

Connecticut Health Insurance Exchange Consumer Outreach Forum Agents/Brokers Group Discussion Summary

Date:

February 27, 2012

Location:

Capital Community College, 950 Main Street, Hartford

Background:

Mintz & Hoke has been charged with developing the consumer outreach program for the Connecticut Health Insurance Exchange. A series of consumer outreach forums represent the initial steps in a multiple-phased information gathering process aimed at better understanding people's needs, desires and expectations relative to the Exchange. Input from participants in these group discussions, moderated by Mintz & Hoke, will have a direct impact on the development of messages and the tools used to introduce the Exchange and inform state residents about the options available to them. Recruitment for this forum consisted of an emailed invitation sent on February 17, 2012, and a second emailed invitation sent on February 24, 2012. This document is intended as a summarized snapshot of the initial perspectives shared by the individuals who participated.

This document is not intended to represent final thoughts or positions.

Moderators:

Bill Field, Mintz & Hoke

Su Strawderman, Mintz & Hoke

Kathy Morelli, Mintz & Hoke

Invited to Attend:

Consumer outreach forums were open to the public. Direct invitations went out to the following:

Abercrombie Burns McKiernan & Co. Insurance, Inc.

AmeriBen Alliance, LLC

Antonio Paulo Pinto

Bozzuto Associates Inc.

E-Benefits Group Northeast, LLC

Gerard B. Tracy Associates Inc.

Health Consultants Group

Modern Insurance

Parker Agency

The Benefits Group, Inc.

Meeting Attendees:

Antonio Paulo Pinto, Independent

Jesse D. McDonald, Modern Insurance

John E. Calkins Jr., Bozzuto Associates, Inc.

Paul E. Smith, AmeriBen Alliance, LLC

Phil Boyle, Health Consultants Group

Robert S. Ford, E-Benefits Group Northeast, LLC

Timothy P. Tracy, Gerard B. Tracy Associates, Inc.

Consumer Perceptions:

Given your experiences dealing with individuals and small employer groups, what do you think are the prevailing current attitudes about the healthcare industry from an overall perspective?

HUSKY bill was passed so that states would take their federal funded money and give it to employers to enable employees to get on individual plans. Government puts together HUSKY people. Agents do this for free. There's no process to help people so they fumble. Agents can help people reduce their costs and get involved with their employer.

People are so confused. We get calls every day from people who thought they could not get declined, and don't know what to do next. Go to HUSKY? Go to pre-existing condition plan? The consumer is so confused. The idea that everyone will go to a website and get their answers is a huge misconception. We have a private exchange through our CBIA.

For a while an insurer was running a campaign saying join the chamber to get insurance, strength in numbers. It was completely false. Mised clients to believe chamber premiums would be lower than otherwise.

What are consumers' current opinions about their ability to access healthcare today? How will that change with the new Connecticut Health Insurance Exchange? What hopes are they expressing about the potential value to their individual interests coming out of the ACA act?

Many people are borderline on whether they buy insurance or take the risk. There are a lot of people in ethnic communities, and individuals and couples in their 20s-30s, who don't have coverage. The exchange is an option they don't have today.

How much awareness and conversation are you seeing in your selling efforts about the Connecticut Health Insurance Exchange? What types of questions, if any, are your customers asking you? What questions do you anticipate being asked as the Connecticut Health Insurance Exchange gets closer to being a reality in 2014?

Those creating the Exchanges, no one talks about the costs. They have to compete with the private marketplace. People think they're going to save in 2014 but looking at Massachusetts, the only people who participate in the Commonwealth Connector are people who are receiving subsidies. Benefits you have to have in these things are not what people are doing. Need to embrace consumers through a low premium.

Everyone expects rates will drop when the key goes in the door January 1, 2014. We need to begin setting expectations now.

The individual is even more out of the loop about what the law does and what is to be expected. The small business owner has a little more knowledge. The consumer is remarkably uninformed, even at varying education levels. I spend a lot of my day explaining the law and what the pre-existing conditions law is. The information is online and available, but no one I talk to has ever heard of it. Brokers are doing a lot of education.

I don't find that they're asking anything. Employers have several hats on, and this is not one of them. They are looking for us to lead them as time goes on. My concern is that the penalties are so small that people are going to remain uninsured.

That is like buying car insurance after you wreck your car. Any business would rather buy a penalty if it is a fraction of the cost of insuring your employees.

There are so many things being written now that we have no clue what is going to happen. Just as they write something, we lobby for/against it and it goes around in circles. We need to make decisions to allow plans to go forward.

I don't think we are going to see what the Exchange really looks like for another year.

In Massachusetts they've got money from the federal government. They are still running off tax dollars and have not become profitable yet.

We know what this stuff costs. How are we going to give subsidies to people earning up to \$89,000? Where is that money coming from? There is no way it's going to be available. The most realistic is the CBIA model.

All they want to know is, "Do I get to go to the hospital, or not?"

Everyone is going to think they can do better on the Exchange at first.

What will be the most prevalent consumer barriers and obstacles that will have to be overcome in a health insurance exchange consumer outreach program?

We spend so much time educating the individual or small business client about what is coming. The assumption is everything is going to be free or have lower costs. We have to educate them that they as a business will lose tax credits. They are writing off the premium now. The bottom line right now is to educate people. We do a lot of positive education. Our job is to honestly tell people what is coming. How do we market this? Be honest with people.

Once you get over 300% of the FPL, people are going to start looking for other options than the Exchange.

Non-English speaking audience.

Your problem will be the amount of change. If one or two things go one way or the other, it can throw a huge wrench in what you have already decided. Changes on state or federal level.

What does the Connecticut Health Insurance Exchange need to accomplish to be effective from a consumer outreach perspective? What are the most important consumer outreach mandates?

Spend it on the people who will get subsidized.

If you did a focus group in Massachusetts after the fact, you would find that the people who have enrolled are the people getting subsidies.

Competitive price. Choice.

The one thing the CBIA does is that it aggregates multiple carriers into choice. CBIA makes up only a small percent of my book.

I struggled with CBIA for years. I adapted their materials and now I love it. COBRA has a nice system.

We mail out \$3,000 commission checks each month. They understand the value of the broker relationship.

They understand insurance.

Aggregating, creating single bills, single point of enrollment.

CBIA has only half the carriers.

At first you couldn't buy commercially through the Connector.

Focus on subsidized people. All the different demographic factors will cause costs to rise. We can't try to treat 20-year-olds and 80-years-olds the same.

Consumer Outreach Communications Dynamics:

What do you think are the greatest challenges the Connecticut Health Insurance Exchange faces in consumer outreach efforts?

Marketing must be ethnic, inner city. There are 47 languages spoken in New London right now.

If a carrier participates in the Exchange, they have to offer the same thing outside of it. You will have a serious struggle with adverse selection. Plans are mandated to carry rich benefits so they may

even be unaffordable with the subsidies because of the bronze, silver, gold, platinum mandated rates from the government.

Many people's current plans do not even qualify according to the levels that have been set.

From your own individual selling/promotional perspective, how should the Connecticut Health Insurance Exchange brand be communicated? What would be the ideal conduit that makes a connection with agents and brokers? What should the positioning be for the Connecticut Health Insurance Exchange? How can it sync with your own individual firm's positioning?

I do a lot of work in the cities. There is a significant trust factor. Look to people within their communities. They often come from backgrounds where insurance is not underwritten. The trust lies with someone from their community. A local doctor or local insurance agent who speaks their language and knows their background. I would not go in a suit to talk to people in some places because they find it unnerving.

That is where the role of the navigators comes in. Bring the communication into the community. Rather than an agent.

When we get somebody who can't speak English, I do referrals. I will bring someone in to help, whether it is a supervisor at the client's company or otherwise.

Community outreach, churches, ethnic clubs. Trust in pastor.

That is where the navigators can play a role. Schedule a meeting at a community center. They are there to educate.

Probably need a dozen or two at the most. You don't want navigators to do enrollment and sales. There are a lot of HIPAA requirements, process, information that needs to be destroyed after processing. If that were the case, then you might as well make the broker the navigator.

People did not grow up in their homelands talking about deductibles and copays. It goes back to education. Even for the navigators.

A strong navigator system will help.

The Exchange should provide pre-approved, translated communications for us.

With PPAC, all materials are being translated.

Also small businesses (less than 10 employees) need navigator help. Your small Spanish business or other non-English speaking staff.

The first people to buy will be those who get some form of subsidy. Because of the high premiums they may choose to buy the same plan from the same carrier, just outside of the Exchange. Initially, the state thinks the navigators are going to be state employees.

No, navigators need to be outside of the call center, because that already exists.

In Massachusetts, they were aiming for the “Invincible” (Hispanic young men) market, so they targeted their mothers. A lot of advertising began around Mother’s Day.

How would you develop and design a communications program to launch the Connecticut Health Insurance Exchange brand? What communications elements (TV, radio, newspaper, Internet) would be part of the mix?

You need to develop a plan based on the market that you are trying to reach. We represent all the markets. The individual market needs help from navigators.

Mass communications won’t fall on deaf ears, but it may not be money well spent because people will have questions about it.

Enrollment begins October 2013. You need to start at least six months prior to that. The Exchange will need to have all materials ready.

Consider a soft opening and hard opening. Certification for the Exchange has to be January 2013, so that’s maybe when you need to start the campaign. Maybe a drip campaign to gradually let people know the Exchange is coming.

Based on the timetable, if you start early enough, you may not need as many navigators because education will be more effective.

What role do you see yourself/your firm playing in the communications and marketing of the Connecticut Health Insurance Exchange? How would your firm’s individual communications and marketing programs align with those of the Connecticut Health Insurance Exchange?

Agents/brokers want to be involved, want to make it successful and show them how it works.

Navigators and brokers are built into ACA and we do not cost the consumer any money. We might be serving different demographic groups but were each available and we don’t cost anything for our advice. The roles are not defined yet however.

Average commission in Massachusetts is about 4-4.5%. For Exchange, we’ll make about 2%. We can’t make any money on it.

There is some concern about the navigators. For instance if you get someone who doesn't really know what they are talking about and they lead someone down the wrong path. We are covered for that, whereas we don't know if a navigator will be.

That is why navigators should really be focused more on education, working with brokers to execute enrollments.

Despite that, 95% of people contact us before choosing a plan.

When the Massachusetts Connector launched, it did not include brokers, which initially was not successful. They found they needed to bring us in.

The carrier is going to pitch you on their product. If you go through an independent professional, they are going to summarize a number of different options for you. Without a broker, the customer has to call 4-5 different carriers to get 4-5 different pitches. Overall it is inefficient for the consumer

E-Health Insurance is another way to go around your agent, but then you get 1,000 quotes. It's too much information and people find they still need help.

What if the steering wheel were located in a different part of each car? Health insurance plans all have differences. Even those that are part of the same bronze or silver level. We explain the nuances of different plans to people.

One problem the Connector had was a lack of friendly, responsive customer service. They didn't have that mentality at first. They are now asking brokers for help in this area. At the end of the day, it is a business. They must be responsive and customer friendly.

When you are dealing with people's health care, there has to be service.

Focusing Consumer Outreach Messages:

What types of message appeals do you think will be the most effective in reaching the audience segments that the Connecticut Health Insurance Exchange is aimed at? What messages should we stay away from? How would you address the need for reaching different cultural and geographically diverse audiences?

When you did your Massachusetts research you saw a lot of advertising using the Red Sox. That was their hook. They got a lot of mileage out of that. That was their breakwater point. Timing was everything, right around 2006. It's like a religion up there. Do you use Gino from UConn?

The state has to realize who is going to be going to the Exchange first. That target market is most likely going to be those in need of the subsidy. You don't want to spend dollars on people who are not going to be using the Exchange. Mercer even verified that in that study.

The navigator needs to explain how the programs work. The discussion on the benefits side. I don't talk about copays, I talk about what you pay, and when. It simplifies the information.

What tone and personality should the Connecticut Health Insurance Exchange exude in communications? How does the Connecticut Health Insurance Exchange need to connect with consumers on an emotional level?

Local/community

Safety net

Help

Healthcare coverage

Simple

Security – financial security

Looking at the opposite: You don't want them to think of the DMV, so what does that look like?

A healthy Connecticut. If you have coverage versus not having coverage.

Consumer-friendly

A resource

Individual mandate, take your responsibility to buy health insurance

The responsibility message is only effective if the individual mandate goes through.

“Click it or Ticket,” “See Something Say Something” would not play here at all. You need something more positive. “You can't win if you don't play.” Do you want to see the doctor? Use the Exchange. You can't guilt people into buying insurance. People thought they would get free insurance when they elected the current administration. Don't see playing on guilt as option.

Are you eligible?

Are you leaving money on the table?

Look at the ethnic magazines available around the state to get a frame of reference on how to market to this audience. In my niche, I market through word of mouth. We have good inroads.

How about approaching from the providers' standpoint? Wouldn't it be great to give everyone in the state access to the fantastic providers we have available?

Theme of ad is “Why are you doing the doctors job?” Go to your doctor instead of trying to self-diagnose. Let your doctor do his job.

Brokers all know health insurance is complicated. We keep our CBIA ads simple.

What reaction would you want consumers to come away with after being exposed to Connecticut Health Insurance Exchange consumer outreach messages?

Security – financial security

What is the one single-minded message that needs to be articulated about the Connecticut Health Insurance Exchange? What would you want the halo to be for your business? How can you benefit from Connecticut Health Insurance Exchange consumer outreach? In your mind, what is the applicability?

Insurance companies want to survive, as do brokers. We are trying to help them, but carriers are not interested in agent.

I still think that if you are aligned as an advisor/consultant to a business, the value that you bring is extremely important. Carriers who decrease commissions make brokers focus their efforts elsewhere. When carriers face that threat, they submit. Ultimately, carriers do value the relationship between the broker and the consumer. Most of our clients see the value in what we provide to them.

Minimum Loss Ratio – Insurers have to spend 85% of their money on claims. 70% claims are spent on lifestyle issues that can be avoided. The brokers are working on trying to take themselves outside of that formula to survive. It is stressful for us because the administration does not understand our business.

It's the community. They want to have that trust factor. They're not going to just take the insurance carriers word on something. They need someone to help them understand it, provide that guidance.

Outcomes/Metrics:

How would you define the success of a Connecticut Health Insurance Exchange consumer outreach program? What would it look like?

Success isn't how many people are in the exchange. It's how many people are insured.

Currently about 10% of people are uninsured. If you get down to 2-3% that would be successful. You will never get to full enrollment. Even the universal plans in Europe. Massachusetts was 7-8% before the Commonwealth Connector, but that was before the economic downturn.

Success is not just getting people insured. Another metric is cost. You can insure as many people as you want by taxing insurers and employers. If you don't control the costs, it's going to get more and more expensive to insure our state residents. The problem with the federal government is that they have made it seem like it's free. Healthcare's costs still have continued to increase.

What metrics are most beneficial to your firm? How do you envision the Connecticut Health Insurance Exchange benefiting your business?

In a perfect world the Exchange would support the role of a broker. The Exchange would encourage people to see their broker.

Don't compete with us.

We need to be able to service people after they get enrolled. Brokers need to be involved.

There is a carrier that encourages people to call their local agent. State Farm?

Call us directly or call your broker. Better than some who don't mention the broker at all.