



Health Insurance

Help Protect Your Constituents Through Health Insurance

April 2017

What Agents Do

Professional, licensed independent insurance agents and brokers guide consumers through a complicated process. Agents provide quotes, scrutinize plans, and ensure that consumers consider the best options available to them. Unfortunately, since the passage of the Affordable Care Act (ACA) in 2010, agents have encountered serious obstacles to doing their jobs delivering vital health plans to consumers.

The Issue: Agent Compensation in Healthcare Slashed

The ACA implemented a requirement called the medical loss ratio (MLR). The MLR is designed to limit the amount that a health insurance company can spend on administrative costs. PIA agrees with this goal; however, the MLR requirement has been interpreted in a way that has resulted in unstable reductions to agent compensation. As a result, many agents have been forced out of the health insurance market, leaving consumers without guidance in selecting health plans.

How You Can Help Defend Agent Compensation

Support Healthcare Reform that Recognizes the Role of Independent Agents

- ◆ Legislation such as the Access to Professional Health Insurance Advisors Act (114th Congress: H.R. 815/S. 1661) provides that certain compensation for agents and brokers is exempt from the MLR calculation.



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- ◆ The exclusion of agent compensation from the MLR calculation can be resolved through rulemaking by the Department of Health and Human Services (HHS).
- ◆ Support efforts to ensure agents are compensated for their expertise.

The Issue: Future of Employer-Based Health Coverage in Doubt

Millions of middle class individuals rely on health insurance obtained through employer-sponsored health plans. In the ACA, a provision often referred to as the “Cadillac Tax” is intended to lower healthcare costs by imposing a 40% excise tax on “overly generous” employer plans. However, because of the way “overly generous” employer plans are defined, recent studies have shown that the tax will, over time, actually impact the vast majority of plans.

How You Can Help Defend Employee Health Plans

Cosponsor the bipartisan Middle Class Health Benefits Tax Repeal Act (H.R. 173/S. 58), introduced by Reps. Mike Kelly (R-PA) and Joe Courtney (D-CT) and Senators Dean Heller (R-NV) and Martin Heinrich (D-NM).

- ◆ The legislation will repeal this harmful tax, the implementation of which has been pushed back to 2020 due to bipartisan opposition to it and concern over the damage it will cause.
- ◆ PIA supports a full repeal of the Cadillac Tax.

The Issue: Federal Encroachment in Healthcare Regulation

Members of Congress have begun discussing the potential inclusion of a provision in the ACA replacement bill that would allow insurers to sell health insurance policies across state lines. PIA opposes this provision because it would strip states of their regulatory authority over insurance and undermine the foundation on which state regulation of insurance is based. Allowing health insurance to be effectively exempt from state regulation by permitting insurers to pick their own regulator in a state of their choosing—and by so doing, allowing them to evade the requirements of all 49 other states—would, by federal edict, eviscerate local control. The path to constructing a replacement for the ACA should lead to more state control, not less. This proposal would transfer power from the states to the federal government.

How You Can Help Defend State Regulation in Health Reform

Oppose any provision that would subvert state regulation by allowing insurers to sell health insurance policies across state lines.

- ◆ Oppose proposals to reform or replace the ACA that include provisions to preempt state authority.
- ◆ Support legislation that would lead to more state control, not less.



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