



THE COUNCIL
of INSURANCE
AGENTS & BROKERS

Count on THE COUNCIL™

The Council of Insurance Agents & Brokers represents employee benefits brokers who advise the employers of the nearly 179 million Americans covered by employer-sponsored health plans and participate in the design and administration of these plans. Council members support reforms that will increase access to health care for those who are currently uninsured; empower consumers to make appropriate and cost-efficient decisions about their health care; and capitalize on technology and uniformity to pare down administrative costs in the system. We urge Congress to seriously consider these measures when designing health care reform legislation.

Access

Every American must have access to affordable health insurance. The employer-based health insurance system provides such coverage to a large percentage of Americans; most employees are very satisfied with their coverage. Health care reform legislation should not make tax code changes in a manner that will discourage employers from providing coverage to their employees. The Council also supports portability. Employees who switch jobs to an employer who does not sponsor a health insurance plan should have the ability to convert their coverage into an individual health insurance plan at the end of their COBRA continuation period.

There are also measures that can be taken in the individual and small group markets to provide greater access to health coverage. Insurers should be required to issue coverage to individuals without pre-existing condition exclusions. The establishment of state-based health care exchanges that offer access to insurance plans to unemployed individuals, the self-employed or those who do not have coverage through their employers will also help to increase access to health insurance. Community rating for pools of individuals or employee groups of less than 50 would go a long way toward making health insurance affordable, and the federal government should provide subsidies to those who cannot afford to purchase coverage on their own.

Consumer Empowerment

One of the keys to increasing efficiency and decreasing costs in the health care system is empowering consumers to make informed choices about their health care and giving them incentives to do their part in containing medical costs. Consumers should have access to comparative costs of medical treatments, and health care reform legislation should support increased comparative effectiveness research that will give both providers and consumers better information about achieving optimal health outcomes.

Health care reform legislation also should encourage employers to develop and implement employee wellness programs that help combat the unhealthy lifestyles responsible for a large percentage of health care expenditures. Legislation should ease restrictions under the regulatory schemes of HIPAA and the ADA that complicate the operation of such programs.

Legislation should also maintain the status quo for tax-advantaged accounts used to pay for medical expenses, such as Health Savings Accounts (HSAs), Health Reimbursement Accounts (HRAs) and Flexible Spending Accounts (FSAs). These tools encourage consumers to become more informed about what they spend on their health care.

Government-run Health Plans

We remain concerned that any government-run health plan would undermine the employer-provided health care system by creating an unlevel playing field. Permitting individuals to opt-in to a government-run health plan would result in nearly 120 million Americans leaving the private insurance system and only serve to increase the costs being shifted to the privately insured. Those leaving the private system would be healthy individuals opting for a cheaper plan and would result in riskier, more expensive groups to be managed by the employer – ultimately discouraging employer participation in the private market.

Administrative Savings

A substantial part of health care costs today can be attributed to the increasing bureaucracy that is infiltrating the health care system. The development of standardized electronic medical records can improve both the speed and quality of medical services and cut down on administrative costs associated with a paper-based system. Health care reform legislation also should provide for the development of clear and simplified uniform state regulations for health insurance to reduce the cost of complying with the current diversified state-by-state regulatory schemes.

Founded in 1913, The Council is the premier association for commercial insurance and employee benefits intermediaries. The Council represents the leading commercial brokers and agents in the United States and abroad. Council members annually place 80 percent of all commercial property/casualty premiums in the United States and administer billions of dollars in employee benefits accounts. www.ciab.com