



BROKER/AGENT POLICY

Board Policy Committee, January 25, 2016

Background-Topics and Questions

Policy Topics Addressed by Advisory Group (SHOP AG) and Board of Directors (July-August 2012)

1. Broker Relationship and Compensation

Policy Questions Addressed by SHOP AG and Board of Directors

1. How will COHBE partner with brokers?
2. Will brokers be appointed and certified?
3. Will brokers need to be appointed with all of the carriers on the Exchange?
4. Should the Exchange try to develop a process to simplify becoming appointed with all carriers
5. Will brokers be compensated and if so, how?
6. Should all plans offer the same commission in the Exchange?

Background-Identified Goals

Broker Relationship and Compensation Goals

1. Provide enhanced access to coverage
2. Support SB 11-200 intent to increase access, affordability and choice for individuals and small employers purchasing health insurance in Colorado.
3. Promote a level playing field for plans

SHOP AG Meeting Takeaways (7/26/12 & 8/2/2012 & 8/16/2012)

1. COHBE should partner with brokers—both in the Individual & SHOP Exchange.
2. In addition to current DOI licensing, brokers should be certified to sell through the Exchange, both initially and ongoing.
3. The certification process should enable brokers to sell all plans for all carriers in the Exchange.
4. COHBE will develop a policy addressing broker professionalism & ethics.
5. Broker compensation will continue to be set by carriers, thus will be consistent both in and out of the Exchange.
6. Individuals or Employers should not be required to use a broker.

Broker Relationship Principles approved by Board

Brokers

- COHBE will partner with brokers & agents
- Broker and agents will participate in Individual & SHOP Exchanges
- Compensation will be comparable both in and out of exchange
- Brokers will develop client relationships supported by web tools
- Individuals and Small Business will not be required to use a broker

Approved Principles vs Current State

Approved Principle	Current State
COHBE will partner with brokers and agents	✓ Connect for Health Colorado currently partners with 1,137 brokers/agents and 7 web broker entities that represent 300-500 call center based agents
Brokers and agents will participate in individual & SHOP exchanges	✓ Although not a requirement, brokers and agents currently participate in both the individual and SHOP exchanges
Compensation paid by carriers will be comparable both in and outside of the exchange	~ Connect for Health Colorado has limited control to ensure compensation levels paid by the carrier are comparable inside and outside of the exchange
Brokers will develop client relationships supported by web tools	✓ Web tools enable clients to assign a broker to their account, the broker search tool allows clients to search for a broker near them, and the Broker Lead Tool allows clients to be contact and assisted by a broker
Individuals and Small businesses will not be required to use a broker	✓ There is no requirement for a consumer to use a broker

Operational Decisions

<p>Certification/ Recertification</p>	<p>Brokers and agents must be licensed by the State of Colorado and certified by Connect for Health Colorado to sell health and dental products offered through the Marketplace. The certification process for brokers and agents is as follows:</p> <ul style="list-style-type: none"> • Verification that the broker and agent license is current and in good standing with the Colorado Division of Insurance; • Eighty percent (80%) passage rate of training curriculum. The training curriculum for the initial certification process is 6 credit hours and the re-certification process is approximately 4 credit hours; • Successful background check
<p>Contracts</p>	<p>After certification brokers must sign a “Producer Agreement”</p>
<p>Targeted Partnerships</p>	<p>Connect for Health Colorado focuses its partnership efforts on brokers and agents working within Colorado. Our 1,137 certified brokers and agents have secured approximately 70,000 enrollments during Open Enrollment 3</p>
<p>Web-brokers*</p>	<p>Connect for Health Colorado has partnered with 7 web-broker entities who have secured 336 enrollments since Open Enrollment1</p>

* CMS uses the terms “web-broker” or “web-based entity” (WBE) to describe an individual agent or broker, group of agents and brokers, or company that provides a non-Marketplace website to assist consumers in the selection of qualified health plans (QHPs) and the enrollment process as described in 45 CFR § 155.220(c)(3).

Board Policy Refresh

- Does this broker policy still meet the needs of the organization? Is there new information since its inception that should be taken into consideration? Do the operational decisions fit within the framework of the Board Policy and guiding principles?
- Recent discussions have focused on whether Connect for Health Colorado should partner with brokers and agents who are not located in Colorado and additional web-broker entities (regardless of whether they are located in Colorado or not)
- Approved Board policy does not specify the types of brokers and agents Connect for Health Colorado should partner with.
- The Board Policy Committee has been asked to review this policy and report back to the Board with a recommendation on whether or not the policy should be amended.