

The Affordable Care Act's Special Agents

By Janet Trautwein

America's uninsured rate just hit a seven-year low.¹ Yet nearly 30 million people still lack insurance. They're just one accident or illness away from financial catastrophe.

The Affordable Care Act's exchanges were created to help these folks secure coverage. But they're about to have a tougher time fulfilling that mission. The federal government and many non-profit groups are cutting funding for efforts to reach out to the uninsured -- and to link them up with exchange coverage.

Agents and brokers can help fill that outreach gap. They've been matching consumers with appropriate coverage for decades -- without drawing on the federal Treasury. They're our nation's best hope for getting the millions of Americans who lack insurance covered.

In its first few years, the Affordable Care Act leaned heavily on allied non-profit groups to guide consumers through the enrollment process. But those organizations are scaling back their work.

Enroll America, an outfit founded by veterans of the Obama administration to apply campaign-style tactics to insurance enrollment, recently announced layoffs because of dwindling funding. It's now half the size it was when the exchanges launched two years ago.²

The Affordable Care Act also created "navigators" to guide people through the enrollment process. The federal government has already spent \$120 million on the navigator program.³

But navigators haven't necessarily been as effective as the law envisioned. During the 2014 enrollment period, navigators were able to assist fewer than two people a day, on average. Nine in 10 navigator programs saw enrollees come back with post-enrollment problems.⁴

Some lawmakers are contemplating cuts in future funding for navigators. That may further limit their reach.

Licensed, professional agents and brokers can step in to fill the breach as organizations like Enroll America scale back -- and as funding for navigators decreases.

Health insurance is a complex product. Even for industry vets, it can be difficult to find the right plan at the right price.

Agents' and brokers' ability to do just that is becoming even more valuable as the cost of care grows. This year, the overall cost of family health coverage in the employer market increased 6.3 percent.⁵

¹ <http://www.gallup.com/poll/168821/uninsured-rate-drops.aspx>

² <http://www.politico.com/story/2015/04/obamacare-group-slashes-staff-116790.html>

³ <http://www.finance.senate.gov/newsroom/chairman/release/?id=ceb6bac5-7ed6-4948-a05b-4bcc438b7154>

⁴ http://www.weeklystandard.com/blogs/obamacare-navigators-assisters-helped-less-two-people-day_796693.html

⁵ <http://www.benefitspro.com/2015/05/19/annual-family-health-costs-hit-nearly-25k?t=cost-containment>

Health insurance is growing more expensive because medical care is growing more expensive. Prescription drug costs shot up 13.6 percent between 2014 and 2015.⁶ Medical costs increased 6.8 percent in 2015 -- and are projected to jump 6.5 percent next year.⁷

Agents and brokers have been able to shield their clients from some of these trends. According to research from the University of Minnesota, premiums are 13 percent lower in counties with the greatest concentrations of brokers.⁸

Agents don't just save consumers money -- they also help patients with claims or reimbursement issues following enrollment.

Furthermore, unlike navigators, agents are authorized to inquire about an enrollee's pre-existing conditions. That makes it easier to find a plan that fits his or her specific health needs.⁹ And brokers are legally required to have liability insurance, which protects consumers if there are any errors in the enrollment process.¹⁰

Agents and brokers have already proven essential to the exchanges. They're responsible for about 40 percent of existing sign-ups through the Affordable Care Act's marketplaces.¹¹ In Kentucky alone, brokers helped 55,000 people enroll in exchange plans.¹²

Without brokers and agents, exchange enrollment would plummet. That would be disastrous. The exchanges are counting on high levels of sign-ups, particularly among the young and healthy. Insurers are relying on their premiums to help offset the costs of providing care to those who are older and sicker. If enrollment is insufficient, the marketplaces will quickly become insolvent.

As the Affordable Care Act matures, the enrollment process is destined to change. Agents and brokers can ensure that declining enrollment and consumer confusion are not among those changes.

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⁶ <http://www.tirebusiness.com/article/20150520/NEWS/150529989/prescription-drug-costs-drive-rise-in-healthcare>

⁷ <http://www.pwc.com/us/en/health-industries/behind-the-numbers/>

⁸ <http://khn.org/news/brokers-associated-with-more-cheaper-health-coverage-study-says/>

⁹ <http://www.chicagotribune.com/news/ct-obamacare-insurance-agents-20150116-story.html#page=1>

¹⁰ <http://www.slideshare.net/EnrollAmerica/partnering-with-agents-and-brokers>

¹¹ <http://www.politico.com/story/2015/04/obamacare-group-slashes-staff-116790.html>

¹² <http://kaiserhealthnews.org/news/insurance-brokers-key-to-kentuckys-obamacare-success/>