MY BROKER IS HANDLING IT: Are you the ACA Expert your clients think you are?
Managing Client Expectations

When HCI asks members of the BUSINESS community:

Q. How are you handling the Obamacare?
   A. My Broker is handling it.

Q. What steps has your company taken to address the ACA?
   A. I have a great Broker who makes sure I'm in compliance.

Q. Is your company ready for Obamacare?
   A. Definitely, my Broker is on top of it.

When HCI asks members of the BROKER community:

Q. How do you rate your overall knowledge of the ACA?
   A. Average answer: Minimal to Moderate

Q. How well do you keep up with ACA legislative changes?
   A. Average answer: Rely on insurance carrier & associations, newspaper, books

Q. Are you concerned about giving your clients erroneous or incomplete ACA info?
   A. Average answer: Very Concerned

BROKERS, how stable is your book of business? Based on Agents/Brokers surveyed by National Association of Health Underwriters (NAHU):

- 68% of agents/brokers own their own business or act as a principal doing business in the small group market
- 5% of agents/brokers have lost their jobs as a result of health care reform
- 72% of agents/brokers have seen a reduction in income due to the MLR requirements
- Almost 100% of agents/brokers expect to make changes in business model to cope with the ACA
- 26% of agents/brokers expecting to reduce client services
- 50% expect to pull out of servicing altogether
- 90% of agents/brokers have seen premiums increase
- 52% of agents/brokers have seen clients drop coverage due to increased cost

Questions? info@Healthcare-Compliance-Inc.com 800-325-1333

*The ACA Law is in constant flux; changes, delays & updates are to be expected
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Based on the survey above, Agents/Brokers are

- Earning LESS money;
- LOSING clients;
- REDUCING services;
- LACKING ACA knowledge

Clients have GREATER expectations; GREATER servicing needs; GREATER compliance needs; but are LACKING ACA knowledge:

- 2013 AFLAC Workforces report states only 27% of employers understand health care reform very or extremely well.
- 2013 AFLAC Workforces report states that only 13% of companies named “educating their employees about health care reform” as a priority
- Willis Human Capital Practice HCR Survey 2012-13 states only 18% of employers have identified the cost of ACA compliance

Ask yourself:

How will a BROKER reduce services when their CLIENTS view them as their primary ACA resource?

How will a BROKER manage CLIENT EXPECTATIONS while trying to implement a new business model that might include fees for ACA services?

How will a BROKER respond to CLIENTS with GREATER NEEDS with less commission dollars earned on that Client’s account?

THE COMMON ACA ISSUE FOR BOTH BROKERS AND CLIENTS: LACKING ACA KNOWLEDGE!

Think about it, the one common denominator between brokers and clients is Lack of ACA knowledge. This does not bode well for the broker community, nor does it bode well for a broker whose ACA expertise is expected by a clientele who is largely disengaged and uninformed. What happens when compliance deadlines are not met? What happens when employee education is ignored? What happens when a DOL audit leads to punitive action? What happens when a claim is made against the Broker by a client who was depending on their Broker for ACA compliance? Will the Broker’s E & O covers the complaint? What parts of the ACA does your E & O policy cover? What parts does it not cover? I doubt that lack of ACA knowledge will be an adequate defense.

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THE BEST DEFENSE IS A GREAT OFFENSE

HCI recommends that Brokers take the lead in providing ACA resources to their clients. The ACA legislation, by sheer volume, is too large and too complex for the Broker to take on the full responsibility, which, by the way, is what many of your clients’ think you’re doing. From a liability perspective, a broker should not be comfortable in this position and should look for ways to mitigate their exposure. ACA compliance is not solely the responsibility of the Broker; however, it will be up to the Broker to educate their clients about their (or their company’s) responsibilities under the ACA. ACA education works best when using a team approach: Broker, Client/Employer, and ACA Experts.

Healthcare Compliance Inc. is an ACA expert providing ACA resources. Read more below to see how HCI products & services can heighten Broker-Client ACA Education, facilitate Broker-Client Retention and promote Broker-Client ACA obligations and responsibilities.

HCI has often compared the ACA to OSHA and ERISA

**OSHA regulates safety in the workplace and is regulated by the Department of Labor**

**ERISA regulates retirement plans in the workplace and is regulated by the Department of Labor**

**ACA regulates health insurance plans in the workplace and is regulated by the Department of Labor**

When *health insurance brokers* begin to see the ACA in the same way *property & casualty brokers* view OSHA and the way *investment advisors* view ERISA, they will begin to better understand (1) how the ACA is structured, (2) the role of the regulators (DOL, HHS, IRS), (3) the role of the broker, and (4) the role of the client/employer.

**How do clients manage OSHA compliance?**

1. Consult with Broker
2. Consult with OSHA experts
3. Purchase OSHA manual (avg min cost = $1,900 per year, more for onsite educator)
4. Regular OSHA employee meetings
5. As necessary OSHA education for employees
6. Company maintains audit-ready documentation

**How do clients manage ERISA compliance?**

1. Consult with an Investment Advisor (cost can vary, fee based or commission based)
2. Consult with TPA for Plan documents and Annual Admin (cost ranges from $2000-$15,000 +)
3. Required document distribution to participants (SPD, SMM, etc.)
4. Regular retirement plan education for eligible employees
5. As necessary retirement plan employee notifications
6. Company maintains audit-ready documentation

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How do clients PRESENTLY manage ACA compliance?

1. Clients rely on Broker and Insurance Carrier
2. Most clients do not have audit-ready procedures in place.

How SHOULD clients manage ACA compliance?

3. Consult with Broker on insurance related issues
4. Consult with ACA expert – like Healthcare Compliance Inc. (HCI)
5. Consult with TPA for Plan documents and Annual Administration (cost ranges from $150-$5000)
6. Purchase ACA manual + HCI membership benefits (min pkg. $360-$1500)
7. Required ACA document distribution to eligible employees (SPD, 60-day notice, etc.)
8. Regular health insurance & ACA education for eligible employees
9. As necessary ACA employee notifications for eligible employees
10. Company maintains audit-ready documentation

Over time, ACA compliance will likely become a function integrated into a company’s day-to-day operation, much like OSHA and ERISA.

Over time, companies will realize that ACA compliance comes with a price tag, similar to the cost incurred for OSHA and ERISA compliance.

Over time, companies will retain ACA consultants, similar to the consultants they retain for OSHA and ERISA expertise.