

Individual Market: Agent Payment Options

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Where we are and where we're going...

- Developed options and recommendations informed by stakeholder input, review of national lessons and expert advice
- Provide an overview of options and recommendations for board and community input
- Stakeholder input reviewed and
- Staff submits final recommendations for Exchange Board action
- Further research of outstanding issues and continued work to develop details

California Health Benefit Exchange Options for Potential Agent Payments

Option 1. Plans pay agents (commission based on market terms)

Option 2. Exchange pays agents (commission structure that parallels market)

Option 3. Exchange pays agents as Navigators

See Board Recommendation Brief for details.

Individual Market: Agents Payment Options

Board Recommendation Brief

From the perspective of the Exchange, the “certainty” reflected in the Board Recommendation Brief is that agents need to be part of assuring millions of Californians get the coverage and care they need. The Brief presented three options for payment to licensed agents who facilitate enrollment of individuals in a plan offered through the Exchange and potentially for other programs.

Options for Potential Agent Payment

Option 1: Plans Pay Agents

The Exchange allows plans and agents to determine mutually acceptable contracts and commissions, plans pay agents directly. Agents would need to be “certified” with the Exchange as Direct Benefit Assisters and meet terms (see Navigators and Assisters Recommendations, May 18, 2012).

Option 2: Exchange Pays Agents

The Exchange pays agents directly and sets the compensation rate for agents who enroll consumers in Qualified Health Plans, and potentially for assisting consumers in eligibility and enrollment processes for other programs

Option 3: Exchange Pays Agents as Navigators

The Exchange contracts directly with agents who enroll individuals in Exchange coverage and pays them the same as it pays Navigators.

Recommendation: Allow for health plans in the Exchange to pay agents directly (Option 1)

Major Implementation Issues

Board Recommendation Brief

- Require Commission Parity Inside and Outside the Exchange
- Define Agent Role with Non-Exchange Eligibility and Enrollment
 - Option 1: Refer Medi-Cal or Health Families Candidates
 - Option 2: Assist Medi-Cal or Healthy Families Candidates
- Defining Scope of Agent Training/Certification
- Assuring Consumers' Access to Unbiased Information

Final Policy Issue Recommendations

Board Recommendation Brief

- **Payment of General Agents**
 - No additional payments to General Agents for Individual enrollees
- **Payment of Web-Based Agents**
 - Compensation provided in the same manner as other agents – by the plans with which individuals enroll and subject to their negotiated rate
- **Assuring Consumers' Access to Unbiased Information and Vesting of Agent Commissions**
 - Agents must present all health plan and product choices to potential enrollees in a fair and balanced way, regardless of compensation

Individual Market: Agents Payment Issues Needing Additional Development

Board Recommendation Brief

- Navigator and Agent Payment Coordination
- Plan Contracts with Agents
- Role of Health Plans' Captive Agents
- Variation in Payment Amounts and Methods
- Establish Agent Participation Rules
- Transparency of Agent Payments
- Impact and Coordination with SHOP Operations
- Supplemental Product Sales

Next Steps

- Comments invited:
 - Submit comments to info@hbex.ca.gov
 - Please use Comment Form available at Stakeholder Section of the Exchange Website
- Further research of outstanding issues and continued work to develop details – an evolving process