBM survey found that three-quarters of consumers were very satisfied with their agents and were committed to working with them. A majority said that no amount of savings would make them switch.

Depriving consumers of the know-how of health insurance agents and brokers would be a mistake. These professionals sweat the details for American families and employers -- empowering them not only to be smart shoppers in the health care marketplace, but also making sure the coverage they've purchased is working the way it should .

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