



Help Protect Your Constituents Through Health Insurance

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What Agents Do

Professional, licensed independent insurance agents and brokers guide consumers through a complicated process. Agents provide quotes, scrutinize plans, and ensure that consumers consider the best options available to them. Unfortunately, since the passage of the Affordable Care Act (ACA) in 2010, agents have encountered serious obstacles to doing their jobs delivering vital health plans to consumers.

The Issue: Agent Compensation in Healthcare Slashed

The ACA implemented a requirement called the medical loss ratio (MLR). The MLR is designed to limit the amount that a health insurance company can spend on administrative costs. PIA supports this intent; however, the MLR requirement has been interpreted in a way that has resulted in unstable reductions to agent compensation. As a result, many agents have been forced out of the health insurance market, leaving consumers without guidance in the complex process of selecting health plans.

How You Can Help Defend Agent Compensation

- ✓ **SUPPORT** healthcare reform that recognizes the vital role of independent agents
 - Legislation like the Access to Professional Health Insurance Advisors Act (114th Congress: H.R. 815/S. 1661) provides that certain compensation for agents and brokers is exempt from the MLR calculation.
 - The exclusion of agent compensation from the MLR calculation can be resolved through a rulemaking process carried out by the Department of Health and Human Services.
 - Support efforts to ensure agents are compensated for their expertise.

The Issue: Future of Employer-Based Health Coverage in Doubt

Millions of middle class individuals rely on health insurance obtained through employer-sponsored health plans. In the ACA, a provision often referred to as the “Cadillac Tax” is intended to lower healthcare costs by imposing a 40 percent excise tax on “overly generous” employer plans. However, because of the broad way “overly generous” employer plans are defined, recent studies have shown that the tax will, over time, actually affect the vast majority of plans.

How You Can Help Defend Employee Health Plans

- ✓ **COSPONSOR** the bipartisan **Middle Class Health Benefits Tax Repeal Act** (H.R. 173/S. 58), introduced by Reps. Mike Kelly (R-PA) and Joe Courtney (D-CT) and Senators Dean Heller (R-NV) and Martin Heinrich (D-NM).

- The legislation will repeal this harmful tax, the implementation of which has been delayed until 2020 because of bipartisan opposition to it and concern over the damage it will cause.
- PIA prefers a full repeal of the Cadillac Tax.

The Issue: Federal Encroachment in Healthcare Regulation

Members of Congress continue discussing the potential inclusion of provisions in potential ACA replacement bills that would allow insurers to sell health insurance policies across state lines. PIA opposes this prospect because it would strip states of their regulatory authority over insurance and undermines the foundation on which state regulation of insurance is based. This would allow health insurance to be effectively exempt from state regulation by permitting insurers to pick their own regulator in a state of their choosing—and by so doing, allow insurers to evade the requirements of any other state, eviscerating local control. The path to constructing a replacement for the ACA should lead to more state control, not less. Such proposals would transfer power from the states to the federal government.

How You Can Help **Defend State Regulation in Health Reform**

- ✓ **OPPOSE** any provision that would subvert state regulation by allowing insurers to sell health insurance policies across state lines.
 - Oppose proposals to reform or replace the ACA where such proposals include provisions to preempt state authority.
 - Support legislation that would lead to more state control, not less.



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