

Commonwealth Health Insurance Connector Authority Sample Broker Q&A

1. Will I be paid for selling group Connector business?

Yes. Brokers will be paid for any group Connector sales.

2. Will I be paid for selling individual Connector policies?

At present, we do not anticipate that commissions will be paid for individual policies. Currently, the health plans do not pay commissions for the sale of non-group policies, and we don't anticipate changing the market standard. However, we anticipate paying brokers for the sale of Section 125 plans. This is a significant enhancement to the current practice of not compensating brokers for Section 125 sales.

3. How much will I be paid for group policies?

While the details of specific broker commission payments are still being finalized, we expect these commission payments to be based on the amount of commission payments made by small group intermediaries.

4. When and how often will I get paid?

While this policy is yet to be determined, we anticipate the commission payments will be paid monthly.

5. Will commission payments be paid on a "per sub" basis or as a percentage of premium?

We anticipate that commissions will be paid on a "per sub" basis.

*stated would
be \$10/ee/mo
(not confirmed)*

6. Will Connector commissions count toward my health plan bonus programs?

Decisions about health plan bonus payments will be left to the health plans and carriers.

7. Will the Connector be developing its own growth and persistency bonus programs?

We are not anticipating creating either growth or persistency bonus programs.

8. What is a "Subconnector?"

A Subconnector performs the same administrative and service functions as the Intermediaries perform for small group sales (e.g. premium billing & enrollment, quoting, customer service, etc.).

9. How many Subconnectors will be utilized by the Connector?

We anticipate contracting with one Subconnector.

10. How will I interact with a Subconnector?

We expect that brokers will interact with the Subconnector similarly to the way brokers interact with Intermediaries for existing small group sales. We expect that brokers will receive Connector quotes via the Connector web site, submit application and enrollment information to the Subconnector, and receive commission payments from the Subconnector.

11. How will I get a quote for either a Connector group or individual policy?

Brokers will receive quotes for "benchmark" plan designs and other plan options via the Connector web site, the Subconnector's web site, and other distribution points

12. Most small group business with Intermediaries renews on April 1. If a broker wishes to place a client with the Connector on July 1, how would that work?

Bids for our Commonwealth Choice product will be available in May for July 2007 effective dates. Groups will not be limited to one open enrollment period or an annual effective date. In fact, groups will be able to enroll in a Connector product at any month after our first effective date of May 2007.

13. How does a case enroll?

Enrollment procedures for Commonwealth Choice will be similar to the enrollment of small group cases via the Intermediaries. After a quote is furnished and plan design choices are made, the Subconnector will send out all appropriate group applications and individual enrollment materials. These applications will be completed and sent back to the Subconnector. The key distinction between traditional small group sales via Intermediaries and sales via the Connector is that a process needs to be established for individuals within a group to make individual plan choices.

14. Will Connector rates be more expensive than the health plan rates for the same plan design in order to cover Connector administrative overhead?

Rates for Connector products will not be more expensive than those offered by the health plans.

15. What kind of training will the Connector provide? When will this training take place? Who will provide the training?

Broker training and support is an integral part of the services provided by the Connector. Product training will be available through classroom and web-based training sessions beginning in the spring. We are committed to properly training and supporting the sale of Connector products by brokers and consultants.

16. What is the definition of “creditable coverage?” Is there a separate definition of “creditable coverage” for full-time employees and part-time employees? If not, why not?

Minimum “creditable coverage” is the health insurance coverage an individual must have to satisfy the individual mandate under the new Health Care Reform law, irrespective of employment status. As the law is a mandate for individuals, the definition of “creditable coverage” does not directly impact employers. The definition of “minimum creditable coverage” is not fully defined at present; however, we expect this definition to be finalized by the spring.

17. Will “mini-Med” plans be considered “creditable coverage?”

“Traditional” mini-med plans, which often feature low annual plan maximums of \$10,000 or \$25,000, will likely not be considered creditable coverage though final determination has not yet been made.

18. If I have an account with 12 employees where some employees work 25 hours per week on some weeks, but more than 35 hours per week on other weeks, are these employees subject to inclusion in the mandate?

The individual mandate is not affected by the number of hours an employee works.

19. If my accounts with more than 10 employees already offer Section 125 plans, do they need to certify this with the Commonwealth? If so, how do they do this?

Employer requirements for certification of existing Section 125 plans is in the process of being defined. We expect these regulations to be approved and communicated to brokers and employers in the spring.

20. Can an employer headquartered in Massachusetts offer different levels of health insurance benefits within the same class of either full-time or part-time employees if a portion these employees are located out-of-state?

The employer provisions of the Massachusetts Health Care Reform law apply only to employees who work in Massachusetts.

21. What are the implications of the merging of small group and individual rating?

The primary implication of the merger of small group and individual rating is the expansion of access and affordability of health insurance products to the individual market. Research shows that this market desires more product choice and options for health insurance coverage.

22. Will the Connector have a sales force? Will the Connector have account managers and service support?

The Connector is committed to providing superior service to our brokers, clients, and members. We are in the process of defining the resources required to provide this level of service.