

CALIFORNIA BROKER

VOLUME 39, NUMBER 2

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NOVEMBER 2020

MENTAL HEALTH AND COVID-19

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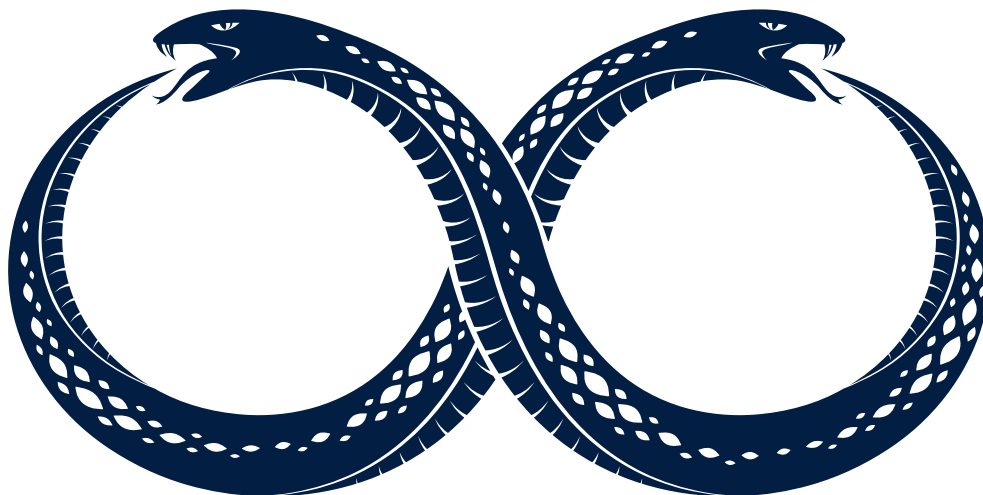
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Note: Covered California is modifying the Agency Agreement to incorporate this bonus incentive program. Such modification will occur earlier than the 45-day notice period required in Section A(2)(a) of Exhibit B in the Agency Agreement. By accepting this notice, you agree that Covered California may modify the Agency Agreement on or before July 1, 2020, to implement the incentive program outlined in this notice. This is a benefit providing Agents with more incentive opportunities. However, if you do not agree with this effective date, please contact us immediately. Once the Covered California implements the incentive program, the official rules will be made part of the Agency Agreement and will be found at: <http://www.coveredca.com/agents/PDFs/Agent-commission-schedule.pdf>

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UNDERSTANDING COBRA DURING WORKFORCE REDUCTIONS

BY PAUL ROBERTS

Many employees and their dependents have lost group health plan eligibility due to changes in work status because of the impact of the COVID-19 pandemic. As a result, brokers must be prepared to walk their clients through coverage options for affected employees—and that means understanding COBRA and other choices outside of employer-sponsored health insurance.

Brokers are familiar with COBRA, the federal Consolidated Omnibus Budget Reconciliation Act, which typically applies to employers that sponsor a group health plan. In these abnormal times, employers might need to be reminded that COBRA requires them to provide continuing coverage option(s) for an individual who has lost eligibility due to a “qualifying event.” This can include a termination of employment (whether voluntary or involuntary, including layoffs) or a reduction in hours that results in the loss of benefit eligibility (like switching from full-time to part-time status). In some instances, furloughed employees are also eligible to continue coverage via COBRA, if the furlough results in a loss of eligibility for coverage.

Employers with 20-plus full-time employees (FTEs) are generally subject to federal COBRA, and employers in California with fewer than 20 FTEs are usually subject to Cal-COBRA. Employers must count workforce size annually on January 1 to make this determination, and it is essential the employer understand whether its business falls under federal COBRA or Cal-COBRA. Each is administered differently and results in different costs to the employee.

Health insurance coverage is a primary stress point for employees affected by a reduction in force or hours, especially now. It is important that brokers serve as expert educators to help employers not only understand their responsibility when it comes to COBRA, but how they can help transitional employees understand their health care options.

Remind employees they can continue to access existing coverage following loss of eligibility

The onus is on the employer to make sure a transitional employee knows he or she may continue some or all of the coverage in place via COBRA. The employee might also not recognize that enrolled members—employee, spouse, and children—can elect to continue any combination of benefits. This is generally communicated in both the COBRA General Rights Notice and COBRA Election notice.

Brokers can provide valuable counsel to employers looking to communicate COBRA benefits to employees. For example, they can reiterate that COBRA participants in California can generally continue medical coverage for up to 36 months, assuming the employer continues to sponsor that health plan.

The biggest challenge former employees will face in the decision to elect COBRA is the cost, especially in light of the current economic climate. Most employers fund anywhere from 50 to 100% of the cost of plans for current employees. However, when an employee leaves a company or loses benefit eligibility, he or she might not realize that they face the requirement to pay the entire cost of the health premium, in order to continue coverage under the plan via COBRA.

This is often an unpleasant surprise to former employees, especially if they were unaware of how much of the premium the employer was subsidizing.

A broker can help an employer prepare for these difficult conversations in a few ways. For one, COBRA law requires employers to distribute a General Rights notice, which explains allowances and responsibilities under the law, to all enrolled employees and dependents upon enrollment in the health plan. Additionally, employers may consider revisiting COBRA options during annual open enrollment or in a benefits review.

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Lara Asks Insurers to Issue Refunds

California Insurance Commissioner Ricardo Lara has issued a notice to health insurance and specialized health insurance companies, urging that they issue refunds back to their policy holders because consumers largely refrained from seeking medical care in response to the COVID-19 pandemic and the resulting “stay-at-home” orders by state and local public health officers. Savings from the months’ long deferral of medical care and treatment for ailments unrelated to COVID-19 has resulted in record net profits this year for health insurance companies and specialized health insurance companies, such as dental insurance plans.

The commissioner’s notice asks health insurance companies to provide premium refunds on either the November 2020 or December 2020 consumer statements in the form of a refund, credit, premium reduction, or other adjustment. Specialized health insurance policies, such as dental insurance, that have a maximum annual benefit may also comply with this request by increasing the 2021 annual benefit by a percentage equal to the period during which covered services were not available during 2020. For example, as dental practices were essentially closed for a quarter of calendar year 2020, the 2021 maximum benefit would be increased by at least 25%.

Anthem Blue Cross Introduces New Option for Bay Area Consumers and Employer Groups

Anthem announced its introducing Blue Connection, a new health plan option designed specifically to meet the evolving healthcare needs of Bay Area businesses and their employees. Designed with the member-provider experience in mind, the new health plan option offers a suite of comprehensive digital services including a user-friendly interface to help select a primary care physician, online timely appointment scheduling for office visits, and follow-up care with specialists both digitally and telephonically. For employers, Blue Connection offers up to 25% savings compared to Anthem’s standard PPO. In addition to cost savings, Blue Connection offers integrated pharmacy benefits through IngenioRx and access to Sydney Health, Anthem’s new artificial intelligence personal health assistant app. Offered as an Exclusive Provider Organization (EPO), Blue Connection includes direct access to more than 3,500 high-quality doctors and healthcare professionals across the Bay Area, including more than 2,500 behavioral health providers. Anthem has joined forces with leading providers including Hill Physicians, Dignity Health, John Muir Health, MarinHealth, and Santa Clara County IPA.

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NAIC Survey Reveals Opportunities to Close Knowledge Gap

Here’s a real opportunity to make your clients happy and smarter about insurance. A new survey from the National Association of Insurance Commissioners (NAIC) shows that, overall, 47% of consumers surveyed say they don’t understand what their health insurance plans will pay for when it comes to coronavirus testing and treatment. And of the respondents who have been tested or treated for coronavirus, 34% of them say they received a bill that they expected their health insurance to cover.

NAIC says that the survey results point to shortcomings by insurance companies, insurance regula-

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tors, health care providers and—dare we add—agents/brokers in making cost information clear to consumers.

From NAIC: “The health insurance knowledge gap goes beyond the pandemic to understanding basic health insurance plan features. Nearly one-third (32%) of consumers surveyed didn’t know how much their health insurance deductibles were and 25% weren’t aware of their co-pay amounts. The knowledge gap is even wider among younger consumers: 45% of those ages 18 to 29 didn’t know their deductibles and 39% didn’t know their co-pay amounts. For younger respondents, there is also confusion around what these basic health insurance terms mean. Over half (51%) of surveyed 18-29 year-olds could not accurately define what a deductible is and almost half (48%) couldn’t correctly define what a copay is.”

PayPro Launches ‘Let’s Chat Pat’, \$0 Set Up for Ease & More

PayPro Administrators is one company that’s been extremely busy during the pandemic. PayPro has been working since January on the rollout of the new platform for Account Based Plans. According to the folks at PayPro, FSA, HSA and HRAs are housed in a single platform allowing for multiple accounts, separate debit card purses, and a personalized experience for both plan sponsors and participants. PayPro has also launched “Let’s Chat Pat”, which utilizes AI technology to provide quick answers and 24/7 help for participants. The technology platform includes employer role based technology, an uptime of 99.999%, a mobile and participant portal and more. In addition, PayPro Administrators announced its moving to \$0 set up fees and \$0 maintenance fees for Ease. The fee change goes on a prospective basis effective November 1, 2020 and will automatically be applied to both current clients and those clients of the future. Even more news: PayPro Administrators also says it is eliminating fees for EDI maintenance. And, lastly, we hear the company has moved its offices. The new address is 1485 Spruce Street, Suite Q, Riverside.

Walmart

Walmart Selling Medicare Plans

We’re not sure many agents will appreciate this, but Walmart shoppers might...The retail giant will now sell Medicare insurance plans. At launch, Walmart Insurance Services will provide Medicare plans (Part D, Medicare Advantage and Medicare Supplement plans) offered by Humana, UnitedHealthcare, Anthem Blue Cross Blue Shield, Amerigroup, Simply Health, Wellcare (Centene), Clover Health and Arkansas Blue Cross and Blue Shield. The company says carriers may be added in the future. Walmart Insurance Services is licensed in all 50 states, plus Washington D.C., and has built a team of licensed insurance agents.

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Covered CA's Lee Testifies: Agents Stabilize Health Market

Covered California executive director Peter Lee recently testified at a House hearing that working with 10,000 agents—as well as advertising, operating local storefronts and sponsoring nonprofit navigators—have all been ways to stabilize health insurance markets in the state. Why? Because these efforts encourage low-risk people to pay for coverage before they feel sick. “People know we’re there,” Lee said. “It’s because we support navigators and agents.”

Aetna Says 2021 Plans Focus on Total Health

Aetna, a CVS Health company, recently announced its 2021 Medicare offerings. The offerings feature increased integration with CVS Health; expanded and differentiated Medicare Advantage plan options, including HMO and Dual Eligible Special Needs Plan offerings in new states; new Aetna Medicare Eagle plans designed especially for Veterans; and the lowest premium standalone prescription drug plan product in all 50 states and D.C. They are also now using U.S. figure skater Dorothy Hamill as a new Medicare spokesperson.

EVENTS

LAAHU's Zoom Happy Hour is the first Wednesday of the month.

Members and nonmembers welcome. More info at LAAHU.org.

NAHU Power Hour is every 4th Wednesday of the month.

This is a great way for members and nonmembers to connect and get a feel for what NAHU does.

More info at NAHU.org.

2020 NAIC Fall National Meeting, Virtual, Dec 3-9

The schedule includes interactive sessions, as well as a special session that will be held by The Center for Insurance Policy and Research (CIPR). Meeting registration opened September 25, and the registration fee is \$495. As a reminder, unused registration fee credits received from the cancelled 2020 Spring National Meeting may be applied to the registration fees for the 2020 Fall National Meeting. More info at NAIC.org.

CAHU Women's Leadership Summit will now be April 7-9, 2021

The latest news from CAHU's WLS committee is that the CAHU Women's Leadership Summit will now take place April 7 –9, 2021, at Green Valley Ranch in Las Vegas.

Questions should be emailed to info@cahu.org.



Cal Broker GPS: On the Road

Pictured is Jonathan Ormsby, Transitions Optical key account manager, at the March 2020 Transitions Academy in Orlando, Florida, pre-pandemic. The 25th Annual Academy is planned for June 2021 in Orlando. "Hang in there," said Jonathan. "And envision a bright future when we come together in person." Stay tuned!

Send your photo reading Cal Broker to editor@calbroker.com and you could make it into the next magazine! If you have a message or words of encouragement for other agents and brokers trying to thrive in the pandemic, please also send that along.





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When COBRA Bites Medicare Eligible Workers

What Agents and Brokers Need to Know About COBRA and Medicare Eligibility

BY BONNIE BURNS

Prior to COVID-19, more people past the age of 65 were employed than at any time in the last 55 years. Federal projections from 2019 expected as many as one third of American's to be working between the ages of 65 and 70 by 2024. Following COVID-19, it remains to be seen how older workers will fare in the job market for the next several years.

What is COBRA?

The loss of a job, or leaving one, often means losing an employer's health benefits. Employers of a certain size are required by federal law to offer COBRA coverage, an extension of their existing health benefits. COBRA is the Consolidated Omnibus Budget Reconciliation Act of 1996. COBRA benefits are often an expensive option since the employee has to pay their own premium, plus the employer's share, plus an administrative fee. Taking COBRA benefits when you're eligible for Medicare can create coverage problems later that few people understand. This article discusses conflicts between Medicare eligibility and COBRA. It does not cover any other issues when COBRA eligibility may apply.

Which coverage is primary?

Federal law prohibits employers from treating a Medicare eligible employee differently than other employees in regard to group health benefits or continued employment at age 65. Federal Medicare Secondary Payer (MSP) rules require:

- An employer group health plan to be the primary healthcare coverage for any Medicare-eligible employee, spouse, or dependent who is 65 years or older when the employer has 20 or more employees.
- If an employer has an employee younger than 65 (or their spouse or dependent) who is eligible for Medicare

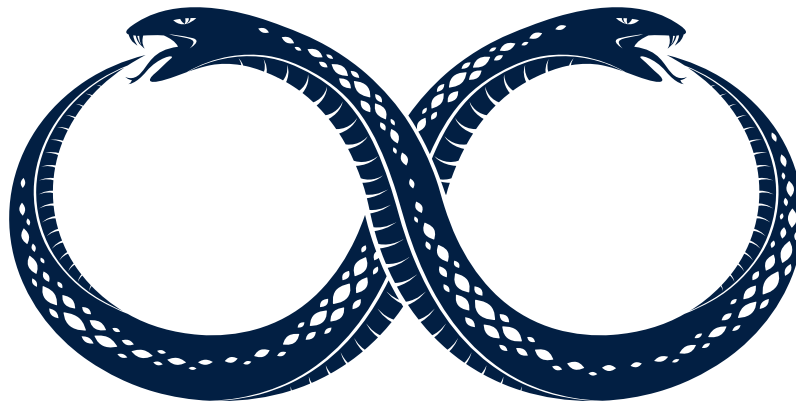
due to a disability, this same MSP requirement applies only if the employer has 100 or more employees.

- If an employee has permanent kidney failure, known as ESRD, their employer plan, regardless of the company's size, is required to be primary during a 30-month coordination of benefit period.
- Employers with less than 20 employees (or less than 100 for a disabled beneficiary) are allowed to provide secondary coverage to Medicare for their Medicare-eligible employees. This is because the MSP rules don't apply to smaller employer health benefits. In these cases, Medicare is automatically deemed to be primary coverage.

Medicare eligibility and enrollment—rules and timing not always clear

In recent years, Medicare eligibility has become detached from eligibility for full retirement benefits under Social Security. Medicare eligibility begins at age 65 unless a person qualifies for benefits earlier as a result of a disabling condition. And, for decades, Social Security eligibility for full retirement benefits also began at age 65. However, beginning in 1983, the age of eligibility for full Social Security retirement benefits began to increase by two months each year. By 2027, full retirement benefits will begin at age 67. As a result, the ages of eligibility for Medicare and full Social Security retirement benefits no longer match. While an individual can enroll for early, reduced Social Security retirement benefits at age 62, they will not be eligible to enroll in Medicare until their 65th birthday under current law.

Medicare eligible individuals are often unaware that Medicare begins long before they are eligible for Social Security benefits. If they have employer health care coverage under their own or spouse's employment, they often ignore Medicare until they no longer have employer



coverage. Even when an employee knows about Medicare, they often don't enroll because they'd have to pay a monthly premium for benefits, and they think it duplicates their employer benefits. Some enroll in Part A and skip Part B if they know they have an 8-month Special Enrollment Period (SEP) following the loss of their employer coverage.

COBRA provides a continuation of employer or union health benefits upon separation from active employment. When a covered employee transitions to COBRA, they are no longer actively employed under federal law. COBRA coverage is then automatically deemed secondary coverage under MSP rules, even if the individual is not enrolled for Medicare benefits.

Federal law prohibits refusing or terminating COBRA benefits when an individual has enrolled in either Medicare A or B before their COBRA coverage began. However, if enrollment in Medicare doesn't happen until after COBRA benefits have already begun, COBRA coverage can be terminated. States that have adopted mini-COBRA coverage for small employers not subject to COBRA. States that extend federal COBRA benefits usually exclude anyone eligible for Medicare. However, when a Medicare eligible individual with permanent kidney failure or ESRD is eligible for COBRA coverage, the COBRA carrier must pay primary benefits during any months of a 30-month coordination period for any coverage.

How COBRA can bite

When a Medicare eligible individual enrolls in COBRA, their employer plan benefits stay the same. There is no federal notice sent to notify a Medicare eligible person of the need to enroll in Medicare. But Medicare is automatically deemed to be primary coverage, regardless of whether they are actually enrolled in Medicare. This happens because under federal rules an individual is only

eligible for COBRA once they are no longer actively employed. Federal MSP rules that applied to their employer plan, don't apply to COBRA. Therefore, Medicare is automatically deemed primary coverage, not secondary coverage. And, because most health plans follow a national standard of coordination of benefit rules developed by the National Association of Insurance Commissioners (NAIC), those rules allow secondary benefit payment to be applied when someone is or could be eligible for Medicare Part B, regardless of whether they are enrolled for those benefits. And, until recently the Department of Labor had not required any information about Medicare to be included in the Model COBRA notices that employees receive, leaving Medicare eligible individuals in the dark about these federal rules. In addition, when a former employee transitions into COBRA there is no notice from the federal government about how Medicare interacts with those COBRA benefits, exposing these beneficiaries to later recovery actions by COBRA carriers when primary benefits have been mistakenly paid.

The result of this collision of rules—Medicare, COBRA, and the NAIC coordination of benefits language—is that a former employee can easily and unknowingly enroll in COBRA without enrolling in Medicare. Yet, they can be at risk of a huge financial liability. They risk having to pay back any and all COBRA benefits mistakenly paid as primary coverage even if they haven't enrolled for Medicare benefits. In one recent case, a former employee received a recovery action by a COBRA carrier for \$150,000 of mistakenly paid primary benefits. In that case the former employee argued that the employer and the COBRA carrier had failed as required by federal law to provide her with accurate and complete information in the COBRA notice, thus exposing her to financial harm.

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How Kaiser Permanente Adapted Swiftly to the Pandemic's Mental Health Crisis

CalBroker Q&A with Yener Balan, M.D., DFAPA, a Kaiser Permanente expert about how Kaiser is meeting its members' mental health needs during the COVID-19 pandemic.

Cal Broker: What makes mental health care at Kaiser Permanente so unique?

Dr. Balan: Along with our expansive mental health offerings, collaborative approach, and responsive care, our integrated system—which offers care and coverage together—is uniquely built to meet our members' needs during this difficult moment in time.

We draw from a full spectrum of proven care. From primary care to specialty mental health care to emergency care and everything in between, our providers coordinate and manage care delivery across an expansive mental health care ecosystem. That gives our members many options—including options for getting care remotely—and they can work with their provider to select the care that's right for them.

At the center of all of this is our electronic health record system, which allows members to manage their care online and gives us the ability to coordinate their care. Our doctors know what they need to do, and the ecosystem enables us to provide care based on what works and helps us make sure the patient experience is as seamless as possible. The ability to maintain clear communication across our care teams is particularly critical during a crisis, which can affect how and where care is delivered.

We also always try to spot concerns early, which is why providers across our network have the knowledge, training, and resources to address mental health concerns. Patients and their providers develop care plans tailored to their chal-

lenges and goals, including frequency and duration of visits. Adjustments are made as needed. Ongoing feedback from members helps us understand what tools, therapies, and self-care techniques are helping, identify additional things to work on, and decide on a path forward after achieving treatment goals.

The result is a fluid care experience that evolves with our members' needs.

CB: What are the biggest impacts COVID-19 has had on the health of Kaiser Permanente members and the communities it serves?

Balan: The toll the pandemic is taking on us all is undeniable, and there's no question that COVID-19 will continue to affect people's mental health around the world. Early on, the Journal of the American Medical Association projected a nationwide increase in depression, anxiety, and post-traumatic stress due to COVID-19.

(This is according to Sandro Galea, M.D., et al., "The Mental Health Consequences of COVID-19 and Physical Distancing: The Need for Prevention and Early Intervention," Journal of the American Medical Association Internal Medicine, April 10, 2020.)

Sadly, that is proving true with more recent data suggesting that signs and symptoms of mental health conditions continue to rise, particularly among young people and caregivers.

As people search for ways to cope with increasing stress

and anxiety, we're seeing startling increases in substance use and addiction. Unfortunately, the national opioid crisis has only worsened during the coronavirus pandemic. In June, four out of 10 adults said they've dealt with mental health or substance use issues, while more than one out of 10 said they've either started using substances or increased their use.

(Mark E. Czeisler et al., "Mental Health, Substance Use, and Suicidal Ideation During the COVID-19 Pandemic — United States, June 24–30, 2020," Morbidity and Mortality Weekly Report, August 14, 2020.)

People who already struggled with addiction are suffering in isolation, creating dangerous and potentially life-threatening situations.

A recent study ("June Brings Some Mental Health Relief for U.S. Workers, but Risk for Mental Health Conditions Remains High," Total Brain, accessed Sept. 23, 2020) found that 54% of employees are at increased risk of a depressive disorder, 49% have a higher risk of post-traumatic stress disorder, 41% have a higher risk of a general anxiety disorder, and 11% have a higher risk for addiction.

This confluence of problems contributes heavily to deaths due to drugs, alcohol, or suicide, also known as "deaths of despair." These deaths have been on the rise the last decade and projections for the coming months are grim. However, we know they're preventable.

CB: How did Kaiser Permanente continue to meet the mental health needs of its members in the face of the pandemic?

Balan: Our goal is to always be available for our members, especially when they need us most.

We moved fast to shift delivery of nearly 100% of our scheduled mental health services to telehealth options, including group visits. This helped ensure our members could receive high-quality mental health care without delay and without risking exposure to COVID-19.

We were able to quickly ramp up our telehealth offerings because we already had a robust, highly efficient telehealth system. We also accelerated investments that have enabled us to collect reported patient outcomes remotely, without patients having to come into the office. These things make it easy for members to get care remotely through video visits, phone appointments, e-visits, email consultations, mail-order pharmacy, and a host of other virtual support options on kp.org and the Kaiser Permanente app found at kp.org/getcare.

In addition, our emotional wellness support resources have been essential during the pandemic. Whether it's to help with sleep, stress, or relationships, we offer many digital resources for our members' mental health and wellness, including popular wellness apps like myStrength and Calm. The myStrength app (a wholly owned subsidiary of Livongo Health, Inc.) offers a personalized program with interactive activities, in-the-moment coping tools, inspirational resources,

and community support. Calm is a meditation and sleep app designed to help lower stress and reduce anxiety.

CB: How does Kaiser Permanente use patient feedback to improve mental health care outcomes?

Balan: The mental health industry is still in the early stages of being able to say whether someone is improving or not, but patient progress is essential to guiding decision-making. That's why we've invested in a powerful diagnostic tool that provides real-time insights into the member's emotional vital signs. This tool combines the results of validated screening tools and rating scales into a dashboard that the member and provider can use to make treatment decisions, monitor progress, and adjust treatment plans. Research has found that with feedback-informed care, more patients make progress and feel better—and in a shorter amount of time.

CB: What are some other major advancements in Kaiser Permanente's mental health care?

Balan: In addition to the acceleration of telehealth and digital self-care, we can also report investments in key areas, including hiring more than 500 mental health clinicians in California in the last 5 years, committing \$11 million toward technology, and \$700 million in expanding and enhancing mental health care facilities. This is reported by Kaiser Permanente's internal data.

We're continuing to expand our rapid intake and assessment center to expedite care for our members. And we're working in our communities to reduce stigma, address homelessness, and reduce the barriers that prevent people from seeking the mental health support they need.

Kaiser Permanente is at the forefront of mental health and wellness, fueling the global conversation and engaging with diverse partners to make mental health and wellness a reality for all. We're fostering open and honest conversations with people of all ages, including with our Find Your Words campaign, which is designed to make it easier for people to support themselves and others, and our innovative Presence of Mind initiative, which focuses on helping youth and young adults prioritize their well-being in collaboration with the e-sports and gaming community. These are just a few examples of how we're cultivating health for our members and making a positive difference in homes, workplaces, and communities.

To learn more about Kaiser Permanente's mental health care and how it's supporting employers during the pandemic, visit kp.org/choosebetter.



Yener Balan, M.D., DFAPA, is the VP of Behavioral Health and Specialty Services for Kaiser Permanente Northern California. He focuses on behavioral health, autism spectrum disorders, and transgender care services. Dr. Balan received his medical degree from Albany Medical College and completed his residency at the Albert Einstein College of Medicine. He's also been recognized as a distinguished fellow of the American Psychiatric Association.

Commission CASE Study: Two Tales ALL Brokers Face

BY PHIL CALHOUN

Did you know 83% of business owners have no written transition plan and 49% have done no planning at all? The stories of Dave and Steve illustrate the impact planning, or lack of planning, can have on a broker and their loved ones. Health insurance clients are positively impacted as well with proper planning.

Dave was a solo broker who had no plans in place to protect his commissions in the event of his death or disability. He grew his revenues and was enjoying life from the business he built over 35 years. He planned to slow down someday but at age 66 he was still working full time because he loved the thrill of selling. Dave had every reason to believe he had 10 more years to serve his clients and planned to ride out his commissions while he cut his efforts down to part-time and someday sell and travel. His health was good but not great. Then one night he suffered an unexpected massive heart attack and passed. His family was left with no inheritance from his commissions, which was not what he had hoped. Fortunately, there was a small life policy he had purchased which helped some. He never expected all of his commissions would vanish immediately and his family never expected his early death. The harshness of Dave's expectations versus his ultimate reality is difficult to hear. Once the banks were notified of his passing, the carriers stopped the commissions.

Sadly, Dave wasn't counseled by advisors to prepare for all possibilities including finding someone to protect and

continue his commissions. Dave never took the time to meet with an estate planning attorney nor work with another broker to protect his commissions and provide for his family. Brokers and loved ones expect better. Education is critical. "Educate to Motivate" is our motto.

Sad Fact: Dave's lack of planning gave the carriers a huge WIN.

Contrast this real-life story with Steve's real-life experience. Steve worked in health insurance since 1975. A few years ago, he had a life-threatening medical condition. The condition required significant medical care which was successful and Steve's life was prolonged. Although he has slowed down by choice, he remains active in his Medicare business. Knowing his medical condition was serious, Steve immediately began the process to protect his commissions. Steve finalized a commission protection plan that enabled him to stay active while including options for his retirement. The key feature he enjoyed was the buyout in his agreement which pays his spouse or Trust in his death. Due to the planning work he completed years ago, Steve enjoys staying active with the knowledge his commissions are protected. Steve protected his life-long work with a written commission protection plan and won both his medical battle and secured his income safely.

Because Steve did complete his plan to protect his commissions the carriers will not win when he passes, his family will benefit from his career, and his clients will be taken care of by a licensed and certified professional.



Carriers will continue to pay Steve's commissions to him while active and then pay his designated successor upon his death or in his retirement per his Commission Protection agreement. Because he did the work and planned ahead, Steve is in an excellent commission protection position. He will receive a buyout paid either to him personally upon retirement or to his loved ones who will receive a generous payout upon his death which will be managed by his successor who follows the agreement they signed years earlier.

Carriers win if you have no successor lined up

Don't let your commissions go up in smoke. Have a plan in place. Take control and develop your plan with professional advice. Find and complete an agreement with a solid successor and review and update your plan annually. Unfortunately, odds are that far too many brokers will not take the steps to complete a written plan and they remain at risk to lose commissions.

Next steps: Brokers are encouraged to access planning ideas that will help protect their commissions. Work with local and state based professionals such as lawyers, CPAs, and respected industry professionals to access the education and tools needed. From our work in commission protection we have lined up several resources which can aid in the planning process.

Look for videos on topics related to broker business planning topics such as how to complete a written plan to pro-

tect commissions. One option is <https://commission.solutions> offered by Lambda Insurance services. The site has several videos on planning topics for brokers.

A more formal method is to attend continuing education (CE) programs. There are many CE courses focused on planning and commission protection. One option is to join a newsletter which includes planning information and has a calendar with CE courses such as:

- 1) Growing Commissions via Acquisition
- 2) How to Sell Commissions
- 3) Commission Protection Using a Professional Successor

One option is www.healthbrokerguide.com that has a subscription service for a newsletter titled, "The Commissions Chronicle."



Phil Calhoun is president of Integrity Advisors. He and his team provide personal coaching on business planning for brokers. Phil's team includes legal and accounting professionals with experience working with brokers and health agencies. For more information call 1-800-500-9799 or email phil@integrity-advisors.com.

Get Phil's new book, "The Health Broker's Guide to Protecting, Growing and Selling Commissions." Go to www.healthbrokerguide.com to get a free eBook version available to California Broker Magazine readers through December.



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How to Become a Trusted Advisor

First of a 2-part series

BY JACK KWICIEN

The first quarter of 2020 was a total dichotomy in terms of our national health, the economy and our quality of life. Coming into January much of life seemed positive; how rapidly reality can change. I am reminded of Charles Dickens' novel, *A Tale of Two Cities*. The novel opens with, "It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity ..." That sums up the last three months. What has transpired globally has been incredible and unprecedented in our lifetimes. It is an epoch of incredulity.

Certainly, these have become dangerous and uncertain times for each of us, our families, our clients and their employees, and our prospects. We've all had to get used to a new reality, one that is filled with daily updates regarding the number of infections and deaths around the world and where we live. We seemingly overnight have learned a new vocabulary: global pandemic; social distancing; self-quarantine; shelter-in-place; essential activities and more.

We've had to adapt to various restrictions on our mobility, access to products and services, supply-chain shortages, and personal isolation. Gathering places like restaurants and bars have been shuttered; millions of hard-working people are suddenly unemployed through no fault of their own; and 85% of hotels nationally are vacant. Part of the very soul

of our lives has been temporarily severed: weddings have been indefinitely postponed; funerals have been put on hold; worshipping at church services has moved online; and family gatherings have become virtual. That's a lot to absorb in a matter of weeks. And yet, we are doing it. We have adjusted our business and social behaviors and together we will emerge from this a stronger and better society. We all must persevere.

In the meantime, we still have businesses to run and our clients need us now more than ever in our lifetimes. Think about it: your clients and prospects are concerned, anxious, scared or worse. They need a trusted adviser to help them get through this crisis. You need to rise to the occasion; that's what business leaders do to help the customers they serve during difficult times.

What role do you play with your current clients? Yes, I realize that you are their benefits advisor. But you want to become a "trusted adviser." After all, that is the pinnacle of business relationships. Benefits strategic planning will in fact help you to accomplish the transformation of your practice. You can create a benefits strategy plan for each important client. It's a written roadmap that will guide all their major benefits decisions and expenditures. After all, as the Cheshire Cat in Lewis Carroll's *Alice in Wonderland* points out, "If you don't know where you are going, any road will take you there." We can discuss that at another time,



but it's a powerful sales and client retention strategy. Let's just agree for the moment, that becoming a trusted advisor is very beneficial and certainly a goal to which we should aspire. But where is your relationship with your clients today? How would you define it? Perhaps more importantly, how would your clients define it? After all, if you don't know where you are, how can you map a course to get to where you want to be? Having difficulty getting your arms around this? Let's see if this will help.

The most basic form of a business relationship is that of vendor. It defines where a product or service provider falls in the supply chain. A vendor responds to RFP's. They provide quotes, respond to service requests and take orders. Invariably vendors state that they provide great service which they may in fact actually deliver. Often vendors feel that providing superior service is their key differentiator. But from the client's perspective, they expect their vendors to provide great service. And it's the client's expectation that the vendor provide this level of service just to "get in the game." A vendor is there when a client is ready to evaluate a new product or service offering. Over time, their products and services become viewed as commodities. Is this sounding familiar? A vendor relationship is reactive. It is not strategic; it's tactical. As a vendor, you are not on the "inside" as decisions are being considered or alternative options are being evaluated. Having a very solid vendor relationship is great,

and most businesses have this type of relationship. But is this what you aspire to? Is this the best that your firm can do? We think you can do much better than this, and in some cases, you likely are already doing so.

Moving up the pyramid, the next most desirable form of relationship is that of a credible or authoritative source. In this type of relationship, you have already proven yourself to be a very reliable vendor. You are a proven commodity if you will. You have performed consistently, and your client can count on you to be responsive. As a result, your client knows that you will come through on their behalf, even when they call you on short notice. Perhaps you have even developed relationships with multiple parties at the client's business. You feel comfortable with your relationship with key decision-makers at the client, and you hope that they value your services. You are involved in certain tactical decisions. Your client may involve you directly in the process of evaluating new product or service offerings. In fact, you may actually assist them with the selection of new products and the carriers or vendors to be utilized. You may actually be part of the process for a finite period of time and help bring the matter to closure. You are viewed as one of their most dependable resources, and you are rewarded with a significant portion of the client's business. You in turn are likely to view this type of client as one that you can count on and you may even begin to see some referrals from this type of relationship.

What is a "Trusted Advisor"?

As a Trusted Advisor your client's senior officer team takes you into their confidence. You are involved in open discussions of business issues, and your counsel is sought prior to strategic decisions being finalized. You are believed to be an invaluable resource to aid in the decision making process.

Problem Solvers or Counselors have a deeper, more permanent relationship with their clients, are involved in strategic issues and have ready access to the "C-Suite."

Credible Sources are proven vendors; a "go to" relationship of choice. In this role you are possibly involved in contractual discussions with the client.

Vendors are "product sales people". They take quotes. They respond to RFPs. They take orders.

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... create a benefits strategy plan for each important client ... a written road map that will guide all their major benefits decisions and expenditures.

Clearly this type of relationship is better than being a vendor and many top-flight benefits advisors find themselves in this position.

Further up the pyramid of relationship categories, is that of problem solver or counselor. Your relationship with a client is deeper and more permanent. Your client is likely to involve you in some strategic issues. Presumably you possess pertinent knowledge about your client's business issues and perhaps you understand the current industry trends, key drivers, and human capital management challenges they face. In this type of relationship, you are always thinking about your client's business from a strategic perspective and you are proactive in bringing them new strategies to manage their business operations. As a result, you gain greater visibility to multiple levels in the organization, and have access to the "C" suite as a result. You are likely called upon by your client to assist with the creation of an RFP, and you may be involved in helping them to vet proposals and vendors. You help to initiate the process and are likely involved every step along the way, including evaluation, negotiations, reference checking, contracting, and implementation. In this type of relationship, your client views you as a valuable business asset.

At the top of the relationship pyramid is the role of trusted advisor. Your client's senior officers take you into their confidence. They openly discuss their business issues and they seek your counsel before strategic decisions are framed. They want your input right from the outset, since they are confident that you can save them precious time, money, and errors since you clearly understand their business issues. You are viewed as their business consultant first and foremost. You remain a part of the decision making process and

never exit it when a project is completed. You are still part of the discussion about what comes next. You are part of the problem assessment, and you proactively develop and provide solutions, in some cases before the client knows that a problem is emerging. Your relationship with this type of client is unique and very often you are insulated from competition since no one can replicate your relationship or standing with this client. You ultimately provide more products and services to this type of client and you retain this client relationship much longer. And your business will be more profitable, predictable and command a higher valuation. This is the pinnacle of relationship success.

Think about what you have just read and really contemplate the implications of this commentary. If you want to discuss any aspect of this, just contact me.

In the next issue, we will provide strategies that are immediately actionable to help you ascend to the status of a trusted advisor while attracting and retaining long-term client relationships.

Prayers, Planning and Preparedness.



Jack Kwiczen, CLU, ChFC, Registered Investment Advisor, is managing partner of Daymark Advisors, LLC (www.daymarkadvisors.com), a position he has held since co-founding the firm in 2001. He has over 40 years of executive management and entrepreneurial experience with specialization in business development, negotiating strategic alliances, financing transactions and mergers and acquisitions. Kwiczen has significant experience in insurance, benefits and voluntary benefits. He is also the co-developer of the SMART Benefits Strategic Planning program (www.smartadvisors.biz).



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INDV1841-BRK-10/20

ANNUAL LARGE AND SMALL GROUP SURVEY

***Experts weigh in on the outlook for these
important market segments***

COMPILED BY THORA MADDEN

Large Group Survey Responses

1. How has COVID-19 impacted large group in California?

Stephanie Shields, SVP of Broker Sales at Aflac:

For large groups in California, COVID-19 led to a swift transition to remote working, much as it has for the rest of the U.S. Just as IT teams worked quickly to accommodate such a significant change, HR teams have had to work diligently to continue to engage and educate workers. While navigating technology for benefits communication, administration and enrollment may be nothing new for large groups, the current climate emphasizes the need to use this existing technology effectively as near-entire workforces operate remotely.

Not only can brokers demonstrate how many platforms allow you to communicate and educate workers on benefits

via email, text, videos, microsites, targeted widgets and more, but they can show clients how to use the data gathered from these tools to inform and guide their overall strategy. For example, enrollment analytics can show a multisite group which locations haven't enrolled, why certain demographics perform a particular activity and more. These tools and the accompanying data can help brokers set up clients for success and stand out from the competition, too.

Jason Bleau, VP & general manager, Large and Small Group Business at Blue Shield of CA:

The impact varies by business. Most large groups have adapted to the effects of COVID-19 with little or no impact, but we are seeing some companies reducing in-force business and trying to manage revenue loss. It's a balancing act: Employers are focused on making important financial decisions while continuing to offer health coverage for their employees.



INDUSTRY LEADERS

(left to right)

Stephanie Shields, SVP of Broker Sales at Aflac

Jason Bleau, VP & general manager, Large and Small Group Business at Blue Shield of CA

Kimberly Dustin, regional broker manager, No. & Central California, Oregon, Idaho, Hawaii at Colonial Life

Cindy Jones, Large Group VP, Account Management/Marketing Strategy at Dickerson Insurance Services

Kristine Petrosyan, Small Group VP, Sales & Operations at Dickerson Insurance Services

Tim Rhatigan, SVP of Small Business, UnitedHealthcare of California

At Blue Shield, we recognized early on that our customers would need help across the healthcare spectrum to deal with the pandemic, whether it was in the form of financial relief or helping their employees return to work safely. We created an online resource center for brokers, employers and members. We also provided up to \$200 million for providers for faster billing and made \$6.8 million in grants through the Blue Shield Foundation to communities hit the hardest by the coronavirus.

Kimberly Dustin, regional broker manager, Northern & Central California, Oregon, Idaho, Hawaii at Colonial Life:

One of the most significant impacts we've seen for large groups as a result of the coronavirus global pandemic is a disruption in what was considered "typical" working practices. Employees previously working in physical office spaces have transitioned to virtual or hybrid workspaces. The need for

holistic and personalized benefit options that offer employees the financial protection they need during the unexpected moments in life has never been greater. Meanwhile, normal enrollment methods (such as benefit fairs and in-person enrollments) have changed. Large employers, who often face complex enrollment challenges such as multi-shift, multi-location and multilingual needs, are navigating another layer of complexity—keeping employees engaged, informed and educated about their benefit options virtually.

Cindy Jones, Large Group VP, Account Management/Marketing Strategy at Dickerson Insurance Services:

We've seen groups either furloughing or laying off employees, and the need for leave management services has increased. There also has been increased attention around calculations for furloughed and/or rehired employees as it relates to 1094/1095 tracking and reporting for Applicable Large Employers.

Not only can brokers demonstrate how many platforms allow you to communicate and educate workers on benefits ... they can show clients how to use the data gathered from these tools to inform and guide their overall strategy.

Stephanie Shields, Aflac

2. What are the most effective ways to sell to large groups in California right now?

Shields, Aflac:

COVID-19 has stoked important conversations about the current healthcare crisis and growing concerns about financial security. According to the 2020-2021 Aflac WorkForces Report, nearly half (49%) of employees said the pandemic has been a wake-up call to invest more time researching and selecting the best coverage options for their situation, and 45% expressed interest in insurance designed to help offset costs related to COVID-19 or other pandemics.

As employees look to be more involved in their benefits selection, it is imperative that brokers focus on decision-support and employee education tools to help employees select the benefits that best meet their needs. It is especially important for large groups to offer a complete self-service experience with videos, electronic brochures and other means of education so employees can have an optimal experience and the enrollment is the most successful it can be.

Bleau, Blue Shield:

Offering choice and flexibility are always important, but the most critical factor now is providing value. Products that combine strong provider relationships with significant cost savings and coordinated care provide the greatest value for members.

For instance, our Trio HMO and Tandem PPO products provide members with exceptional value through accountable care with best-in-class independent physician associates and facilities. We also make available high-performance networks to our customers who have employees outside of California. Improving patient health outcomes translates to more affordable health care for employers and a better experience for their employees.

It's also important to build relationships based on trust.

Blue Shield is a mission-based organization that has a 2% income cap—that enables us to focus resources on our members, not shareholders. That commitment demonstrates our dedication to our members and assures the leadership teams of our employers that our mission of ensuring all Californians have access to high-quality health care at an affordable price isn't an empty slogan.

Dustin, Colonial Life:

The coronavirus pandemic has taught us all to adapt to a constantly changing environment. Keeping employees engaged, informed and educated about their benefit options has never been more important or more complex. For brokers to effectively position themselves as a benefits partner of choice to these large groups, they need to offer their clients flexibility and simplicity. The pandemic has heightened employees' awareness of the need for financial protection. It has increased the complexities of benefits administration, education and engagement as employees continue to work in virtual and hybrid workspaces. Large groups are balancing logistics, evaluating employee needs and looking for customizable solutions to educate and enroll employees in their benefits safely and effectively.

Jones, Dickerson:

Consultants who are creative in their recommendations to solve employers' pain points are highly valued by today's larger employers. Access to data—whether for benchmarking, actuarial analysis or projections—is a requirement of most clients. Because there is so much flexibility in program design in this market, partnering with vendors that offer non-traditional services is key to differentiating oneself among other agents and in developing a whole-health strategy for large groups.

3. Are you concerned about how self-insurance or

The need for holistic and personalized benefit options that offer employees the financial protection they need during the unexpected moments in life has never been greater.

Kimberly Dustin, Colonial Life

direct contracting is impacting large group?

Shields, Aflac:

No, because Aflac's products and services are not impacted by self-insurance or direct contracting.

Bleau, Blue Shield:

No, not at all. We expect to see more companies consider self-funding as an option, especially as they grow more comfortable with risk. Blue Shield has spent a lot of time and effort developing self-insurance solutions for our customers and we'll continue to invest in this segment of our business. For example, we're providing large group customers with the ability to leverage point solutions while still getting best-in-class administration, along with customized reporting and network solutions.

Jones, Dickerson:

Self-insurance is an area in which we specialize. We have many resources for employers who are looking to self-insure for the first time or continue with this funding approach. Clients need the consultative services of agents now, more than ever, and the ability to have in-depth discussions around multiple funding mechanisms is a must for agents who work with larger clients. From analysis to vendor selection to negotiating terms with a carrier or TPA, the "menu-driven" approach to building a comprehensive employee benefits program has served us well as we assist brokers with their large-market clients.

4. Anything else you feel is important for agents to know re: large group right now?

Shields, Aflac:

One area that is important for brokers to be aware of is the uptick in emotional health needs as individuals face anxiety

from several angles, including financial, health and social woes. Aflac's white paper "Stronger on the Other Side" emphasizes that a well-rounded benefit offering addressing emotional health needs can help workers in and through the pandemic, as well as assist clients in readying for a return to the worksite. These value-added services provide value from day one and can include:

- Disruptive-event-management programs to help businesses and their leaders manage their organizations and employees during disruptive events
- Employee assistance programs for help with a full range of personal, family and work/life problems
- Health advocacy services that provide assistance with tasks such as explaining diagnoses, clarifying health care coverage, addressing claims, obtaining second opinions, negotiating bills, and finding doctors and treatment centers
- Wellness programs for helping develop and nurture healthier lifestyles, including online assistance, digital workshops, discounts, meal planning and more
- Financial support services such as consultations with professional counselors on a range of topics, including debt management, life insurance, college funding, credit management and more, as well as access to financial tutorials, calculators, webinars and other resources.

When offered alongside supplemental coverage, these services can help provide a more balanced benefits offering. Brokers can help clients embrace their role in not only maintaining the safety and productivity of employees, but helping show they value and care for their workforce.

Dustin, Colonial Life:

In California, large groups are looking for innovative and customizable benefit solutions to help them address complex challenges. For example, virtual enrollment nearly

Clients need the consultative services of agents now, more than ever, and the ability to have in-depth discussions around multiple funding mechanisms is a must for agents who work with larger clients.

Cindy Jones, Dickerson

doubled year-over-year, up to 42% from 23% in 2019. By leveraging strategies and tactics that may not have been considered in the past, such as flexible enrollment methods, and partnering with a provider that takes an unexpected approach to benefits, brokers can position themselves for long-term success as a trusted advisor.

Jones, Dickerson:

Serving diverse groups of employers and employees, with emphasis on social determinants of health, is something on which we should all be focused. Listening carefully to a client's or prospect's needs at both the business and employee levels helps agents tailor program components to truly care for a company's most important asset—its people.

Small Group Survey Replies

1. How has COVID-19 impacted small group in California?

Stephanie Shields, SVP of Broker Sales at Aflac:

Small groups have tended to prefer face-to-face interaction with brokers, but COVID-19 and related social distancing requirements have led to an accelerated shift to virtual engagement. This is especially true in California, which has generally been more cautious than other states in relaxing isolation regulations. Whether in California or any other state, however, businesses are embracing digital tools for enrollment, communications support and benefits administration. However, many employees may be facing electronic/virtual enrollment for the first time without an in-person component, positioning brokers well to assist clients in making the transition seamless for their workers.

As Aflac outlines in our white paper "Stronger on the Other Side," brokers can equip small groups to engage their workers. To help foster employee engagement, there are efficient and affordable ways to create and execute custom benefits communication and enrollment strategies. These can address the employee population as a whole or drill

down to the individual level based on personal preferences, generational trends, life stages and other parameters. Options include enrollment websites; access to benefits consultants via phone, live chat or virtual face-to-face interaction via video; text messages, emails; web- and app-based enrollment platforms; and education/decision-support tools.

Jason Bleau, VP & General Manager, Large and Small Group Business at Blue Shield of CA:

I saw a statistic that 60% of businesses that shut down because of COVID-19 will never reopen. Many of those are small businesses that call California home. The impact of those closures is tremendous. Because we invest the time to get to know each of our employers and what makes their business unique, when one of them suffers, it hurts. It feels personal.

That's why Blue Shield has taken several steps to support our customers who have been impacted financially by the pandemic. For example, we're offering employers lower monthly premiums by moving to a Trio HMO or a Tandem PPO. We're also providing premium relief for our customers to help them weather this storm.

Kimberly Dustin, regional broker manager, Northern & Central California, Oregon, Idaho, Hawaii at Colonial Life:

During a "typical" year, small business owners often wear many hats. From daily operations to human resource management, benefits administration and more, the responsibilities of managing and growing a small business are extensive. As the world faces unprecedented circumstances as a result of the COVID-19 global pandemic, small business owners now face the added complexity and uncertainty of balancing their business within lower operating margins, along with their desire to help employees have the financial protection they need for life's unexpected challenges. The coronavirus reminds us to be financially prepared for the unexpected.

It also presents logistics challenges for open enrollment. Partnering with a benefits expert can be a needed exten-

Many small employers ... are struggling mightily to survive the drop off in demand for their products or services. Employees who become unemployed as a result may lose their benefits.

Tim Rhatigan, UnitedHealthcare

sion of their team by offering supplemental benefit options and assistance in every aspect of their benefits strategy.

Kristine Petrosyan, Small Group VP, Sales & Operations at Dickerson Insurance Services:

As with many changes in our market over the years, COVID-19 has presented both challenges and opportunities. With COVID-19, many people have been furloughed or laid off, so a lot of Individual policies are being sold in place of what used to be group policies.

However, while many industries downsized due to COVID-19, others have grown to meet new or increased demand for their services. Even when groups have downsized, very few have eliminated coverage all together. Companies able to function during COVID-19 are starting to offer benefits, whereas before they took a wait and see approach.

In terms of renewals, there hasn't been a big shift in the marketplace. Companies are very reluctant to change benefits unless they absolutely have to. They are more than willing to absorb a 10% increase even if there is a less expensive option. They fear changing carriers will cause too much disruption, which is the last thing they want to do to their staff. Start-ups seem to be offering benefits as if COVID-19 did not exist.

As we head into Q4, we're excited to see that business is picking back up.

Tim Rhatigan, SVP of Small Business, UnitedHealthcare of California:

COVID-19 is having a profound impact on society and the small group market in California. Many small employers faced with "stay at home" or other public health actions are struggling mightily to survive the drop off in demand for their products or services. Employees who become unemployed as a result may lose their benefits. While they have continuation of coverage or individual market options, these come at an additional cost at an inopportune time. COVID-19, employment insecurity and unemployment can lead to delayed preventive or other care and poorer health outcomes. This

also means the number and size of small groups or the small group market is shrinking due to COVID-19. On a positive note, the rapidly accelerated adoption of virtual care has the potential to increase access and better serve rural or otherwise isolated populations and reduce healthcare costs.

2. What are the keys to being a successful broker to small groups right now?

Shields, Aflac:

Many small groups are focused on maintaining their business amid the continuously shifting landscape in America. That means employee engagement and benefits education may not necessarily be top of mind as business owners continue to balance all of their weighty responsibilities. Successful brokers can help clients understand the value of a strong benefits package and the need to educate employees on their options.

The "2020-2021 Aflac WorkForces Report" shows that employees are more satisfied with their benefits packages when they have an understanding of their options. Additionally, those who are aware of the total annual cost of their health care coverage are more likely to be extremely or very satisfied with their current benefits: 74% compared to 28% who do not understand total costs very well or at all. Yet, 56% of employees spent less than 30 minutes researching their benefits options during their last open enrollments. And more than 90% say they choose the same benefits each year.

Brokers can help small groups by taking a consultative approach, inquiring about the largest impacts COVID-19 has had on their clients' businesses and employees. Are workers equipped to navigate these times from a benefits perspective? If not, what changes need to be made to benefit offerings going forward? Does HR have the necessary tools to manage a dispersed workforce effectively?

After determining the business's current state, work together to determine the tools and resources available to help take them to the next level. Brokers can stand apart

The biggest challenge right now for many small businesses is simply staying afloat ... The last thing a small business owner wants to worry about is the nuts and bolts of keeping their employees covered.

Jason Bleau, Blue Shield of CA

from competition by walking through a client's benefits strategy and showing the tools and data available, as well as the best platforms to use and how to do so. Together, they can develop a plan to equip and engage employees to help them navigate in and through the pandemic's challenges.

Bleau, Blue Shield:

The biggest challenge right now for many small businesses is simply staying afloat. It's the basics: keeping the doors open, making payroll, creating a safe work environment for their employees. The last thing a small business owner wants to worry about is the nuts and bolts of keeping their employees covered. Brokers who can relieve their administrative burdens, provide clear, concise guidance on healthcare coverage, and help them stay up to date on market trends will provide the greatest value.

At Blue Shield, we continuously provide training for brokers to educate them about our products and capabilities. During the pandemic, we've worked closely with our brokers to ensure their employers and our members understand their options. For example, with our Trio and Tandem products, brokers can offer options to ensure employers remain covered, while being fiscally responsible.

Dustin, Colonial Life:

Listening to your client's needs and goals while providing simple, practical and safe solutions is critical. The impact employee stress had on productivity was a challenge before the pandemic, costing employers billions in lost productivity, according to a 2019 Colonial Life survey.

To help small businesses, brokers should consider partnering with a voluntary benefits company that provides financial protection and personalized benefits through an engaging and flexible enrollment experience. At Colonial Life, our approach is simple:

- We help employees understand their benefits. From holistic education on core and supplemental benefit options, to wellness or value-added programs and services, we recognize communication and education is at the heart of employees understanding their benefits. That's why we

leverage a multi-channel approach to help inform and engage employees.

- We pair people with technology: Virtual and telephone 1-to-1 enrollments in addition to online scheduling. Flexible enrollment methods give employees access to choose the benefits they want and need within their busy schedules.

Petrosyan, Dickerson:

It's a fine line. You want to be informative and let your clients know what's going on, but you do not wish to be bothersome and overwhelm them with email after email. You have to reach out and let them know where they can get the best bang for their buck. If they're looking at changing carriers, stay on top of renewals and provide the comparisons. Don't be afraid to ask your client questions.

It's more important than ever for agents to be agile in meeting the new demands of the small group market. Technology is instrumental in successfully meeting the demands of today's market. Being able to do everything online—from prospecting to presentation to enrollment—is key. Brokers currently doing well are succeeding because they've mastered digital technology. Brokers that are struggling are those who can't get past needing to meet in person.

Rhatigan, UnitedHealthcare:

Accelerating technology adoption has been a saving grace not only for the delivery of care but brokers who have been leveraging technology have found themselves better positioned for a more virtual environment. Brokers who are comfortable and can help employers become comfortable with on-line tools for human resource management, benefits enrollment and communications are thriving with an opportunity mindset. Being a trusted advisor has never meant or been worth more.

3. Anything else you feel is important for agents to know re: small group right now?

Shields, Aflac:

Even though we see the short-term impacts COVID-19

Brokers currently doing well are succeeding because they've mastered digital technology. Brokers that are struggling are those who can't get past needing to meet in person.

Kristine Petrosyan, Dickerson

has on the U.S. economy and workforce, there are still unknown potential long-term effects that we will be learning about for quite some time. The coronavirus has been linked to pneumonia, heart attacks, kidney damage and more, significantly increasing the cost and length of recovery. That positions brokers well to discuss with small groups the role of supplemental insurance to help with the expenses health insurance may not cover.

Supplemental insurance like hospital indemnity, critical illness and disability plans can help provide financial protection for a covered illness from initial diagnosis and treatment through recovery. In fact, the "2020-2021 Aflac WorkForces Report" notes that over 80% of employers have expressed interest in offering supplemental insurance plans that cover costs associated with the coronavirus or a future pandemic. Brokers can discuss with clients how to add these types of coverage to their existing package and help increase worker satisfaction.

Bleau, Blue Shield:

I've always been inspired by a quote from poet Robert Frost: "The best way out—is always through." That helps me keep things in perspective. For me, the only way through this time is to take care of ourselves, our loved ones, and to create a safe place where our children can learn.

I think that applies to brokers, too. Your wellbeing should be your top priority. If you need to take some time for yourself, to connect with loved ones, or go for a walk, do it. Check in with your clients regularly, but don't forget to take care of yourself. Your clients are counting on you now more than ever.

Blue Shield has a number of COVID-19 resources available online, and a dedicated sales and account team to help you. We're here when you need us.

Dustin, Colonial Life:

Relationships are important. Take the time to listen, learn and educate. It is imperative for the broker to know their clients' employees, brand and business ideology.

Petrosyan, Dickerson:

I can't emphasize the importance of technology for today's market enough. Not just for brokers to succeed, but also for clients. Telemedicine has been critical in helping people access healthcare during the COVID-19 pandemic. Now more than ever, people are seeing the importance of technology as it relates to their healthcare. Although telemedicine has been in the market for years, it took COVID-19 to bring it to people's attention.

There are still many opportunities! We're seeing brokers of record change because the current agent is not able to adapt to changes brought on by COVID-19. These changes might be here to stay even when COVID-19 is gone. Like with the Affordable Care Act (ACA), agents must evolve to marketplace changes.

Finally, using a General Agent partner has never been as imperative as it is now. We bring diverse knowledge and experience in technology and provide support to assist brokers in meeting market demands.

Rhatigan, UnitedHealthcare:

Due to significant delays in care and resulting lower utilization, many providers are struggling financially. Some have elected to retire or cease operation. Others may seek new partners or business models (e.g. including more capitation) to be viable or reduce risk. Additionally, the increased unpredictability of utilization may lead to increased rate variability (i.e. higher increases if utilization patterns adjust upward). Challenging times present opportunities to brokers who adapt and find creative solutions to problems.

UnitedHealth Group's response to COVID-19 has included billions of dollars of accelerated payments to providers, premium credits to employers and waived cost sharing for impacted employees and their families. We are committed to leading in the development of a next-generation health system in a socially conscious way. In California, we have partnered with key providers to create a concierge customer experience, coordinated care and lower costs with healthcare for your life. Ask your local account executive how healthcare for your life can help grow your business!

California Businesses Lead Nation in New HRA Signups As Reimbursement Model of Benefits Grows in Popularity

BY JACK HOOPER

A new model of benefits called the individual coverage health reimbursement arrangement (HRA) hit the market this past January. HRAs have quickly gained traction as an alternative to traditional group plans, with California businesses leading the country in signups for the new plan. In fact, our research shows that California accounts for 35% of total signups since the HRA's inception. As an HRA platform, our team at Take Command Health analyzed our first 200 signups for the individual coverage HRA to identify emerging trends in location, size, industry and design.

The new individual coverage HRA (ICHRA for short—pronounced ick-ruh), sometimes referred to as defined contribution or 401(k) style benefits, allows business owners to reimburse their employees for health premiums and expenses tax-free. While one-size-fits-all group plans are subject to year-over-year premium hikes and participation rate concerns, ICHRAs are flexible, predictable, budget-friendly, and allow business owners to effectively exit managing the risk of administering a health plan.

Why California is prime for ICHRA

It's not surprising that California tops the list for ICHRA signups; the individual insurance market in several key California cities is prime for the adoption of ICHRA, according to a recent study we released. Our research analyzed metros across the country that have ideal conditions for individual coverage HRAs, including affordability of lowest cost silver plan and how it interacts with premium tax credits; difference in individual vs group plan premiums; network types and availability; carrier competition; average premium change year over year, and name brands of carriers. While San Jose, San Diego, Sacramento and San Francisco all make the top

50 list for top individual insurance markets prime for ICHRA, Los Angeles comes in at #2 and Riverside #10, claiming more major metros in the State of California than any other state.

Los Angeles, for example, has more options than most in terms of insurance carriers, and the average individual premium increase is less than 1%—two key indicators that the market has optimized conditions for ICHRA. For 2020, California has implemented an individual mandate and state-based subsidies to boost participation and keep costs low on the individual market. While California state subsidies cannot be accepted with an ICHRA, the subsidies have contributed to an overall market environment where ICHRA can thrive.

The research also shows what types of companies are opting for an ICHRA, with non-profits, associations, software and technology companies, home health, healthcare providers, financial services, household employees, professional services (like architects and engineers), consulting, churches, staffing firms, and manufacturing and construction at the top of the list. A good portion of these companies signed up through their group brokers. While the average number of employees in this study was seven, small businesses aren't the only ones signing up—6% are large businesses with more than 50 employees and 16% are mid-sized companies with up to 50 employees.

How ICHRA works

The mechanics of ICHRA are fairly simple. First, the business owner sets the monthly reimbursement amount and the employees purchase an individual health plan that works best for them. After an employee submits receipts, the business owner simply reimburses them. The funds aren't subject to payroll tax from an employer standpoint and aren't considered income for the employee and taxed accordingly.

Plus, the employer can skip the hassle of choosing and administering a group plan that would bring the possibility of premium hikes and participation rate requirements. Businesses of any size can offer this new “401(k) style” of group benefits and there’s no limit on reimbursement rates.

Under normal circumstances, the familiarity of traditional group health plans makes them a popular choice among business owners. But in uncertain times (including the current pandemic), the predictability, portability, and flexibility of “defined contribution” health insurance models should be closely considered.

How ICHRA benefits business owners and workers

ICHRA benefits both owners and their employees. For starters, ICHRA allows business owners to get out of the insurance “risk” game. Any employer with 50+ employees, (whether they are currently self-insured or fully-insured) are effectively responsible for their employees’ healthcare spend. Some employers invest in wellness programs or engage in high-performance network design to help manage costs. Other business owners are looking for a way out while still helping their employees with benefits. With this new type of HRA, business owners can still offer generous benefits and their costs are fixed because there’s no risk to manage.

Another key advantage is budget control. Unlike the costs of an employer-sponsored plan that can flux with premium hikes, employers can rest assured that their ICHRA costs will stay the same. Business owners can choose a reimbursement rate that works for their budget, choose which classes of employees will receive the benefit, and not have to worry about fluctuating prices or participation rate requirements.

Closely tied to budget control is the streamlined approach and customizable options ICHRA offers. For example, employers can vary monthly reimbursement amounts to 11 different classes of employees—like hours worked, geographic location, or salary vs. hourly. This is particularly helpful for companies wanting to offer a reimbursement to all employees but want to make a distinction between salaried management and hourly and/or part-time. Business owners can also scale their reimbursement rate by age and family size.

ICHRA is good for employees too. In contrast to a one-size-fits-all group plan, ICHRA allows employees to choose an individual health plan that’s best for their family, their prescriptions, their conditions, or that’s accepted by their favorite doctors. Another benefit is portability—a valuable concept in the midst of a pandemic. The ownership of the health plan stays with the individual. That means if layoffs occur or if they switch jobs, they don’t lose their insurance. They can take their health plan to work with them at their next job and won’t be left with pricey COBRA as their only option for coverage.

The ICHRA trend is rising—and it’s time to jump on board

Upwards of 800,000 employers will offer individual coverage HRAs within five years, according to estimates from the federal government. About 90 percent of these companies will have less than 20 employees and an estimated 11 million individuals will use their HRA to purchase a plan in the individual market, which could bolster the individual market considerably. We believe that if the market breaks just right, the numbers could be much higher.

Watching the flexibility inherent in HRA design play out during the pandemic has brought considerations as well. In the midst of the crisis, we’re already seeing early evidence that HRAs will prove more resilient than traditional group plans, allowing business owners to quickly make strategic decisions. With group plans, you either cancel your plan or you don’t; your employees are either part of the group plan or they are not. There’s just not many levers to pull.

HRAs like ICHRA, on the other hand, have proven to be extremely valuable as companies navigate the fallout of the pandemic. At Take Command Health, for example, we’ve seen a quarter of our clients make changes to their HRA in response to COVID-19. About half of these clients have modified their HRAs to maintain reimbursements for employees that are laid-off, furloughed, or have had their hours reduced. About a third of those clients have simply paused their HRA contributions and plan to pick up when business re-opens. Employees will lose their reimbursements, but they will keep their coverage and plan.

How to get involved

Benefits professionals across the country, and especially in California, are evaluating how to add the ICHRA model to their portfolio of client solutions. Our team at Take Command Health can help. We’ve launched a unique broker partnership program where agencies maintain their strategic advisory relationship with clients and we help design an ICHRA solution and administer it. The end-to-end model includes pre-sales consultative support to ensure the designed ICHRA solution is compliant and meets the client’s objectives. Our software platform and expert service lead to a smooth onboarding experience for employers and employees alike. Should the broker want our team to assist employees with picking the right individual market plans, our online shopping platform and in-house enrollment support team can make that happen. The combined revenue streams of administrative fees and individual market commissions are shared with broker partners. To learn more and begin the onboarding process, please visit our website at www.takecommandhealth.com.



Jack Hooper is an HRA advocate and the co-founder and CEO of health tech startup Take Command Health. He has been profiled in The New York Times, received two innovation awards from the director of the FBI, and is a graduate of the Wharton School of Business. His motto? “Health insurance was never meant to be this complicated.”



Cal Broker dropped in on two different virtual medicare conferences recently. Here we have a few takeaways. First enjoy an insider Q&A with Yolanda Webb, one of the key organizers of the 2020 Virtual Senior Summit. Next, check out a recap of the California Statewide Medicare Expo.

Q&A with Yolanda Webb

Cal Broker: This year was unusual with COVID-19. For the Medicare conference, and many other events, that meant taking it virtual. Was it a big deal to make this happen?

Yolanda Webb: For the short answer, yes it was important, and I will tell why. Many of us had never undertaken such a task. So, what were the right questions to ask and would they make our event better or make it more work? It was a learning experience. So, at this point we were putting eight years of past success on the line, if we pulled the trigger and went for it. Even our younger members on the team were taken aback by the process. There was the cost of the event—was it too much money with no chance of recouping our investment? And did we know how? The team had no experience in this kind of technology, and no prior knowledge to determine whether the company we were about to use was a good one or not. But trust me when I say we were about to find out!

CB: What are some of the most important things you learned about doing a virtual conference? What were the drawbacks and were there benefits?

YW: Word of advice: never just take someone's recommendation without getting all the facts you can on the vendor you consider. We learned that even with all our experience doing other events, we could not treat this event in the same manner. One big reality was we could not attract the same amount of sponsorship dollars as in the past. Along with that, the price of admission needed to be less, which would affect our bottom line. Yet, we had a reputation to uphold.

Yes there were benefits—mostly to the attendee's. The cost to attend was lower and didn't require other costs, like hotel, food, travel etc. All this factored in our decision to move forward with this event.

Finally, and I think most importantly, will the vendor be fully on board with a step-by-step method? Will someone be appointed that will take you through the process, by way of a project manager or someone you can call at any time? This must be the most important part when choosing a vendor.

CB: What were some of the most important or popular sessions in your Medicare Conference? Any takeaways that you want readers to know about?

YW: Shortly after the event we sent out a survey that helped us see what the audience liked and disliked. Overall, the attendee's liked the agenda and were not overwhelmed with too many CE classes. Also, they liked the fact that they had 90 days (about 3 months) to go back and hear a session they may have missed, which you can't do with a live event.

CB: What is the future of virtual conferences? Do you think you will decide to go virtual even if you can otherwise meet in person? Do you know if next year's conference will be virtual?

YW: Honestly it's my opinion that the virtual world is here to stay, even when we can meet in person. The need for both virtual and in person is what we are going to work from as we move into a more technology driven reality. That said, our plan so far is for the Senior Summit to be a live event at Pechanga Resort in Temecula August 30 to Sept 2, 2021.



California Statewide Medicare Expo Hits the Right “Virtual” Tone August event attracts 330 online participants

By Linda Hubbard Lalande

Starting with an opening meditation (courtesy of Naama O. Pozniak), the California Statewide Medicare Expo general session opened electronically on August 26 with an impressive 330 people in attendance from around the state. Led by David Meltzer and Peter Bauer, the general session was a great overview of the conference and what to expect. With an array of sessions available over two days, it was educational and encouraging during these challenging times of a pandemic, a resulting economic downturn and a divisive presidential election. Embracing technology was the name of the game, with a fun Bingo adventure that encouraged participants to visit each of the 22 virtual booths in the exhibition hall to pick up Bingo clues—an entertaining incentive to see what was offered.

In the Southern Calif. breakout, host Nathan Carlson invited feedback from participants about why they are California Association of Health Underwriters (CAHU) members. Jose Rodriguez enthusiastically shared, “I’m a member because I care about people. I watched my grandma struggle to get coverage, and became passionate about helping people get healthcare. Law making starts here, with CAHU helping our voices be heard. Our licenses have huge power in Washington, D.C. CAHU makes me a better advisor every day.”

Medicare Advantage Managed Care HMO plans were explained by two doctors who shared their carrier perspective: Dr. Berensen from Regal Health Care and Dr. Rebhun from Optum Health.

When asked the advantages on this value-based care, Dr. Berenson said the large network of providers, assisted by a team of coaches who deliver coordinated care give

patients the best outcomes. Dr. Rebhun concurred, saying integrated care allows Optum to be an advocate for the patient. “This patient centered care depends on agents to dig deep into each client’s needs to determine if an HMO makes sense for them, to help them prioritize their needs,” he said.

What should agents consider in placing clients into a Medicare Advantage HMO plan? Dr. Rebhun replied, “Know your benefits, know your clients and match them with the most comprehensive plan to meet their needs.” Dr. Berensen agreed. “Know your client, prioritize their needs, and know and believe in what you have to offer,” he said. “Build relationships in all directions, and steer your clients appropriately. This will help value-based models flourish around the country, with the best outcomes possible for patients.”

Other sessions covered relevant topics like diversity and heart in recruiting with “People First Recruiting and Mentoring,” by Kathleen Quinn Votaw, who coined the phrase, “If they don’t fit you, they’re gonna quit you.”

Another session on Medicare by Patrick Burns explained that Medicare is the fastest growing part of the industry. DeDe Kennedy noted that members need to support the CAHU political action committee (PAC), “We’re Stronger Together,” to stay on the legislator’s radar and stay relevant. Insurance industry professionals need to be ready for changes, especially with the presidential election on the near horizon. The legislative update given by Faith Borges and Brad Davis of California Advocates later in the summit explained the *Healthy California For All* initiative to create a unified financing system, and how it might affect the role of agents.

“Know your benefits, know your clients and match them with the most comprehensive plan to meet their needs.”

Dr. Rebhun, Optum Health

Resources for more information include:

- <https://www.chhs.ca.gov/healthycforall>
- <https://www.cahu.org/legislative-program>
- <http://leginfo.legislature.ca.gov/faces/home.xhtml>
- fborges@caladvocates.com

Many more helpful sessions and trainings were offered, on Reverse Mortgages, Estate Planning, Covered California, Marketing for Medicare, business planning, social media, cyber security, product training with Anthem, Western Health Advantage and more. Of particular interest was the Marijuana for Medicare Beneficiaries presented by Elisabeth Mack. She expertly explained the advantages of cannabis as medicine, and how its rich, cumulative effects help patients overcome addiction to opioids, relieve pain and anxiety and much more. She offers coaching for patients to help determine the best methods and dosing to address their health care needs, with scientifically proven benefits.

Bookending the initial two days was an informative session on “Meditation as a New Way for Wellness” by Naama O. Pozniak, who had opened each morning with a brief meditation. Naama presented how meditation is a way we can lower stress, improve concentration, and enhance health and wellbeing.

Rounding out the event on Friday was “Ethics the Musical,” by Bobbi Kaelin—a great way to deliver an important message.

Thanks to the committee that put this together for all

Medicare agents in the state of California, (hosted by most of the California State Local Chapters) who mastered the technology wave required to host virtual events: Dawn McFarland, Ron Illenberger, Rosamaria Marrujo, Marti Murray, Norm Sheehan, Dan Furtado, Leslie Williams, Angie Caruso, Randy Hunt, Kenneth Coker, Cathy Little, Sue Wakamoto Lee, Jean Chariton, Laura Murphy, Lucille Maravilla, Craig Gussin, Nathan Carlson, Naama O. Pozniak, June Taylor and Ross Pendergraft.

“Humana was proud to sponsor the 2020 California Statewide EXPO supporting our broker partners,” said Tom Homsy, director of Medicare Sales. “We were given the opportunity to listen to brokers regarding some of the challenges with this annual enrollment period (AEP). Humana stands ready to support our broker partners throughout enrollment and all of 2021. That said, we are excited about this 2021 AEP season. We anticipate it will be like none of us have experienced before, with local and national elections, civil unrest and the COVID-19 virus. Humana has high regard for our broker partners throughout California and know they will do the right thing in this environment for the safety of our senior community. Humana is confident that our broker partners will have an extraordinary AEP and we look forward to being a part of your success. Feel free to contact me at 818-458-7983 or by email: thomsy@humana.com.”

Folks can still access the sessions by registering at: <https://event.vconferenceonline.com/microsite/html/event.aspx?id=1678>

Sessions will be available until Thanksgiving!

Questions? Contact Dawn McFarland at 1-805-701-1229 or dawn@mnmbenefitsolutions.com.



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Brokers Should Leverage All Available Digital Tools in 2020 and Beyond

BY RICK BEAVIN

With no end in sight for the impacts of this year's pandemic, health insurance brokers are relying on digital and virtual methods to reach consumers now more than ever. There are a variety of digital tools and strategies that can make selling easier and more personable, but using them effectively is critical to success.

Although people with Medicare may be unfamiliar with some of the social media platforms and online communication methods we're seeing more and more of these days, it's becoming clear that they are realizing the potential benefits of staying in touch online. Studies show Boomers and members of the "Silent" generation have both increased their Facebook use by double digits since 2015.

Reaching people in their homes digitally or virtually may be just as effective as the traditional in-person methods brokers have relied upon for years. In addition, many are dealing with isolation and loneliness—meaning, helping them get the plan that's best for them is of heightened importance in these times. Brokers would do well to adapt their communications methods accordingly.

With Medicare Advantage and Prescription Drug Plan open enrollment happening now, brokers can better leverage the following three digital strategies to ensure they are reaching potential members where and how they want to be reached. These methods include the use of Customer Relationship Management (CRM) systems, digital marketing and digital enrollment software.

In most cases, these tools are also useful for your customer satisfaction and retention after the enrollment period is over; for example, CRM systems are helpful to track your customer communications. These methods will prove useful during the immediate crisis and well after the pandemic is over.

Connect to your customer with CRM

CRM systems help brokers build stronger relationships with consumers by providing a history of their interaction, preferences and experiences with your brand. Such tools allow you to turn a lead into a customer with efficient, timely methods of contacting the prospect. In today's digital world, this type of tool is essential to tracking all of the customer relationships you've built and followed up on. There are many CRM tools out there—some health insurance companies have even set up their own internal CRM systems.

CRM tools may save you time on administrative tasks, allowing you to focus on other work critical to your business. These also prove useful for tasks like sending birthday cards, keeping track of client benefit details, and much more.

Your CRM tool will oftentimes have a customer service portal that allows you to respond to client inquiries in a timely manner. Utilize this feature to increase your responsiveness and, in turn, your customer satisfaction rates.

Reach your customer with relevant digital marketing

Since brokers are not hosting as many in-person sales or educational events, it is critical to put time and effort into your digital marketing strategies, including strategic email campaigns, blogging, and online advertising. Brokers also need to be aware of the Centers for Medicare & Medicaid Services (CMS) communication and marketing guidelines, which may change year-to-year. For example, text messaging and other forms of electronic direct messaging, such as through social media platforms, would fall under unsolicited contact and are not permitted.

You may consider email marketing as one of your digital marketing tactics. According to Statista, 84.1 percent of adults over 65 used email as of November 2019. Instead of focusing entirely on sales, you may want to consider including

CRM systems help brokers build stronger relationships with consumers by providing a history of their interaction, preferences and experiences with your brand.

educational, informative (and sometimes entertaining) content that provides value. Remember to follow all CMS requirements (including the use of pre-approved materials, as necessary) and make sure your content is accurate and not confusing or misleading. You must also include an effective opt out process on each email to comply with CMS guidelines. You can request, but not require, email addresses through your website (as long as you're following all of the relevant CMS and Federal Trade Commission rules!) or through a digital ad.

Your website is often the first place new customers may visit, so it is important that you put your best foot forward here. Consider investing in a search engine optimization (SEO) audit so that your customers are able to find you. Make sure your website is easy to navigate, contains relevant information for your target customer and that the contact form or contact information is easily accessible and it is evident what plans they are requesting information on. Be clear that you are a licensed sales agent and, again, ensure all content complies with applicable laws, rules, and regulations.

Online ad services allow you to easily track leads coming in, including how many phone calls you receive as a result of ads using the platform. These types of ads encourage clicks on your website via advertisements. It's important to start with keyword research and create ad copy that targets those keywords. You can even test different versions of your ad to see what performs best.

Social media should be a key component of your client acquisition strategy as well. Before embarking on a new social media strategy, brokers need to know which platforms your audience is using. A 2020 AARP survey showed that Facebook was most popular among adults 50 years of age and older, followed by YouTube, Instagram and LinkedIn. After deciding what social media channels you will use, based on what is permitted by the carriers you contract with, make sure you are using best practices specific to that channel. For example, images paired with text perform better than text on its own with no image. On some social media platforms, you won't be able to include links, so ensuring the information is embedded into the post is more

effective. After you know what channels you will prioritize, be sure that your business profiles are up-to-date and that you are posting regular content to ensure the page looks active. Also ensure you are adhering to each carriers' policy and requirements for use of social media.

The bottom line is there are plenty of ways you can go here depending on your experience and comfort level. If you are interested in learning more about digital marketing best practices, there are many resources and classes available—you guessed it—online. Or, you could always try to find outside help from a digital marketing professional if you need it.

Make it easy for your customer to enroll online

Those who have historically relied on paper applications for enrollment may be in a tough spot this year. It's important to give your customer the option to sign such items digitally, as allowed by the carrier, during this new normal. Ensure that you are following each carrier's guidelines for appropriate use of the digital signature.

The good news is that having this information easily accessible digitally will make it easier for you to track prospects and customers, as long as you are accustomed to working digitally.

2020 has been an extraordinary and challenging year for many of us. The good news for brokers and agents is that you are not caught entirely unprepared; much of the information in this article should be at least a little bit familiar to you. However, we're approaching this year at an entirely different scale when it comes to use of digital tools.

Now is the time to get your online presence and digital marketing in order, especially given the current environment. So what are you waiting for?



Rick Beavin is the California and Nevada president of Humana's Senior Products. In this role, Beavin is responsible for oversight of Humana's Medicare HMO and PPO health plans, prescription drug plans, Medicare supplement policies, and private fee-for-service health plans offered to those eligible for Medicare. Reach him at 1-949-777-8853.

How Women Rise: Part 5

Resistance to Change

BY CERRINA JENSEN

This is the fifth installment of a multi-part series which features a question based on the book *How Women Rise*, by Marshall Goldsmith and Sally Helgesen, and responses from some of the speakers slated to present at the 2nd CAHU Women's Leadership Summit, now rescheduled for April 7-9, 2021 at the Green Valley Ranch Resort just outside Las Vegas.

As a reminder, while this series focuses on female leadership and the 12 habits covered in the book that can hamper success, it's meant to shed light on these issues for not just women but the men we work, live and play alongside.

This month's question is compliments of Amy Evans: "Change—and the resistance to it—has been a big discussion topic in the collective consciousness this year," she said. "As humans, we are wired to follow the path of least resistance, which makes us want to avoid change and the perceived work it will require. As women, we are socialized to get along, be likeable and agreeable, not 'cause a fuss.' What has been your experience with change in your professional life, particularly in an industry that is constantly changing? Do you resist change until you run out of other options? Do you embrace change and get excited about new opportunities? Do you lead change and accept your role as a disruptor? Has your relationship to change evolved over your career?"

Our responses this month come from Lisa Hutcherson, Stephanie Berger and Leilani Quiray, all of whom had a fantastic perspective and insights to share.

Lisa Hutcherson:

"My experience with change in my professional life has required a lot of careful interweaving, like making a multi-layered tapestry.

"It has been beautiful on the one hand as I have witnessed the evolution of women entering CEO, VP and senior leadership roles. These women leaders have come from a variety of backgrounds and cultures, and they've come in all shapes and hues. I have also seen the rough underside that undergirds



every woven tapestry, as these women have had to fight continuously to be respected in these new positions.

"I welcome change with open arms, as change always represents new beginnings. Change means new opportunities for fresh ideas to spring forth, and that tends to usher in the rise of new leaders.

"I absolutely consider myself a disruptor in this world. I am not afraid to embrace novel concepts, while operating in my natural ability to build bridges from the old into the new. That can be challenging, as it often requires examining and rethinking stereotypes, expectations, and gender or cultural biases.

The end result is worth it however, as we continue to bust through professional ceilings, making ways for others who have historically been denied the chance to do so, creating for them newly paved paths to walk across.

"Because I have embraced change, my career has evolved in ways that I could never have imagined. It has afforded me unprecedented growth, both professionally and personally. I am more confident than ever and can see my skills measurably increasing each year.

"I move with intentionality, always living out my purpose regardless of the environment. My sincerest hope is to help someone else successfully maneuver through this ever-changing world we live in, teaching them how to win by serving."

Stephanie Berger:

"It has taken me quite a while to be able to embrace change. While the thought of the unknown still makes me uncomfortable, I am finding that if I view change as an opportunity instead of a threat, I'm much more open minded. When I was younger in my career and less confident in my own abilities, the thought of change was daunting. But as time has passed, I now understand that growth requires change. 2020 has definitely tested me; the unknown scared me. The lack of socialization was emotionally draining. Embracing the virtual world was challenging. But I forced myself to step back and appreciate that the uncertainty of 2020 will eventually lead to positive changes for all of us."

Leilani Quiray:

"Change is constant! Like Heraclitus said, 'The only constant in life is change' but that doesn't mean it's easy. The words of my mother ring in my ears when the 'change' I am experiencing is difficult. She would say, 'this too shall pass.' And it does. So, with my growth I've learned to accept all change—good, bad and ugly—and realize when it's uncomfortable, it is only temporary. Enjoy the process. if I can, I even have fun with it. Change is good...otherwise how would we ever grow?"

Cerrina Jensen

"I don't think I started out this way, but I am definitely a disruptor, so to speak. Sometimes that is well received and other times it's not—even by me, myself. I agree with Leilani that even though change can be so necessary, that doesn't make it easy! My most vivid example is my own recent change, having left my prior employer to join an entirely new team with a very different approach. But as a case in point, even though I didn't embrace 'causing a fuss' as Amy described it in the question, I knew instinctively that the best way out is always right on through. Those instincts have been hard earned, and while sometimes I miss a beat, I'm pretty stoked that I get to keep growing and evolving and learning."

Stay tuned next month, when we'll tackle another question!



Cerrina Jensen recently joined the team at Verus Insurance as a benefits consultant and team leader. She is the founder of Stellar Stories, a communications and leadership development firm. Cerrina consults nationwide with both small and large employers seeking real solutions.



Amy Evans is president of Colibri Insurance Services, a boutique insurance agency that simplifies employee benefits for employers in So. California. She's also the founder of AlignWomen, a leadership and networking organization for professional women.



Lisa Hutcherson is the founder of Darlis LLC, a company specializing in training leaders in both business and ministry. She is also a certified John Maxwell trainer, business coach, public speaker, poet and author.

Stephanie Berger is a principal at Collaborative Insurance Solutions and past president of CAHU. She works as a benefits consultant for small and midsize employers.

Leilani Quiray is the CEO and founder of be the change HR, a social enterprise that helps small businesses with their human resources across the U.S. as well as providing free job readiness coaching to those in need.

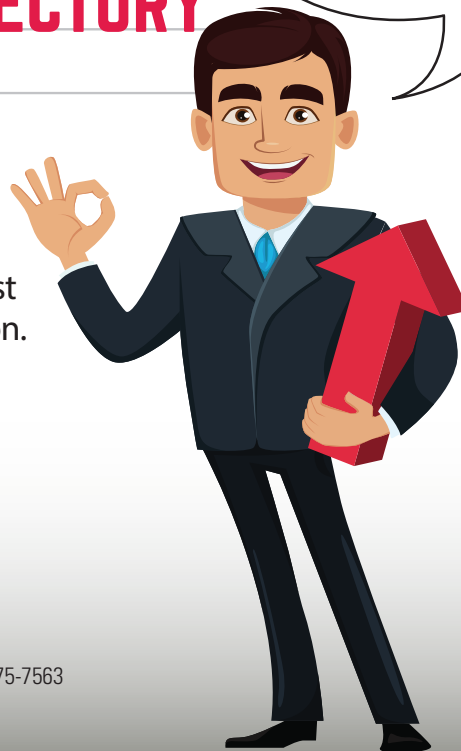
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Understanding COBRA During Workforce Reductions

CONTINUED FROM PAGE 8

In the short-term case of a qualifying event, brokers should encourage the employer to walk the affected employee through COBRA, as well as other options including the Covered California public health insurance exchange.

How to elect to participate

Upon the occurrence of a qualifying event, brokers should counsel employer clients to be proactive and patient when explaining COBRA continuation rights to transitional employees.

New business operators, in particular, might not be familiar with the nuances of COBRA notifications. This is where the expert counsel of a broker comes into play. A business owner might not realize that when an employee is eligible for COBRA, an election notice must be mailed to the participant. Depending on whether the business qualifies for federal or Cal-COBRA, this might be sent directly from the employer, the insurance carrier, or a Third-Party Administrator (TPA).

The notice explains the qualifying event, while providing additional information about the date of qualifying event, the loss-of-coverage date, election period timelines, types of coverage eligible for continuation, premium amounts, and more. Typically, once notice is received, the participant has up to 60 days to elect COBRA coverage and then up to 45 days to make the first payment once coverage is elected; however, a new special timeline now applies due to the COVID-19 pandemic. (See more below.)

It is wise for brokers to remind clients proactively that they, their carrier, or a TPA has up to 44 days to distribute election notices upon the occurrence of a qualifying event—although timelines can vary, especially for TPAs. Failure to do so opens the employer up to statutory fines, excise tax penalties, civil lawsuits, regulatory audits, and more.

Alert clients of COBRA sign-up extension under COVID-19

Recently, the Departments of Labor and Treasury released an emer-

gency regulation regarding the federal COBRA-election period during the COVID-19 national emergency. The emergency rule applies retroactively to March 1, 2020. It's safe to say many small business owners might not be aware of this change.

For example, the emergency rule allows a person who has a COBRA election period ending between March 1, 2020, and the end of the national emergency, an additional 60 days after the end of the national emergency to elect coverage continuation under COBRA. As of this writing, a formal declaration of the end of the national emergency has not been made, so many employees laid off because of COVID-19 could actually have multiple months to decide if they want to take advantage of COBRA. The downside, of course, is potentially having to pay months of past premium for coverage retroactive to the layoff date.

The emergency rule also states that a health insurance carrier or an employer cannot terminate COBRA coverage for a late or delinquent payment during the COVID-19 national emergency.

Educate employers about advantages COBRA might offer to employees

Benefits professionals are valuable resources for employers in helping them understand the scenarios when a transitional employee might want to elect COBRA, despite its higher costs. One of the most attractive aspects of COBRA is that it allows an individual to maintain coverage with the same physician, health plan, and medical network providers. This means there would be no disruptions to current coverage, treatments, and prescription drug benefits, which employees will likely find extremely helpful.

This could be particularly important to a transitional employee if he or she is currently receiving care for an illness or chronic condition under a current group health plan. In such a case, the employee might want to ensure there

is no change with the treating physician or any interruption in health care services.

Moreover, employees may need to be informed of California's "individual mandate," which starting in 2020 requires Californians to have qualifying health coverage or pay a fine.

Finally, brokers should remind employers that they need to present COBRA as a temporary solution for transitional employees. Health plan coverage under COBRA can only be continued for up to 18-to-36 months, depending on the situation.

Provide guidance on health insurance options

Although an employer has no legal responsibility to extend anything more than the COBRA option to its health plan participants, brokers can reinforce to business owners that demonstrating compassion and helpfulness will go a long way in workplace morale.

When eligibility for a group health plan has been lost, employers should go beyond the COBRA option and encourage transitional employees to review their options for individual coverage on the state exchange, Covered California.

Savvy brokers can endear themselves to clients as expert partners when they continue to keep clients apprised of changes that affect employees due to work status, as well as changes to COBRA due to regulatory adjustments. Professionals who identify and provide ongoing educational opportunities for business owners and employees cement their role as valued and essential benefits advisers.



Paul Roberts is the director of education and market development at the Word & Brown General Agency. He leads Word & Brown's educational initiatives and provides oversight of the company's in-house compliance team in California and Nevada. Visit wordandbrown.com.

Once an employee, spouse or dependent is eligible for Medicare, signing up for Part A at no cost may be the safest route. It preserves the right to COBRA ...

Bonnie Burns

When COBRA Bites Medicare Eligible Workers

CONTINUED FROM PAGE 15

Rules for timely enrollment into Medicare once an employee is no longer working

In addition, Medicare eligible employees may not know the rules for timely enrollment in Medicare once they are no longer working and are still covered by the employer's plan through COBRA. They have a special enrollment period of eight months to enroll in Medicare Part B beginning on the last month of employment and ending eight months later. Medicare benefits usually begin the month following enrollment. A former employee has 63 days to enroll for Part D prescription coverage following the end of their coverage for those benefits. And, in California, they are also eligible for a guaranteed issue Medigap (supplemental insurance to Medicare) following the end of their employment and the beginning of their eligibility for COBRA. The knowledge and ability to sort out these competing benefits is lost on people transitioning from one set of benefits to another.

If an individual misses the window for Part B, they will begin to accrue a late enrollment penalty of 10% of the current Part B premium for each 12 months of eligibility that they didn't

enroll. In addition, their enrollment will be restricted to the first three months of the year (January – March) and benefits will not begin until July of that same year. There is no late enrollment penalty for Part A since this part of Medicare is premium free for most people who've paid into it while working. There is a more complicated formula for the late enrollment premium penalty for Part D depending on the number of months without coverage. And, once enrolled in COBRA, they lose the right to a guaranteed issue Medigap until their COBRA benefits are exhausted.

Once an employee, spouse or dependent is eligible for Medicare, signing up for Part A at no cost may be the safest route. It preserves the right to COBRA in the event they ever need it, and should alert them to the need for Part B when employment ends. In the meantime, three Congressional Committees have called on the Department of Labor and the Department of Health and Human Services to clarify their consumer materials to ensure people avoid the COBRA "bite" and have a better understanding of both sets of benefits.

For more information, see the COBRA sections of California Health

Advocates' website: <https://www.ca-healthadvocates.org>. For questions and assistance, contact your local Health Insurance Counseling and Advocacy Program (HICAP) at 1-800-434-0222.



Bonnie Burns is a consultant with more than four decades of experience in Medicare, Medicare supplemental (Medigap), and long-term care insurance. She actively promotes improved consumer protection in state and federal legislative efforts affecting Medigap and long-term care products. A consultant to California Health Advocates (CHA) on long-term care insurance, she represents CHA on policy issues related to financing long term care for the middle class. She consulted for National Council on Aging and SHIP Resource Center on Medigap and long-term care insurance issues. Burns served as an advisor on consumer interests to the 2017 California Partnership for Long-Term Care Task Force, and during the 1992-93 formation of the program. She served as a consumer representative to NAIC since the beginning of the program in 1992, representing consumers in the development of Model Laws and Regulations used by states to regulate insurance companies and the marketing and sales of insurance products to older consumers. Burns was awarded a "Beneficiary Services Certificate of Merit" by CMS, an award from NAIC, and was honored as a Money Magazine "Hero."



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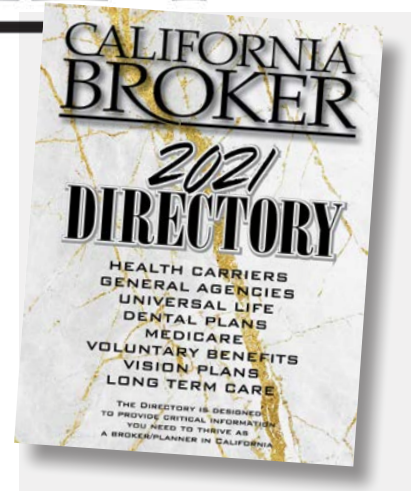


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