



Broker Relationship and Compensation

August 27, 2012

Updated: Insert Date, 2016

Essential Questions:

~~How~~ What are the key principles that will guide Connect for Health Colorado's ongoing COHBE partnership with brokers and agents?

~~What is the process that brokers and agents will go through to be certified and appointed to sell~~ Connect for Health Colorado COHBE products?

~~Will brokers and agents be compensated for the sell of~~ Connect for Health Colorado COHBE products? Should commissions be comparable on and off the Exchange?

Goals/Objectives of Connect for Health Colorado COHBE:

- Support SB 11-200 intent to increase access, affordability and choice for individuals and small employers purchasing health insurance in Colorado.
- Promote a level playing field.
- Leverage existing distribution channels to assist people with health coverage decisions through the Exchange.

Policy

The Connect for Health Colorado Policy Committee met to consider revisions to the Broker Policy. The Policy Committee recommends the following revisions to the Connect for Health Colorado Broker Policy:

1. Connect for Health Colorado should partner with brokers and agents.
2. Connect for Health Colorado will maintain a broker/agent recruitment and certification process that
 - a. Applies a consistent cost-benefit analysis to new partnerships
 - b. Ensures high-quality customer service
 - c. Provides necessary training on eligibility and Connect for Health Colorado systems

3. Broker and agent compensation should be comparable inside and outside the Exchange [KH1] in order to maintain a level playing field.
4. Connect for Health Colorado will provide opportunity for brokers and agents to participate in both the Individual and the SHOP Exchanges.
5. Connect for Health Colorado will support brokers and agents through online search and other web-based tools, and through the call center.
6. Individuals and small businesses are not required to use a broker or agent.

There was additional discussion about specifically indicating Connect for Health Colorado's intent to work with out of state brokers and web brokers. There was no consensus among stakeholders or board. There was also discussion about the appropriateness of Connect for Health Colorado paying compensation or bonuses to brokers. Again, there was no consensus among stakeholders or brokers.

Applicable law:

Colorado

Regulation 1-2-10 Concerning the Regulation of Insurance Producers by the Colorado Division of Insurance: Colorado Producer Licensing Model Act

Federal

45 CFR §155.240 – Lays out the ability of brokers and agents to assist consumers access the Exchange

45 CFR §155.240(d)(1) requires agents and brokers to have an agreement with the Exchange prior to selling through the Exchange

45 CFR §155.240(d)(2) requires agents and brokers to receive training on QHPs available through the Exchange.

Recommendations:-

~~The Connect for Health Colorado COHBE Individual Experience and SHOP Advisory Groups meet on several occasions to discuss the relationship and compensation structure Connect for Health Colorado COHBE should establish with brokers and agents.—~~

~~The advisory groups came to consensus on the following areas and Connect for Health Colorado OHBE requests the Board take action on these guiding principles to inform the next level of program development:~~

- ~~1. Connect for Health Colorado OHBE should partner with brokers and agents. Potential broker partnerships may be considered under a cost benefit analysis by staff [KH2].—~~



~~2. Broker and agent compensation should be comparable inside and outside the Exchange [KH].~~

~~3. Connect for Health Colorado will provide opportunity for bBrokers and agents will to participate in both the Individual and the SHOP Exchanges.~~

~~4. Individuals and small businesses should NOT be required to use a broker or agent.~~

~~Additional discussion about the legal structure COHBE Connect for Health Colorado takes on to partner with brokers and agents and the impact this structure will have on the certification process will occur in September and October. Brokers and agents should be enabled to sell any products offered on the Exchange. Connect for Health ColoradoCOHBE will bring a recommendation about the legal structure and certification process to the Board in October.~~