



Agents Coalition for Health Care Reform

Respond to Agents Coalition
c/o Minnesota Association of Health Underwriters
1821 University Av W, Ste S256, St Paul MN 55104

May 29, 2012

Mr. Michael Rothman
Commissioner
Minnesota Department of Commerce
85 Seventh Place East
Saint Paul, MN 55101

Dear Commissioner Rothman: The Agents Coalition for Health Care Reform represents the four leading professional health insurance agent groups in Minnesota. Our members reach across the state, and represent more than 2.5 million Minnesotans who are covered by private health insurance plans. The 51,000 licensed health insurance agents in Minnesota employ tens of thousands of employees – certainly in excess of 100,000 people.

Many of our core association members have been engaged with the Health Insurance Exchange Working Group, and its many sub-committees. By this we have been offering expertise that is necessary for any successful insurance distribution system. Yet, our active participants feel they do not have answers to issues critical to our members.

As leaders of our associations, our duty is to provide members with updates that relate to their career. A critical concern for our members are the questions they raise about their future role, or lack of role, in the Exchange and whether they should change their business model, or perhaps even their profession.

Recent developments have come to our attention that we believe require a response from you. These include:

1. During the 2012 Legislative Session, the House and Senate included a provision in the Health and Human Services Omnibus bill that the Agents Coalition strongly supported. HF 2345, a simple bill, required that the State of Minnesota continue to sanction a robust private health insurance market, regardless of how the government-controlled Exchange is structured. Specifically, the provision stated that nothing in Minnesota law could prohibit the sale of private market health plans outside of the Exchange.

We understand that your department opposed the private insurance market provision in the Omnibus Bill. Furthermore, we understand that Governor Mark Dayton threatened to veto the Omnibus Bill unless the private insurance market language was removed. Subsequently, the Conference Committee removed the private market provision, wanting to avoid a veto.

The Agents Coalition is asking you to clarify the department's position that



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you object to, and verify that you do not plan to allow competitive private market health plans to be sold outside the government-controlled Exchange.

2. On May 3, April Todd-Malmlov addressed the Minnesota Association of Health Underwriters Sales Convention. We heard that that the Exchange expects to require all individual and small group products offered in Minnesota to be sold only through the Exchange. We, therefore, understand that beginning in 2014, Minnesota will not allow individual and small group products to be sold outside the government-controlled insurance Exchange.

Please clarify this question: Is it the intent of your final language on the Exchange that all individual and small group health plans sold in Minnesota will be required to be sold through the government-controlled Exchange?

3. The Washington Post quoted Jonathan Gruber, who has provided extensive consultation to the Exchange Task Force, in a May 21 article about health care reform. The author reported, "Gruber imagines a future health-care system with something like 'cradle to grave exchanges,' where all health insurance plans are purchased on a government-regulated marketplace."¹ April Todd-Malmlov referred to the advice received from Bella Gorman and Jonathan Gruber as a valuable part of developing the Exchange working group's recommendations. Does the Minnesota Department of Commerce share Gruber's long-term view of the purpose and function of the Exchange?

4. Manny Munson-Regala, who spoke at a health underwriters luncheon in March, implied that the Exchange could be a one-stop shop for insurance related products. Please clarify these remarks. Does the Exchange task force intend to recommend an insurance portal that will also offer coverage for short and long term disability, critical illness, long term care, vision, dental, and other ancillary products? Or any of these?

We also seek clarification on the position the Exchange Working Group is taking on the role of the professional insurance agent and Navigators.

5. We have been informed that licensed insurance agents may become Navigators if the Exchange approves them. If an agent is not approved as a Navigator, but all products sold to individual and small group must be purchased through the Exchange and only assisted by a Navigator, does an agent who the Exchange does not hire as a Navigator become unemployed?

Under the Federal Affordable Care Act, Navigators must be paid out of grants by the government-controlled Exchange and NOT paid directly by an insurer.

¹ Kliff, S. (2012) "Jon Gruber on ObamaCare, premium support and health policy dreams." Retrieved May 22, 2012. The Washington Post. May 21, 2012. http://www.washingtonpost.com/blogs/ezra-klein/post/jon-gruber-on-obamacare-premium-support-and-health-policy-dreams/2012/05/21/gIQT2EofU_blog.html



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ance company (as it is done today in the private market). For those agents that become Navigators, is it true that their compensation will change from being paid by insurance companies to being paid by the government-controlled Exchange?

Mr. Commissioner, these are vital questions that greatly concern our members. We look forward to receiving your response and sharing it with our members.

Thank you.

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