



# MASSACHUSETTS ASSOCIATION OF HEALTH UNDERWRITERS

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**Julia Jennings**  
President

February 23, 2007

**Jean Russell**  
Vice-President/  
President Elect  
Membership Co-  
Chair

Jon Kingsdale  
Executive Director  
Commonwealth Connector

**Paul Pietro**  
Past President

100 City Hall Plaza, PH Floor  
Boston, MA 02108

**Marie Chalmers**  
Secretary

RE: Massachusetts Health Care Reform

**Thomas G. Hamel**  
Membership  
Committee Co-Chair

Dear Mr. Kingsdale,

**Tobe L. Gerard**  
LTCi Co-Chair

As you know, the Massachusetts Association of Health Underwriters (MassAHU) is the foremost professional association of employee benefit and health insurance producers in the Commonwealth of Massachusetts, and part of the National Association of Health Underwriters, representing over 20,000 professionals nationwide and dedicated to promoting common business interests and ethical practices of its members, and to advocating for the best possible application of all health insurance and related products and services in Massachusetts.

**Ed Jette**  
LTCi Co-Chair

**Chris Delorey**  
Carrier Relations  
Chair

Our members hold a vital position in the health insurance market in Massachusetts. We realize that not all employers use brokers in the purchase of their employee benefits programs, but well over 90% of Massachusetts employers do in fact use brokers to advise them and assist them in selecting, negotiating, implementing and administering their benefit programs. As key players in the market, we are at the forefront of the reform process as we meet with Connector staff, carriers and MCO staff, and provide guidance to employers, business and industry groups and individuals. We feel that it is critical for the Connector Board to understand our role in the health insurance market when establishing policy concerning the distribution of products to reach the 300,000 uninsured people in the Commonwealth.

**Pamela A. Reidy**  
Awards Chair

**Curtis Nelson**  
Federal and State  
Legislative Chair

**William Devany**  
Education Chair

**Kevin McGrath**  
Member-At-Large

Those who are not familiar with our role may consider producers to be an added and unnecessary cost in the distribution of health products. However, looking at the rollout of the federal government's Medicare Part D program as an example, the Administration acknowledged the critical role that agents held in making the enrollment a success. The overwhelming success of the Medicare Part D enrollment process, approximately 40,000,000, demonstrated that producers were instrumental in helping consumers select the best plan for their needs and in helping the federal government achieve their goals.

**Kate Bardsley**  
Association Manager

Relating that to the Connector's goal of enrolling 160,000 persons in Commonwealth Choice between May 1<sup>st</sup> and December 31<sup>st</sup>, (an average of 1000 enrollees per work day in addition to handling the Commonwealth Care enrollments) the state needs to use the valuable resources of producers to handle the uninsured working population in order to succeed in its mission.. Producers live and work in the communities where they can deliver personal service. They are trusted advisors to employers and are the natural choice for providing valuable education and enrollment support to uninsured employees at their worksite. They are licensed professionals under the jurisdiction of the state Division of Insurance. With fair compensation, producers can insure more people more efficiently, and do so without the state needing to employ, train and oversee more staff. Utilizing the planned media campaign, the state can direct people to their agent or broker for assistance as well as to the Connector to help achieve their enrollment goals.

Clearly, our state legislators understand how important producers are to the success of Massachusetts health care reform. That is why they included language in the reform bill requiring that commission/compensation be paid to producers on individual and group products sold through the Health Care Connector. As stated in Section 11 of the Health Care Connector, Chapter 176Q, *when an eligible individual or group is enrolled in the Connector by a producer licensed in the Commonwealth, the health plan chosen by each eligible individual or group shall pay the producer a commission.* Furthermore, in determining what the commission is, the Connector board shall consider rates of commissions paid to producers for health plans issued under Section 176J as of January 1, 2006. We feel that fair and reasonable compensation should take into account what producers earn both in and outside of Massachusetts and can provide such information to the Board for consideration.

We hope you will take our concerns and recommendations into account as you further develop the role and responsibilities of the Connector. We look forward to working with the Connector on these complex issues and would appreciate the opportunity to meet with you, your staff and board members to further elaborate on MassAHU's position statement.

Sincerely,

Julie A. Jennings, RHU, LIA, CLTC  
President  
MassAHU

Daniel J. Foley, Jr., Esq.  
Legislative Counsel  
MassAHU

cc: Board Members, Commonwealth Connector  
Senator Richard T. Moore, Co-Chair, Health Care Financing  
Representative Patricia A. Walrath, Co-Chair, Health Care Financing

Enclosure

**MassAHU**...one of the most effective voices in the health insurance industry