

State Health Reform Assistance Network

Charting the Road to Coverage

ISSUE BRIEF
May 2015

Enhancing Broker Engagement: New Strategies for Marketplaces to Expand Enrollment

Prepared by **Kathie J. Mazza**, Wakely Consulting Group

Health insurance brokers can play a unique role in helping all forms of marketplaces reach out to uninsured households and assist residents with both new enrollments and renewals. This brief describes one approach that several marketplaces recently piloted to leverage the resources of agencies that are particularly interested in building their direct enrollment business under the Affordable Care Act (ACA). These marketplaces were so pleased with the initial results that they are already planning to expand the effort for the third open enrollment period (OEP3).

Minnesota's state-based marketplace (SBM) and Illinois' partnership marketplace capitalized on this marketing channel by formally soliciting brokers willing to commit enrollment resources and advertising funds to joint marketing with the Exchange. This brief serves as a "how-to" guide for states interested in partnering with select insurance brokers positioned to produce sizable enrollment gains for their marketplaces. Independently, Colorado initiated a similar program for the second open enrollment period (OEP2), and another state is planning a May 2015 release of a Request for Proposal (RFP) for its own program in OEP3.

Called a Lead Broker Agency program, the strategy builds on the 80/20 rule, in this case that a small number of insurance agencies will quickly grasp the business opportunity presented by growing direct enrollment and can deliver a disproportionate share of new enrollment in a very cost effective way. This strategy also recognizes the value of establishing storefronts around a state, providing a valuable benefit at no cost to the marketplace. Through an RFP-type vehicle, the program identifies independent agencies most interested in partnering with the marketplace by co-branding their own offices with the marketplace, making a major staffing commitment to enroll (and subsequently serve) individuals and families, and advertising cooperatively with the marketplace during the open enrollment season. Lead Broker Agencies utilize their existing office spaces to serve as enrollment centers for individuals and families wishing to enroll in marketplace plans in person. Lead Broker Agencies are also encouraged to reach out to and work closely with the assister community in their service area.

The marketplaces utilized a formal solicitation process to explain their program and encourage agencies to submit a marketing plan, enrollment targets, and financial commitment to a co-op advertising budget.¹ In addition to co-op

¹ A "co-op advertising" program should not be confused with a nonprofit health insurance cooperative or co-op that offers health insurance through a marketplace. Rather, co-op advertising refers to an agreement between two parties to share expenses for co-branded advertising and marketing materials.

ABOUT STATE NETWORK

State Health Reform Assistance Network, a program of the Robert Wood Johnson Foundation, provides in-depth technical support to states to maximize coverage gains as they implement key provisions of the Affordable Care Act. The program is managed by the Woodrow Wilson School of Public and International Affairs at Princeton University. For more information, visit www.statenetwork.org.

ABOUT WAKELY CONSULTING GROUP

Wakely Consulting Group is an actuarial and healthcare consulting firm specializing in government healthcare programs including state and federal reform, Medicaid and Medicare Advantage. For more information, visit www.wakely.com.

ABOUT THE ROBERT WOOD JOHNSON FOUNDATION

For more than 40 years the Robert Wood Johnson Foundation has worked to improve health and health care. We are striving to build a national Culture of Health that will enable all to live longer, healthier lives now and for generations to come. For more information, visit www.rwjf.org. Follow the Foundation on Twitter at www.rwjf.org/twitter or on Facebook at www.rwjf.org/facebook.

For more information, please contact Kathie J. Mazza at KathieM@wakely.com or 781.248.6127.

advertising support, selected agencies might receive referrals from the marketplace, prominent placement on the marketplace’s website for contact information, direct access to marketplace staff for service and support needs, and opportunities to participate in joint media and community events.

The program concept outlined in this brief was validated with MNsure and Get Covered Illinois (GCI) during the November 15, 2014 to February 15, 2015 open enrollment season. MNsure found the program so successful that it now plans to build it statewide for direct enrollment and potentially expand the concept to their small employer (SHOP) marketplace in 2016. “The program exceeded our enrollment expectation and I’m confident the same can be said of the expectations of our producer partners. It was a win-win with no downside,” said Alison O’Toole, Deputy Director for External Affairs for MNsure.

Origin of program concept

In preparation for the first open enrollment period, marketplaces across the country each trained hundreds or thousands of brokers only to see a small percentage of them produce significant enrollment results on a per agent or agency basis, underscoring the “vital few and trivial many” concept underlying the 80/20 rule. Marketplaces faced with lean staffing arrangements and overwhelmed call centers were being stretched thin supporting the servicing needs of many brokers with few enrollments and innumerable questions and support requests.

At the same time, enrollment storefronts used by a few state-based marketplaces demonstrated the public’s interest in being able to meet face-to-face with an expert in health care coverage. For example, Access Health CT promoted to prospective enrollees the opportunity to visit one of two strategically located enrollment centers in the state. These centers were staffed by Access Health CT personnel, in-person assisters (IPAs), and independent brokers, who volunteered to sign up for blocks of time when they were available to assist walk-ins as well as people who made appointments in advance.

The enrollment storefronts proved to be an effective, but relatively expensive, means of signing up consumers, whether they were eligible for a Qualified Health Plan (QHP) or the state’s Medicaid program (see Table 1 below for cost of acquisition by channel for Access Health CT). Such enrollment hubs also helped relieve some of the pressure on call centers, who were often under-resourced during some of the busiest enrollment times.

Table 1
Cost of Acquisition by Channel for AHCT, 2014

	QHP	Medicaid	Total
IPAs	\$699	\$224	\$169
Call Center (portion of direct outreach)	\$205	\$84	\$60
FQHCs	\$189	\$81	\$57
Hospitals	\$126	\$103	\$57
Brokers (Excluding 3 Brokers hired into contract center)	\$81	\$629	\$72
Enrollment centers (stores)	\$294	\$405	\$170
Enrollment Centers post-visit enrollees	\$224	\$431	\$148
Enrollment fairs (portion of field outreach)	\$541	\$630	\$291
Enrollment Fair post-visit enrollees	\$600	\$821	\$347
Contest/email leads newsletter (portion of field outreach)	\$784	\$460	\$290
Summer concert/event outreach leads (portion of field outreach)	\$649	\$379	\$239
Unassisted Web (portion of direct outreach)	\$276	\$78	\$61

Cost of Acquisition (CAC) = number of enrollees via a channel divided by total cost for that channel (e.g., QHP column: total expense per channel/ QHP enrollees for that channel; Medicaid column: total expense per channel/Medicaid enrollees for that channel; Total column: total expense per channel/ all enrollees for that channel). Total enrollees (Medicaid + QHP) divided by total cost is always less than Medicaid enrollees divided by total cost or QHP enrollees divided by total cost.

MNsure and Get Covered Illinois first to act

With the early enrollment lessons in hand, and the second open enrollment season quickly approaching, MNsure and Get Covered Illinois wanted brokers to play a bigger role in driving enrollment. Brokers working out of their own offices represented a low-cost (to the marketplace) solution for attracting enrollees, but did not provide the same kind of community presence as the marketplaces' own storefronts. Importantly, brokers had proven especially successful in bringing in the QHP enrollments that would ultimately fund marketplace operations. Both marketplaces further reasoned that the answer did not lie in simply signing up more brokers, but rather, strategically contracting with more of the right brokers in an arrangement that would require both parties to make a commitment to maximizing enrollment and service. To this end, the two marketplaces were willing to fund a co-op advertising program and to provide a slate of support services to Lead Broker Agencies. Each state developed a written solicitation vehicle to describe the program and select a handful of brokers willing and able to commit enrollment resources, market planning, and co-op advertising dollars.

While the two sets of solicitation tools and programs differed somewhat, what follows is a step-by-step suggested approach to developing a Lead Broker Agency program based on what worked well in Minnesota and Illinois. In regard to what could have worked better, both states acknowledge that they should have started much earlier in the year.

Importance of an early start

MNsure began work on their program in July 2014 and issued their solicitation document to the broker community in September, while Illinois kicked off their efforts in September and released their RFPs in October. Both states now recognize that they should have initiated their programs much earlier than they did. Ideally, states should determine how to pursue a Lead Broker Agency program, including the key program components, no later than June for the following enrollment period. The sample project plan in Table 2 provides a schedule of activities in order to be fully operational for the start of the third enrollment period, beginning in November 2015.

STEP 1: DETERMINE KEY PROGRAM COMPONENTS AND OBTAIN INTERNAL APPROVALS

First, the marketplace needs to outline how the Lead Broker Agency program should work and think through any participation requirements. For example, will the marketplace require Lead Brokers to be appointed by all QHP insurers on the marketplace, or at least those offering coverage in the geographic area to be serviced by the agency? What if a given insurer does not recognize brokers and pay commissions?

In general, it is recommended that states require Lead Brokers to be appointed by all on-exchange QHP insurers that appoint and commission brokers in the agency's expected service area. If an insurer does not utilize brokers to market their plans, a Lead Broker should nonetheless be expected to assist an individual or family wishing to enroll in that insurer's plans.

How many Lead Broker Agencies does the marketplace need and where should they be located? To make the program attractive to brokers, the marketplace needs to limit Lead Broker Agency participation to ensure volume sales opportunities for those brokers willing to make the resource and financial commitment to the program. To maximize the marketplace's net growth and other outreach objectives, Lead Broker Agencies also need to be strategically located across the state, with overlapping service areas allowed only as needed to support dense population or hard-to-reach demographics (e.g., a Lead Broker Agency with non-English language proficiencies may overlap with a Lead Broker Agency that offers other advantages in a different area, such as a very centrally located and easily accessible enrollment office).

Nonetheless, all licensed brokers certified by the marketplace should continue to be encouraged to enroll customers. Importantly, the Lead Broker Agency program should not preclude members of the existing broker community from supporting the marketplace. All certified brokers should remain welcome to enroll new and prospective customers in marketplace plans (this would clearly be a requirement in all states utilizing the HealthCare.gov platform). Provided that (1) all brokers have the opportunity to apply for Lead Broker Agency status, (2) criteria for selection objectively relates to maximizing enrollment, and (3) agencies that are not selected can continue to enroll customers through the marketplace, the program will likely be seen as fair and broker-friendly.

STEP 2: ESTABLISH MARKETPLACE RESPONSIBILITIES

What is the marketplace willing to offer Lead Broker Agencies to encourage participation? Some or all of the following program incentives might be considered:

- Dedicated service support to Lead Broker Agencies (this is particularly attractive to brokers who find it difficult to quickly reach well-trained customer service staff through a main call center telephone line).

- Preferred placement of agency contact information on the marketplace website (MNsure's Lead Broker Agencies received prominent placement on the website and reported that this alone drove significant enrollment results).
- Direct referrals for individuals and families calling the marketplace looking for help to enroll in a QHP to Lead Broker Agencies.
- Co-op advertising program (marketplace provides matching dollars to the financial commitment an agency is willing to make for co-branded ads; additional information provided below).
- Marketing support (marketplaces are encouraged to provide Lead Broker Agencies with access to their advertising agencies and/or marketing firms for professional marketing support).
- Marketplace signage and enrollment collateral.
- Google search support (marketplace pays for agency name to display prominently when an individual searches for enrollment support).
- Press releases and media opportunities (marketplace distributes press releases promoting Lead Broker Agency events and encourages Lead Broker Agencies to work with local media to create earned media opportunities).
- Worker portal or other specialized IT system access to facilitate enrollments and account maintenance (marketplaces are encouraged to treat Lead Broker Agencies much like insurers treat their producer partners by allowing them access to accounts once an account holder approves such permissions).

STEP 3: ESTABLISH LEAD BROKER AGENCY RESPONSIBILITIES

In return for being selected as a Lead Broker Agency, successful applicants should be expected to commit some or all of the following resources:

- Provide a brick-and-mortar enrollment center (agency offers use of their established office space to provide face-to-face enrollment assistance); such space needs to have a waiting and reception area, a facility for group presentations, and private offices for one-on-one consultations. Ideally, the center should be located near public transportation, provide free parking, and offer handicap accessibility.
- Provide access to a sufficient number of licensed and certified brokers for one-on-one enrollment support for the requested service area.
- Provide administrative support staff (the agency will need a receptionist for office visitors and should be prepared to respond to high incoming telephone traffic from individuals looking to make appointments).
- Provide extended hours of coverage during peak enrollment periods, including nights and some weekend hours.
- Submit a basic marketing plan that explains how the Lead Broker Agency will reach the uninsured.
- Commit funds to a co-op marketing program.
- Prominently display signage from the marketplace to help visitors locate the enrollment facility.
- Offer community presentations on marketplace products.
- Engage with and work closely with the assister community (brokers in Minnesota and Illinois who actively sought out working relationships with assisters uniformly reported greater success in overall enrollment efforts).
- Provide a referral of Medicaid-eligible clients (also known as a warm transfer) to assister entities if the Lead Broker Agency is unwilling to enroll the client in Medicaid.
- Provide timely, predefined data reports to the marketplace.

STEP 4: VET PROGRAM OUTLINE WITH KEY BROKER AND ASSISTER STAKEHOLDERS IN STATE

People tend to support what they help to build. Every state has an established broker community, professional associations, and key stakeholders that should be consulted once the marketplace has initially outlined how the Lead Broker Agency program should work. Early collaboration with key stakeholders will allow the marketplace to adjust the program to local market conditions as needed and will demonstrate an interest in partnering with valued stakeholders.

While the program is directed at brokers, assisters will play a key role in maximizing enrollment results and program efficiencies, so they too should be included in early stakeholder discussions. “Our most successful agencies actively sought out working relationships with assisters in their communities. Both groups got to know one another and learned that they could work well together,” said Bob Davy, Broker Coordinator for MNsure. Colorado worked with both licensed brokers and its “Guides” (IPAs) to set up storefronts during open enrollment, using an agency’s office or a community venue.

While federal regulations preclude exclusive referral arrangements or quid pro quos between brokers and assisters, the two groups can find ways to work together to support the enrollment needs of QHP and Medicaid customers alike. Both parties can enroll either constituency, and the program merely reflects the natural tendency for QHP enrollees to gravitate toward brokers with significant commercial experience, and for Medicaid enrollees who often seek out assisters more familiar with public health care coverage experience.

“We had a lot of misconceptions about navigators in general and the Get Covered Illinois program for Lead Broker Agencies this past year helped us better understand their role and the benefits of working more closely with each other. Overall, we are very pleased with how the program worked out for us and we wouldn’t hesitate to get even more involved with the navigator community next year,” said Gary Gnade of Gnade Insurance.

In addition to outlining how the program should work, states also need to determine how to frame their selection process and decide who should be part of the selection committee. Inviting non-interested broker and assister representatives to sit on the selection committee is another way to build goodwill with both the broker and assister communities.

STEP 5: ENGAGE MARKETPLACE’S ADVERTISING AGENCY EARLY IN THE PROCESS

MNsure and Get Covered Illinois both actively engaged their advertising and marketing firms in their programs and asked the agencies to work directly with successful Lead Broker Agencies. For example, the co-op advertising program requires that agencies commit to a budget for co-branded ads (both states allowed agencies to propose their own budget amount and, as expected, larger agencies were more willing to commit a greater number of dollars for the matching program). The marketing experts worked with the broker agencies to develop a schedule of ads and the marketplaces’ share of ad costs was paid directly to the media outlets. The media outlets then invoiced the broker agencies for their share of the cost, thereby keeping both states out of the business of collecting any co-op advertising monies.

In both states, broker agencies and marketplace staff alike expressed an interest in providing Lead Broker Agencies with earlier access to the advertising and marketing experts. Co-branded ads were rolled out well after open enrollment commenced simply because this part of the program required more time to implement than the tight operational schedules allowed. “Our ads started much after the program started but we know they worked because people coming into our offices would mention them when they met with one of our brokers. It would be great if they started earlier, but we were still exceptionally pleased with our final enrollment results,” said Margaret Lett of LeClair Group, the largest of MNsure’s Lead Broker Agencies.

To maximize the co-op advertising feature of the program, the timetable in Table 2 below recommends that a 45-day market planning process begin shortly after Lead Broker Agencies are announced.

STEP 6: DEVELOP SIMPLIFIED SOLICITATION VEHICLE

States should consult early with their legal department to determine what kind of simplified solicitation vehicle is feasible given contracting and procurement rules. A traditional Request for Proposal (RFP) approach may have unintended complications and a state may be better served by developing a more general solicitation approach. One lesson learned by both Minnesota and Illinois is to keep the request as short and free of legal requirements as possible. “Insurance agencies are generally not accustomed to responding to RFP templates that conform to complex procurement rules often seen in state government, and if the process is too intimidating, fewer agencies will respond,” said Brian Gorman, Director of Outreach and Consumer Education for Get Covered Illinois. “We worked hard to keep our approach as simple as possible.”

This appeal for simplicity calls out the need to get legal involved early in the process to ensure buy-in. Such early sign-off by the state’s attorneys is key, as Wakely discovered when a separate SBM decided not to move forward because of unspecified concerns from its General Counsel.

The solicitation vehicle should also clearly outline reporting requirements. Both MNsure and Get Covered Illinois commented in the post-program evaluation process that reporting requirements were generally short-changed in the rush to get their programs launched. While states do not want to burden participants with cumbersome reporting needs, a routine reporting template to capture uniformly well-defined enrollment and service data should be in the solicitation document to establish expectations.

The solicitation vehicles used by MNsure and Get Covered Illinois can be found here:

<https://www.mnsure.org/images/RFP-2015-05-04-Solicitation-Partnership-Proposal.pdf>

<https://www.mnsure.org/images/RFP-2015-broker-enrollment-center-initiative-questions-answers.pdf>

http://www2.illinois.gov/govlhealthcarereform/Documents/Health%20Benefits%20Exchange/Producer%20Co-Marketing%20Program10_21_14.pdf

STEP 7: COMMIT TO A SCHEDULE

The solicitation document will need to include the date when all responses are due, as well as the expected dates for interviews (if needed) and the announcement of successful Lead Broker Agencies. States should allow respondents a minimum of three weeks to respond, and then should schedule a four to six week window to accommodate interviews, proposal scoring, and the final selection process. Ideally, Lead Broker Agencies should be announced no later than September 1 for a November 1 start of open enrollment.

The 60-day lead time is needed for preparation by both the marketplace and the Lead Broker Agencies. The marketplace may want to provide specialized training for Lead Broker Agencies and the market planning process will take at least 45 days to do well. Market planning will consist of joint meetings to determine how the co-op advertising program will work for each specific Lead Broker Agency. Will co-branded advertising be limited to local print ads or can radio sponsorships also be accommodated? Several brokers interviewed after the MNsure and Get Covered Illinois programs were completed expressed an interest in using joint advertising funding for local radio spots and sponsorships. Radio was viewed as a cost-effective and highly local promotional tool by several brokers.

The suggested schedule below accommodates a November 1 operational effective date:

Timeline	Key Milestones
May-June	Draft Proposed Program (key program components; marketplace responsibilities; Lead Broker Agency responsibilities; budget and schedule)
June 15	Vet Proposed Program with Stakeholders
June 15-June 30	“Go/No Go” Decision to Finalize Lead Broker Agency Program (including all internal approvals, such as legal and Board)
June 15-July 14	Draft and Finalize Solicitation Vehicle
July 15	Release Solicitation Vehicle
August 7	Due Date for Responses
August 8-31	Evaluate Responses; Conduct Interviews (if needed) and Make Final Selection
September 1	Announce Successful Candidates
September 2-October 15	Market Planning/Co-Branded Marketing Campaign/Signage
October 1-15	Training (if needed)
October 15	Complete All Program Preparation
November 1	Program Launch

Summary

The Lead Broker Agency program affords marketplaces a cost-effective tool to partner with highly-motivated brokers, as evidenced by enrollment results. For example, the six MNSure Lead Broker Agencies selected to participate saw their QHP enrollment in OEP2 increase more than 14 times their results from OEP1.

“The success of this pilot program is undeniable, both in terms of increased in-person enrollment opportunities and strengthening our relationships with our broker partners,” said MNSure CEO Scott Leitz. “Our lead agencies partnered with other MNSure assisters to maximize in-person enrollment help for both public programs and private plan coverage, which resulted in more Minnesotans getting the peace of mind that health insurance brings. We are already working on expanding the program for the November 1, 2015 open enrollment season.”

States interested in implementing a Lead Broker Agency program should recognize that a six-month development and implementation process works best for a successful launch. Key milestones include deciding on program components early, and in particular, defining responsibilities for both the marketplace and the Lead Broker Agencies. Achieving internal buy-in from marketplace leadership, state’s attorneys and the marketplace’s Board, if applicable, should happen early in the process, while external stakeholder approval should be sought once the program has taken shape in draft form. Involving the marketplace’s ad agency or marketing firm in the early days will help ensure that co-branded ads and an integrated campaign are ready for the beginning of open enrollment. To encourage the greatest participation from the broker community, it is very helpful to simplify the solicitation vehicle and commit to a written schedule that allows all parties time to complete their activities.