

COLORADO ASSOCIATION OF HEALTH PLANS

November 19, 2016

Kevin Patterson, CEO
Connect for Health Colorado
Cherry Creek N Drive, Suite 1025
Denver, CO 8020

Mr. Patterson:

Thank you for the opportunity to provide comment on carrier perspectives on a possible broker incentive schedule for the SHOP program on the state exchange. Colorado's health insurers appreciate Connect for Health's desire to increase utilization of the SHOP program. However, most carriers do not support the implementation of a broker awards program to achieve this aim.

Every carrier who responded to our request for information notes that they currently offer a broker rewards program, and that those programs apply to plans that are purchased on or off the exchange. Broker awards are typically developed directly between the carrier and broker/agency. Colorado's carriers are grateful that C4 has been largely supportive of this approach. However, by implementing its own awards program, C4 may undercut the programs currently in place between carriers and brokers.

The C4 board has adopted a policy that "compensation should be comparable inside and outside of the Exchange." In creating an incentive exclusive to the SHOP program, C4 would erode the parity it has worked so hard to preserve up to this point. Broker awards programs, as used by carriers today, typically apply to both on and off exchange products. By incentivizing an exchange-only product, C4 would create an un-level playing field. Carriers do not offer incentives to move away from the exchange and shop direct. C4 should not incentivize customers to move away from direct purchase and instead purchase through the exchange.

While we appreciate the board's goal of increasing SHOP utilization, our membership generally feels that the implementation of a broker bonus program would undercut existing incentive programs currently utilized by carriers and would erode the parity with which the market currently operates.

Thank you again for the opportunity to provide feedback.

Respectfully,



Charlie Sheffield
Executive Director
Colorado Association of Health Plans