

Agents want piece of reform pie
By: Jennifer Haberkorn
July 27, 2010 04:37 AM EDT

A group of lawmakers, many of whom voted against the Democrats' health care overhaul, are asking the administration to preserve a role in the renovated health system for insurance agents and brokers.

They fear becoming an endangered species under the new law, just as travel agents have suffered from the availability of Web-based booking offered by companies such as Travelocity and Expedia.

Agents are hoping to be included on the government's Web portal of insurance options in time for scheduled updates this fall and want to have some kind of contact information listed on the health insurance exchanges when they open in 2014.

A bipartisan group of House members say Congress's intent is to include agents and brokers in the reformed health care system. The members see a role for them "both inside and outside health insurance exchanges," they wrote in a letter to Health and Human Services Secretary Kathleen Sebelius last week.

"It is important that the consumer's option to contact independent and state-licensed health insurance agents and brokers be included no later than Oct. 1, when the portal is scheduled to be finalized," the 25 lawmakers wrote.

But the group includes only a few health reform supporters: Democratic Reps. Leonard Boswell of Iowa, Baron Hill of Indiana and Adam Smith of Washington. Twenty-two additional lawmakers

who voted against the legislation signed the letter, including 17 Republicans and five Democrats. Rep. Charlie Melancon (D-La.) originated the letter.

The lawmakers hit on a key concern for agents: that the reform law's dramatic changes in the way people purchase health insurance might cut them out of the system, or, on the other hand, create new opportunities to expand their businesses.

The Web portal, which is already up and running at healthcare.gov, was required by the reform law to be a place where consumers can compare insurance plans. An update with more comprehensive information is due in October. The site is seen as a precursor to the state exchanges, where consumers will be able to compare insurance plans and purchase coverage in 2014.

Agents are worried that both threaten to take them out of the process of buying coverage. They argue that the process of buying insurance -- particularly in the individual market -- isn't as easy as clicking around a website.

"Our members and agents in general have been communicating ... that they want to be involved in the process with regard to the exchanges," said Jessica Waltman, senior vice president of government affairs at the National Association of Health Underwriters, a trade group of agents and brokers. "We believe there is still going to be a role for them."

Several state insurance commissioners say they've gotten angry feedback from agents who are worried about their future. But the commissioners, who are advising HHS on many components of the new legislation, say the agents' role could become even more important as consumers try to understand the complex new legislation, which involves coverage requirements, tax credits and state exchanges.

"A number of us feel very strongly about the important role agents play providing advice and counsel to the thousands of Floridians and Americans across the country on making really critical decisions," said Florida Insurance Commissioner Kevin McCarty. He disputed the idea that buying insurance is as easy as purchasing an airline ticket. "I know some people have thought perhaps if we gravitate toward the exchange program, it will lessen the role of an agent. I substantively disagree with that."

Commissioners say agents are going to be needed in the new system, just as they are now.

"If we didn't have the agent community, we'd all have to double or triple the size of our consumer assistance divisions," said Kansas Insurance Commissioner Sandy Praeger. "The agent provides many of the answers to the questions that never come to us because they get resolved."

NAHU wants the exchanges and portal to somehow link to professionals who can help consumers complete the process of buying coverage.

It's not quite as easy as it sounds, however. A complete list of agents with a state license would be overwhelming. There is no easy way to differentiate between agents who sell health insurance and those who sell life insurance. And it would be difficult to weed out agents who are no longer active.

One idea agents have proposed is developing a new state certification that participants would have to complete in order to be listed.

The National Association of Insurance Commissioners is working with HHS to develop rules on how the exchanges will operate, but they are not expected to be released until much closer to 2014.

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