

**PLUS:** THANKS RIC MADDEN | DISRUPTIVE TECH | CAHIP CA SURVEY

# CALIFORNIA BROKER

SERVING CALIFORNIA'S HR, HEALTH/LIFE PROFESSIONALS & FINANCIAL PLANNERS • AUGUST 2022

**IT'S  
THAT  
TIME  
AGAIN**

**PREPARING  
FOR  
MEDICARE  
ANNUAL OPEN  
ENROLLMENT!**

**Planning Needs  
for Insurance  
Professionals**



# The Medicare Annual Enrollment Period is Just Around the Corner!

Join thousands of brokers who have discovered the benefits of selling Brand New Day and Central Health Medicare Plan. And to provide our brokers with additional support we have added more sales support staff all over our service area.

**brand new day**  
A Bright HealthCare Company  




**San Diego and Imperial**  
**Kim Shields** 951-323-5979  
kshields@brighthousehealthcare.com

**Korean Market**  
**Sam Han** 626-825-8522  
shan@brighthousehealthcare.com

**Riverside and San Bernardino**  
**Josie Cortez** 714-642-3844  
jcortez@brighthousehealthcare.com

**English and Spanish Market**  
**Liset Tran** 626-825-8456  
ltran@brighthousehealthcare.com

**Kern, Kings, Tulare, Fresno and Madera**  
**Kristy Greenland** 559-753-0028  
kgreenland@brighthousehealthcare.com

**David Milligan**  
VP of CA Sales

**Los Angeles and Orange**  
**Renee Szafirowski** 562-477-3377  
rszafirowski@brighthousehealthcare.com

**Shaina Popkin**  
AVP of Sales

**Northern CA**  
**Sheri Hernandez** 916-847-5227  
sheri.hernandez@brighthousehealthcare.com

---

**2023 Certification Trainings are coming soon. Contact us to learn more!**

---

**Brand New Day**  
1-866-255-4795 Ext. 2018  
bndhmo.com/brokers

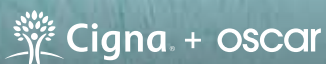
**Central Health Plan**  
1-626-388-2375  
centralhealthplan.com/broker



THAT CALIFORNIA DIFFERENT FEELING.



A California Different way to do health care.



Quote Different | 800.542.4218 calchoice.com

# TABLE of CONTENTS

14

**TRIBUTE TO CBM PUBLISHER****California Broker Magazine Publisher Ric Madden Retires**

New management takes the reins after 41 years

*As we pass into new management, we take a look back in a tribute to our publisher for 41 years, Ric Madden.*

18

**MEDICARE OPEN ENROLLMENT****It is that Time Again – Prepare for Medicare Annual Open Enrollment with These Tips!****BY MAGGIE STEDT**

*It is never too early to start your preparation for Medicare Plan Annual Enrollment Period (AEP) that runs Oct. 15 through Dec. 7 each year. Take the time to learn about new products, product changes and marketing requirements.*

20

**INSURTECH****Powerful Performance Platform Helps Ambitious Agents Fly High**

The White Wing story - Part one of a two part advertorial

**BY JOSHUA SCHNEELOCH**

*With a background in media technology sales, I searched for a market that would give me independence and rapid growth. I soon met a fellow German transplant named Michael Wolff, a managing partner of Dickerson Insurance Services, a pioneer in the health insurance field in California. Recognizing my experience and zeal, he invited me to join his team.*

22

**LEGAL****Planning Needs for Insurance Professionals**

What a legal structure can and can't do for you

**BY PHIL CALHOUN  
WITH DANNIEL WEXLER**

*In this article, we will cover information to consider when making key planning decisions. Health insurance professionals will learn how legal structures may protect their personal and business assets and provide allowable tax advantages that can help accomplish many planning goals.*

25

**PERSONNEL****Hiring Younger Workers a Win-Win for Agencies****BY JENNIFER TURNER**

*Brokers who look to grow and plan for their future often seek new employees. In this market it can be difficult to find candidates that want to work in our industry. With the option to grow by adding new employees to the business, health benefits broker David Ethington of Integrity Advisors pursued a plan to grow through adding youthful employees.*

27

**TECH****Coming Soon to a Health Plan Near You: Digital Disruption in Covered Services**

Agents and brokers are a vital part of the equation

**BY MICHAEL GORTON**

*As a quintessential entrepreneur, I've spent my career utilizing the latest innovations to disrupt the healthcare and telecom sectors. As a co-founder of Teladoc I discovered that everyone in the care chain — patients, physicians, and (even) health systems — are hungry for change. They want care to be more convenient, better integrated, and secure, with shareable data.*



COVERED CALIFORNIA  
SMALL BUSINESS

# a partnership that pays

**BONUS PROGRAM - COVERAGE EFFECTIVE:  
JULY 1, 2022 TO JANUARY 1, 2023**

Earn even more for offering your clients California's most comprehensive access to doctors and hospitals:

- 
**Full Network PPOs\***
  - Blue Shield
  - Health Net
- 
**HMO offerings from\***
  - Blue Shield
  - Kaiser Permanente
  - Sharp Health Plan
- 
**NEW! CCSB offers 4-tier selection**
- 
**Single bill**
- 
**Covers enrollments across all CCSB Carriers**

## EARN EXTRA WHEN YOU SELL NEW SMALL GROUPS

Group Size (Enrolled Employees)	Incentive Earned
51 - 100	\$ 8,000
26 - 50	\$ 4,000
16 - 25	\$ 2,000
6 - 15	\$ 1,000

Contact your local Covered California for Small Business sales representative to learn why we're growing and how we can help build your business! An increasing number of agents and their clients are glad they did.

**[CoveredCA.com/ForSmallBusiness](http://CoveredCA.com/ForSmallBusiness)  
844.332.8384**

### Some Key Rules:

1. Applies to new to Covered California for Small Business (CCSB) groups with initial effective dates of 07/1/22, 08/1/22, 09/1/22, 10/1/22, 11/1/22, 12/1/22 and 1/1/23
2. Bonuses will be calculated on number of subscribers (employees) in effect for the first effective month of the policy as determined by CCSB.
3. No pro-ration of target values will take place.
4. Business written through partnering General Agencies qualifies.
5. Covered California intends to issue incentive payments forty-five (45) days following the ninety (90) day requirement outlined in Section D(1)(b) of Exhibit F. Covered California may modify its payment schedule at any time.

For a complete list of the program rules go to:

**<http://www.coveredca.com/agents/become-an-agent-for-small-business/CCSB-agents/>**



\*Insurance companies vary by region and are subject to change.

# CALIFORNIA BROKER

## PUBLISHER

Health Broker Publishing, LLC  
publisher@calbrokermag.com

## EDITOR

Linda Hubbard Lalande  
editor@calbrokermag.com  
linda@calbrokermag.com

## ASSOCIATE EDITOR

Thora Madden  
Surveys  
Thora@calbrokermag.com

## 2022 INDUSTRY CONTRIBUTING EDITORS:

Naama O. Pozniak, Louis Brownstone,  
Phil Calhoun, Dorothy Cociu,  
Lisa Rehburg and Maggie Stedt

## ART DIRECTOR

Randy Dunbar  
Randy@calbrokermag.com

## VP MARKETING

Devon Hunter  
Devon@calbrokermag.com

## CIRCULATION

calbrokermag@calbrokermag.com

## EDITORIAL AND PRODUCTION:

Editorial and Production  
Health Broker Publishing  
14771 Plaza Drive Suite C  
Tustin, CA 92780  
714-612-0306

## calbrokermag@calbrokermag.com

Subscriptions and advertising rates, U.S. one year: \$42.  
Send change of address notification at least 20 days prior to  
effective date; include old/new address to:

Health Broker Publishing  
14771 Plaza Drive Suite C • Tustin, CA 92780  
714-612-0306

California Broker (ISSN #0883-6159) is published monthly.  
Periodicals Postage Rates Paid at Burbank, CA and  
additional entry offices (USPS #744-450). POSTMASTER:  
Send address changes to California Broker, 14771 Plaza  
Drive Suite C • Tustin, CA 92780

©2022 by Health Broker Publishing. All rights reserved.  
No part of this publication should be reproduced without  
consent of the publisher.

No responsibility will be assumed for unsolicited editorial  
contributions. Manuscripts or other material to be returned  
should be accompanied by a self-addressed stamped envelope  
adequate to return the material. The publishers of this  
magazine do not assume responsibility for statements made  
by their advertisers or contributors.

Printed and mailed by Southwest Offset Printing,  
Gardena, Calif.

# 30

## CA SURVEY

### CA Survey Results sponsored by CAHIP

*When it comes to legal and regulatory compliance, one of the key challenges for employers is keeping abreast of numerous changes that come through legislation, guidance and court rulings. Employers look to their broker partners to keep them informed.*

# 36

## COMPLIANCE

### Guiding Clients Through Compliance with the Transparency in Coverage Rule

Employers look to their broker partners to keep them informed

#### BY MISTY BAKER

*When it comes to legal and regulatory compliance, one of the key challenges for employers is keeping abreast of numerous changes that come through legislation, guidance and court rulings. Employers look to their broker partners to keep them informed.*

# 40

## PHARMACY

### Going Off-Brand

The Case for Prioritizing Generics

#### BY PHILIP CARROLL

*From the checkout line at the grocery store to the total at the gas pump, consumers nationwide are feeling the pinch of soaring costs.*

# 42

## AGENT VIEWPOINT

### Coaching is more than game planning A more personal, honest approach to advising can win big

Employers look to their broker partners to keep them informed

#### BY GLENN CRAWFORD

*In previous writings I've spoken about the idea of coaching rather than advising as an approach to work with your clients. Truth be told, I'm not saying they are diametrically different. The two concepts are very similar, but I submit the coaching approach is much more personal and the dialogue may prove more comfortable for most of the people we serve.*

## IN EVERY ISSUE

Industry News	9
Classified Advertising	46
Ad Index	46

# GSI

## Disability Insurance

### \$100,000 per month

With benefit limits up to \$100,000 per person per month, this new product will be sure to capture the attention of a board of directors.

Supplemental disability insurance that addresses the deficiencies of not only group coverage, but individual disability income policies as well.

Disability ♦ Life ♦ Medical ♦ Contingency



**PETERSEN**  
INTERNATIONAL UNDERWRITERS

800.345.8816 ♦ [www.piu.org](http://www.piu.org) ♦ [piu@piu.org](mailto:piu@piu.org)



Visit our website: [theseniorsummit.net](http://theseniorsummit.net)

Scan this Code  
to Register Today!



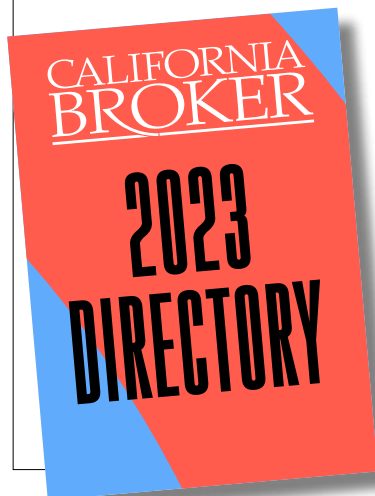
AN INTEGRITY  COMPANY

Gold Ribbon Sponsor

Special thanks to Medicare Senior Summit  
**PLATINUM SPONSOR**  
[www.appliedga.com](http://www.appliedga.com)



We wish brokers and agents the best for 2023  
 Medicare Open Enrollment  
[www.regalmed.com](http://www.regalmed.com)



**PLACE YOUR 2023 CALIFORNIA BROKER DIRECTORY  
 ADVERTISEMENT TODAY!**

Ads as low as \$495

Publishes in December 2022 for 2023

Package deals available for Annual Directory,  
 Monthly Print Magazine, Weekly Insider e-News, 24/7 Website.

Contact [Devon@calbrokermag.com](mailto:Devon@calbrokermag.com)  
 626-755-4770

For your FREE listing please email: [directory@calbrokermag.com](mailto:directory@calbrokermag.com)

# INDUSTRY / NEWS

CURATED NEWS FROM THE INDUSTRY

## Way to go, John Word! NABIP/NAHU's Person of the Year!

John Word was recently honored by the newly renamed National Association of Benefits and Insurance Professionals (NABIP-formerly NAHU) with their highest honor, the Harold R. Gordon Memorial Award at their 92nd Annual Convention in Austin, Texas.

Known as a visionary and transformative leader, John Word is recognized for the many pioneering technological and marketing advances he's made since 1972. Championing quality and value in healthcare has been his driving inspiration. Agents and brokers have been front and center in his herculean efforts when more than 35 years ago, John joined with Rusty Brown to introduce Word & Brown General Agency to the market.

His brilliant accomplishments revolutionized the role of agents and brokers in California and across the country, massively profiting these professionals and the consumers they serve. One example is John's invention of innovative software that allowed brokers to quickly assemble information about multiple plans and find quality health insurance at the best price



for their clients. CaliforniaChoice® is another milestone, launched in 1996 to empower consumers with true health care choices. The nation's first private health insurance exchange, CaliforniaChoice® a groundbreaking enterprise enabling employees in small groups to select from several health plans and benefit levels within one program. Word & Brown also created the first COBRA division in the nation, a Flexible Benefits Plans division and the "defined contribution" concept that is now used in group health plans across the country

"He has taught us to never settle for less than the best and never be afraid to think outside the box," notes Janet Trautwein, CEO of NABIP/NAHU. "The insurance industry would not be the same without his vision and forward thinking."

*We at CalBroker congratulate John and thank Word & Brown for their longtime support as committed advertisers and editorial contributors to CalBroker Magazine.*

Contact: [wordandbrown.com](http://wordandbrown.com) or [NAHU.org](http://NAHU.org)

## Looking to Hire? Give another look at candidates with career breaks



According to LinkedIn, with a lack of available workers, hiring managers would be smart to take a second look at candidates with career breaks they would earlier have passed over. They now provide a way for members to spotlight their career pauses.

### Tips to increase your candidate pool:

- Look at the full set of skills a person has developed through their lived experiences (personal or professional);
- Value the skills people may develop during career breaks (including compassion, caring, and empathy);
- Give candidates the opportunity to share what they have learned that could be applied to the role, regardless of whether that skill was learned outside of work.

Details here. <https://bit.ly/3uKbf4N>

# INDUSTRY/NEWS

## Teladoc Growth Shows Growing Popularity of Remote Care

Teladoc saw massive growth in 2020, boosted by the surge in telehealth during the COVID-19 pandemic. But the company's stock has plummeted this year amid a tumultuous bear market and management walked back 2022 revenue projections due to challenges with its mental health and chronic care businesses. CEO Jason Gorevic said he's confident in Teladoc's long-term growth as the 20-year-old company has the "scale, capabilities and depth of expertise" to win in the market.

*[See article on page 26 by co-founder of Teladoc and Recuro Health, Michael Gorton.]*



## The Boomers Are Coming! Are you and health plans prepared?

Prepared brokers and agents can ride the Silver Wave, as baby boomers are set to catapult Medicare enrollment to over 80 million beneficiaries by 2030. They will also reshape traditional post-acute care models. Learn how health plans can begin to establish collaborative post-acute networks to prepare for this impending influx. Download Report at [realtimemed.com/get-started/smartbrief-ahip/](https://realtimemed.com/get-started/smartbrief-ahip/)

## INDUSTRY EVENTS

### MODERN HEALTHCARE EVENTS

Info: [www.modernhealthcare.com](http://www.modernhealthcare.com)

#### Social Determinants of Health Symposium

Thursday, August 11, 2022

#### The Hospital of the Future Virtual Briefing

Thursday, September 08, 2022

#### The Virtual Health Virtual Briefing

Thursday, October 13, 2022

### IEAHU, OCAHU & SDAHU Senior Summit

Aug 23-25, Pechanga resort and casino, Temecula, Calif. Register.

<https://guestlist.co/events/706287>

More info here. <https://theseniorsummit.net>

### LAAHU 7TH Annual Medicare Symposium

Sept. 15 — SAVE THE DATE!

### InsurTech Connect: The Future of Insurance is Here,

Sept. 20-22, Las Vegas Info: [vegas.insuretechconnect.com/](http://vegas.insuretechconnect.com/)

### Women In Financial Services (WIFS) National Conference,

Sept. 29-Oct. 1, in person, Phoenix, Arizona.

Info: <https://wifs-losangeles.org/events/>

### National African-American Insurance Association (NAAIA)

2022 Annual Conference & Empowerment Summit, Oct. 5-7, in person.

Baltimore, MD.

Info: <https://www.naaia.org/conference>

### Self Insurance Institute of America (SIIA)

#### ENGAGE National Conference & Expo,

October 9-11, 2022 in Phoenix. Info: [www.siiaconferences.org](http://www.siiaconferences.org) (800)851-7789



## NAHU Changes Name to NABIP

On June 28, at the 2022 Annual Convention, the National Association of Health Underwriters (NAHU) House of Delegates voted to approve a name change to better reflect the purpose of the organization: National Association of Benefits and Insurance Professionals (NABIP). This change took place at the 2022 Annual Convention. The new name was chosen from 30 possibilities after receiving input from national, state and local leaders across the country.

# Health agents seek reversal of CMS rule on recording Medicare Advantage calls

As a result of consumer complaints, on Oct. 1, CMS is requiring brokers and agents to record phone calls that result in enrolling a client into a Medicare Advantage or Medicare Part D prescription drug plan.

According to the members of Health Agents for America these complaints are originating from misleading TV commercials, encouraging Medicare beneficiaries to call a 1-800 number to receive free groceries and other 'additional benefits,' but lack basic coverage. CMS reported 39,617 "complaints to Medicare" out of 29 million enrollments (only 0.0013661% of the total enrollments).

There's a petition afoot at **Change.org** to stop the burdensome regulation, because of many unintended consequences such as discouraging the 100K+ pros that sign up each year to sell Medicare.

Read more at [insurancenewsnet.com](http://insurancenewsnet.com).



## Syndicated Insurance Agency, LLC Partners with Spark Advisors to Accelerate Growth as a Next-Generation Field Marketing Organization

Syndicated Insurance Agency, LLC announces a partnership with Spark Advisors to accelerate nationwide growth and bring to market new technology-enabled agent and member experiences.

The move comes on the heels of Syndicated Insurance Agency celebrating its 19th anniversary as a premier independent insurance agency based in Los Angeles, California.

In this next phase of growth, Syndicated Insurance Agency, LLC will continue to deliver world-class agent service while expanding its innovative partnerships with forward-thinking providers with new services and technology.



*"This partnership comes at a time when agencies and providers are increasingly looking for synergistic, technology-enabled solutions to drive mutual patient and client growth."*

-Jason Vallejos, Executive Vice President & Chief Strategy Officer of Syndicated Insurance Agency, LLC

Syndicated Insurance Agency, LLC and Spark Advisors are honored to provide the following services and more to its dedicated agent and healthcare provider base:

### Agents:

- Marketing, Advertising, and Branding
- Enrollment, Retention, and CRM Platform
- Commission Tracking
- National Contracting
- Certifications
- Compliance

### Providers:

- White Labeled Marketing and Branding
- Appointment and Annual Wellness Reminders
- Patient Retention Calls
- Network Change Notifications
- Staff Introductions and Open Houses
- HRAs

Headquartered in New York City and led by a team of healthcare and technology veterans, Spark Advisors provides leading Medicare FMOs a proprietary agent technology and member engagement platform which helps agents streamline sales and enhance member engagement.

The partnership with Spark Advisors will help Syndicated Insurance Agency, LLC and its agent and provider partners grow sales, improve retention, increase RAF scores, and elevate the overall member experience.

Join Syndicated Insurance Agency & Spark Advisors:

Press Relations  
(818) 718-8987

 [syndicatedins.com](http://syndicatedins.com)  
[sparkadvisors.com](http://sparkadvisors.com)

E-Meetings  
[info@syndicatedins.com](mailto:info@syndicatedins.com)

# INDUSTRY/NEWS

## RECESSION ON THE WAY THIS YEAR – AND OTHER FORECASTS

*Predicted by economist Jim Doti and other experts at Chapman U's Economic Forecast Update*

Highlights from the comprehensive report – Chapman Economic & Business Review, Volume 40– were presented in detail at the June 23 Chapman University Economic Forecast Update.

California, currently at about 17.2 million jobs, is still about 500,000 jobs below the pre-COVID recession high of 17.7 million jobs.

The sharper loss of jobs in California as compared to other states is mainly the result of stricter governmental constraints (stringency) used by the state to control the spread of the COVID-19 pandemic.

Now that California's stringency, as measured by Oxford University, is closer to the U.S. average, job growth this year in California (5.5%) will be higher than the average growth in the U.S. (4.2%).

## NEWS MAKING YOU WANT TO HIDE?

*How to stay engaged AND protect your mental health*



Yea yea - we know we need to stay informed and engaged to exercise our power to effect change. But how can you strike a balance that supports both your wellbeing and your ability to take action? Tips on healthy news consumption comes from Center From the Future of Museums (CFM) director Elizabeth Merritt. She says to “Cultivate knowledge and resilience, believe that you can change the world” in her 2020 post “How to Stay Informed While Staying Sane” found here: <https://bit.ly/3aCA9wA>

“Perhaps you are suffering from news poisoning,” says Merritt ... symptoms include malaise, despair, and the desire to sign off social media and never open a browser window again ... “It would be tempting to retreat into an echo chamber of news and social media that confirms what we already believe to be true and provides the affirmation of like-minded peers. But the very things that make the news so stressful right now only increase our obligation to educate ourselves about what is happening in the world.”

**Select your sources:** Exclude hysteria, but avoid an echo chamber of your own thoughts.

**Limit your exposure:** Schedule a limited window to check actual facts.

**Be mindful of your motives:** Why are you reading an article? To feel good about your own opinions? Learn something? Get mad? Flex your mental muscles, expand your perspectives, and ensure you don't become complacent in your world view.

**Find a reading buddy:** Choose someone with whom you can discuss difficult topics and challenging news. Ideally, find someone who doesn't agree 100% with your opinions.

**Give yourself permission to goof off a bit:** Grappling with the world requires a stable mental base, and our psyches may need some silliness right now. Funny animal videos anyone?

**Be choosy:** Right now, reading less can actually help you be better informed in our tumultuous time. Be particular about what you read, and save your strength and resilience for focused, thoughtful engagement with difficult but essential material that challenges your preconceptions, expands your thinking, and helps you identify what you can do to take care of yourself and the world.

## Good News is Good for You

Consuming good news is important: optimism is good for your mental and physical health, and revitalizing your brain with even a few good things can motivate you to stay engaged with the world. Actively seeking out substantive, relevant news that fosters hope for the future will make you feel better about life.

A few (non-partisan) suggestions to see what's **going right**:

- **Positive.News**
- **Optimistdaily.com**
- **Stanford Social Innovation Review (ssir.org)**

**Take away from Optimistdaily.com:** “In an era that is full of uncertainty and fear, let your actions and reactions be guided by the lessons learned by those nearing death. Savor the little pleasures of

life, and share your love with those around you. The world, and your heart, will be a little lighter for it.”

**Then there's this:** The American Alliance of Museum (AAM) Strategic Foresight Toolkit which includes a tutorial and exercises to help you optimize your news consumption, and use your reading to improve your planning. The toolkit can help organizations train staff in the basic tools of futurism and integrate foresight into planning and operations. [www.aam-us.org/programs/toolkits/strategic-foresight-toolkit/](http://www.aam-us.org/programs/toolkits/strategic-foresight-toolkit/)

**Example:** Empathy Isn't Enough – An excerpt from The Double Bottom Line on how compassionate leadership integrates empathy with the critical element of action. [ssir.org/books/excerpts/entry/empathy\\_isnt\\_enough](http://ssir.org/books/excerpts/entry/empathy_isnt_enough)



**Serve Your Clients' LGBTQ Employees With Useful Online Safety Guide**

Want your clients' LGBTQ employees to feel cared for? Share this resource created by vpnMentor.com a resource dedicated to help people protect their online privacy. They conducted a survey to illuminate the unique challenges faced by the LGBTQ+ community. Sadly, 73% of all respondents in all categories of gender identity and sexual orientation have been personally attacked or harassed online.

This guide aims to empower LGBTQs and give them the tools to protect themselves online.

<https://www.vpnmentor.com/blog/lgbtq-guide->



**Resources for Your Medicare Clients: Cost of Senior Living & Care Map**

A nifty Senior Care Map was created by A Place for Mom in collaboration with an associate professor of economics Dr. Matthew Harris and is based on years of collected data.

[www.aplaceformom.caregiver-resources](http://www.aplaceformom.caregiver-resources)

The Senior Care Map was created to help families explore senior living and care costs across the U.S. more seamlessly.

**What you'll find:**

- 1- Senior apartments**
- 2- Independent Living**
- 3- Assisted living**
- 4- Memory care**



For some, retirement is near.  
 For some, retirement is in the distance.  
 In the meantime, how are your commissions **protected?**  
 Have you thought about a successor?

Let's have a conversation

David Ethington  
 714-664-0605

david@commission.solutions



**COMING IN SEPTEMBER**

**Life Insurance Survey - View from the Top**

**Purchasing Power Harris Poll Employee Benefits Survey Results**

**How to Increase Your Insurance Agency Efficiency**

**Diet & Health**

**and more!**

# California Broker Magazine Publisher Ric Madden Retires

*As we pass into new management, we take a look back in a tribute to our publisher for 41 years, Ric Madden*

*{Excerpted from A LETTER FROM THE PUBLISHER on the occasion of our 40th Anniversary Published Sept. 2021-<https://www.calbrokermag.com/in-this-issue/a-letter-from-the-publisher-40th-anniversary/>}*

## **How We Got Here**

*By Ric Madden, publisher since 1982*

In September of 1982, I had the opportunity to become the publisher of, among other things, an insurance industry magazine.

That magazine was California Broker. I named the publishing entity McGee Publishers in my Doberman's honor. (And that's another story - see the Sept. 2021 issue for details).

While over time Cal Broker has mainly focused on health and life insurance products and the value those products bring to your profession and to the lives of so many Americans, I can't help but also think about the value of the smaller products, too. Like pet insurance and so many others.

Insurance sometimes means the difference between life and death for people, for animals, for everyone.

As a result, over the years I've become passionate about the industry. Cal Broker does whatever it can to promote the information you need to help save lives.

Because whether you have two legs or four, I know insurance makes a huge difference in everyone's lives. It's made a huge difference in mine and my family's.

We've had the honor of serving the insurance industry with this publication for 40 years. Thanks for being a part of our pack — whether you're a reader, an advertiser or a contributor.

***From the whole McGee team, may the wind be at your back and the force of the Doberman be with you.***

**— Ric Madden**



## **Tributes to Ric Madden from industry colleagues**

***Ric Madden and California Broker Contributions Cannot Be Overstated***

*“California Broker magazine has been a part of the state's insurance industry for over 40 years — longer than most readers have been in the business — and longer than many have been alive. California Broker is just there. Like a landmark on the horizon, its presence would be more pronounced by its absence.*

*“Indeed, California Broker is and has long been an invaluable resource. Before the Internet there was California Broker. The magazine illuminated what trends were developing, what proposed*

*legislation would do, what carriers were planning. California Broker's consistency and caliber as a preeminent resource for the state's agents is remarkable. And it is due, in large part, to Ric Madden's vision and leadership.*

*“It can be easy for California brokers to overlook how unique the magazine is. I have addressed industry audiences in 30 states. Yes other brokers get state-specific information from associations, carriers, and general agents provide producers. So do Californians. But we also benefit from having an independent publication bringing disparate perspectives together in one place. As far as I know, there is nothing like California Broker anywhere else.*

*“Most of us thinking about Ric's tenure will rightly focus on its editorial content. And it has been a pleasure and honor to have written dozens of articles for the magazine. However, the advertisements have value, too. These ads tell a fascinating story about the California insurance industry. They describe the evolving cast of players and the evolution of their products. These ads are a historian's dream: over 40 years' worth of insights into the state's changing life and health insurance markets.*

*“Yes, it may be easy to take California Broker and Ric Madden for granted. We shouldn't. Thank you Ric. Your contribution to the industry cannot be overstated.”*

**Alan Katz, founder, NextAgency**



**Watercolors by Ric Madden**

**Above: Tesoro (Treasure in Spanish) - Ric's favorite Paso Fino horse.**

**R-top: Haku Lei R-bottom: Taro farm, Kalalau Valley, Na Pali Coast, Hawaii**



*"I'd like to say a big 'thank you!' to Ric Madden as well as his extended family Lex and Thora! I first met Ric about 25 years ago when I was working as an assistant editor to Cal Broker's founding editor, Kate Kinkade. I went my own way after a few years but always kept in touch with the Cal Broker team. I was occasionally enlisted by Cal Broker long-timers Steve Zdroik (art director), Leila Morris Lavizadeh (editor) and Scott Halversen (VP, Marketing) to help out with projects over the years. After Leila left, the magazine went through a couple of editors who didn't work out. Ric asked if I could step in as editor on a "temporary" basis. I ended up staying beyond both Steve and Scott until spring 2022 — something like 5 years! During that time, I'm happy to say that we grew reader engagement, added many new contributors and received a CAHU award recognizing the magazine's contribution to the industry. Ric, Lex and Thora have always been great to work with. Our tiny team — which eventually included art director Randy Dunbar, ad director Devon Hunter and asst. editor Linda Lalande — got the job done and had a lot of laughs along the way! Ric is an amazing artist, his true calling. And yet this artist kept an insurance industry publication going for 40 years in a time where other industry magazines folded and publishing underwent epic changes. God speed to Ric and Cal Broker. Onward!"*

**Victoria Alexander, former editor, CalBroker Magazine**

"Ric, thank you for all the years of your devotion to the California insurance industry. Thank you for everything you have done for the various organizations and agents and advisors in California. You have so graciously announced events, provided space for people to submit articles, shared many interesting stories, and allowed your editorial staff to cover and write about very important topics.

"We hope you will enjoy your retirement, but you will be sorely missed. Thank you again for your contribution to the insurance industry in California."

**Janet Fishman, Executive Director, NAIFA-Los Angeles, WIFS-Los Angeles, NAIFA-Silicon Valley**

*"On behalf of the team at BenefitMall in Calif., I would like to thank Ric for his many years of service to this industry, the brokers in Calif. and the millions of citizens we serve. Best wishes for a happy and healthy retirement!"*

**Brian Sullivan  
Market Director  
BenefitMall**

*“Congratulations to Ric Madden on his well-deserved retirement! For over 40 years, he has accomplished tremendous feats and truly embodies what it means to be an industry disruptor. On behalf of Transitions Optical, we want to thank Ric for his generosity. We appreciate our partnership with Cal Broker and are grateful for the company’s support of our mission to reach and impact insurance agents with valuable information on the importance of vision benefits and employee eye health. Best wishes for a long, happy and fulfilling retirement, Ric. Enjoy this new chapter.”*

**Jonathan Ormsby, senior key account manager,  
Transitions Optical**

*“I would like to thank Ric for my 30 great years at California Broker Magazine. I needed a change after 13 years working in advertising for an insurance carrier. The magazine was the perfect place to land. It was such a great change of pace after being in a corporate pressure cooker. There was no bureaucracy to unravel, no politics and no approval gauntlet. It was so refreshing. If something seemed like a good idea we just did it. Ric gave us all kinds of leeway. He trusted us. I am sure it added years to my life.*

*“The magazine had started off as an advertising agency so we tried to do things with flair. We wanted to stand out from the national magazines by focusing on what brokers were dealing with in California. It was like a family. We must have liked working together. The junior member of our team worked over 20 years for the magazine. It’s a tribute to Ric that he kept the magazine going for 40+ years. We never got tired of having brokers tell us how much they loved the magazine at the trade shows. I gained a great appreciation for everything brokers go through to serve their clients.”*

**Scott Halverson, former VP  
of Marketing for Cal Broker**

*“Ric will be missed! He and CalBroker have created a great forum for industry news, important product and sales ideas and a chance to share and learn. As an independent agent I found this magazine a valuable tool. We will miss his passion and dedication to the agent community.”*

**Maggie Stedt, CSA, LPRT, Senior Summit co-chair,  
Medicare chair of OCAHU and immediate past  
president of CAHIP**

*“Thank you, Ric Madden, for everything you accomplished at Cal Broker. Ric, you will be missed greatly. Your contributions to the insurance industry are unmatched. California Broker under your leadership thrived, with great content and even better people and relationships. Thank you for understanding the needs of the industry and being one of the first to put it in front of us on a regular basis. Thank you for getting it; for getting us, the brokers, and for helping us help our clients with great content. As a contributor to Cal Broker for years with my*

*articles, I have had the privilege of working with your staff, and those relationships will continue for years to come. You certainly created a great team there! Best wishes to you in your retirement. May you be as successful in retirement (that means enjoying yourself and doing what makes you and your family happy!) as you were in the industry. Happy Retirement! Thank you from all of us!”*

**Dorothy Cociu, president,  
Advanced Benefit Consulting**

*“Being a champion and advocate on behalf of the California broker community might sound like an easy job. But for 40+ years, Ric had primarily been behind the scenes of one of the most vital and supportive magazines in our industry.*

*“If you ever had a chance to meet Ric, he is one of the most humble humans I have ever met. Yet, he always tried to make a difference in our ever-changing health insurance industry with a smile and a warm welcome.*

*“It wasn’t until I hosted a holiday dinner for the Cal Broker team as their Associate Publisher that Ric and I realized we were both artists. This was a connection on a different level of love and expression. So for me, as we are paying tribute to the man that radically championed our industry for so long, I hope he will allow us all a peek into his main love in life, which is his art.*

*“As I am now helping to shape the future of Web3.0, where artists, collectors and community builders are moving the physical world into digital, I hope that we will all soon be able to access his next level of career while he enjoys his retirement.*

*“I love you, Ric; many blessings for a beautiful, meaningful time.*

**Namaste,  
Naama O. Pozniak, CEO, Rightplan**

*“On behalf of the Los Angeles Association of Health Underwriters (LAAHU), I want to thank you for your peerless performance during the past 41 years, as we congratulate you on your retirement. Thank you for everything you’ve done for our chapter along with the broker communities that we serve. You so graciously have given us space in your magazine to submit articles, stories, legislative updates, and so much more over the years. Your editorial staff has been priceless to our organization and that is because of YOU!*

*“You will certainly be missed, my friend. Congratulations on a job well done and a retirement well deserved.”*

**June Taylor  
LAAHU President – 2022-2023**

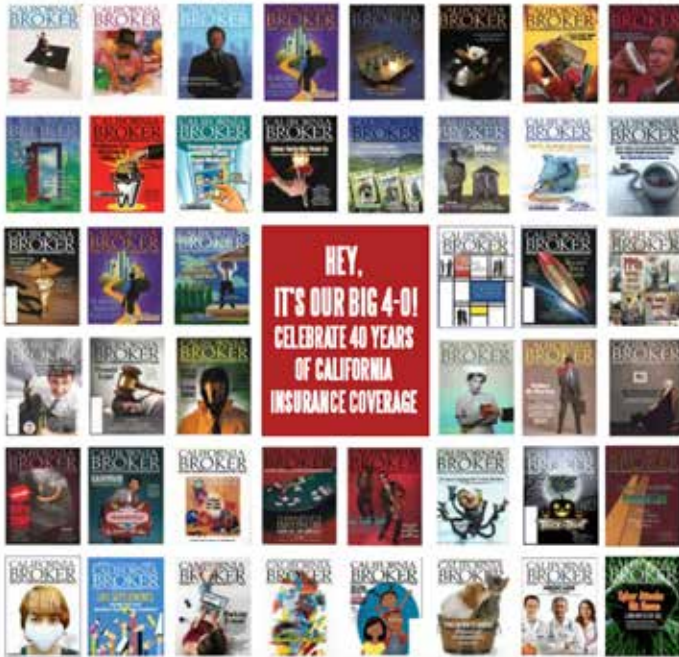
ALSO INSIDE: MEDICARE HEAVYWEIGHTS WEIGH IN | LIFE IS HEATING UP | CONTACTLESS LEGAL IS HERE TO STAY

# CALIFORNIA BROKER

VOLUME 40, NUMBER 5

Serving California's Life/Health Professionals & Financial Planners

September 2021



Sample covers from the last 41 years shows the evolution of the insurance industry.

*“California Broker has been a widely read and respected trade publication in the state for the past three decades. We at Dickerson have been proud to collaborate with you and your staff through the years. The standard of excellence provided by the magazine has been a unifier in the health insurance industry statewide and nationally. Thanks for the great partnership over the years, and we look forward to building a solid relationship with your successor. You will be missed, Ric!*

**Cindy Jones**

**Dickerson Insurance Services**

*“This is “Banjo”  
at a small  
mountain lake near  
Mammoth.  
He was one of my  
favorite Paso Finos  
—Ric Madden.*



## From the New Publisher

Health Broker Publishing, LLC, dba MJPR Media Group, has acquired the assets of California Broker Magazine. All operations, processes and procedures will continue as before for the print magazine, Insurance Insider eNewsletter publication and our website, [www.calbrokermag.com](http://www.calbrokermag.com).

McGee Publishers Inc. and its publisher, Ric Madden, will assist during the transition period. All members of the McGee team will remain active in the new company and continue their excellent work and commitment to our readers, advertisers and contributors.


Ric enjoyed remarkable success as his efforts connected California Broker media to so many brokers, carriers and many others in the health insurance industry for over 41 years. MJPR Media Group looks forward to continuing his excellent work and will strive to meet the expectations of the devoted partners including readers, advertisers and editorial contributors as we remain committed to journalistic excellence. More information on plans for increasing circulation and enhancing editorial content will be available soon.

Included in the Cal Broker product portfolio is California Broker Magazine, the Insurance Insider eNewsletter and [www.calbrokermag.com](http://www.calbrokermag.com). All three media will continue into the future. With input from our strategic partners we look forward to enhancements that will focus on gathering information related to the health industry, contributions and feedback on the news and events our readers want us to explore, investigate and cover in 2022 and beyond.

Plans are in process to increase print and digital circulation to reach more health, life and annuity insurance professionals in California. Also, on the list is to enhance editorial content and continue to bring relevant and current information to readers. And most importantly provide advertisers with partnerships involving the benefits of all three media to carry their messaging to our print and digital audiences.

Questions and suggestions are always welcome. Contact: [publisher@calbrokermagazine.com](mailto:publisher@calbrokermagazine.com)

**MEDICARE OPEN ENROLLMENT**



**It is the Time Again –  
Preparing for Medicare  
Annual Open Enrollment!**

**By Maggie Stedt**

**It is never too early to start** your preparation for Medicare Plan Annual Open Enrollment. The AHIP and NAHU certifications have opened up earlier this year and almost all the carriers are providing trainings on-line with some offering in-person meetings. Take advantage of the opportunities to attend the Medicare Summits and other meeting opportunities by carriers, FMOs and your local California Agent Health Insurance Professionals (CHIP) to learn about new products, product changes and marketing requirements.

### Marketing Changes for 2023

This year will require much more planning due to the Centers of Medicare & Medicaid Services (CMS) Marketing Guidelines released in May of this year. The changes made by CMS were in response to the many complaints by agents and beneficiaries regarding the noncompliant marketing of telemarketing entities and call centers. Unfortunately, we independent agents were included in the broad brush of this CMS reaction.

According to July 1 NAHU (National Association of Health Underwriters) News release: “A CMS rule revising Medicare Advantage and Part D marketing and communication regulations went into effect June 28 to increase oversight over third-party marketing organizations. Medicare Advantage and Medicare Part D plan sponsors must comply with the new CMS rule first put forth on May 9.

### Six things to know:

- TPMOs (Third Party Marketing Organizations) are now defined as “organizations and individuals, including independent agents and brokers, that are compensated to perform lead generation, marketing, sales and any enrollment-related functions as part of the chain of enrollment.”
- TPMOs must display a disclaimer that says, “We do not offer every plan available in your area. Any information we provide is limited to those plans we do offer in your area. Please contact Medicare.gov or 1-800-MEDICARE to get information on all of your options.” This must also be given verbally, electronically or in writing, unless the TPMO explains every plan available
- Plan sponsors will be responsible for making sure all TPMOs follow the requirements.
- Plan sponsors and their subcontractors must require TPMOs to disclose any applicable subcontracted relationships.
- Plan sponsors must ensure that TPMOs notify members of the TPMOs’ role.
- Plan sponsors must have oversight over any company performing marketing services on their behalf and must document that oversight, along with any actions taken against TPMOs not compliant. Failure to do so could result in financial or operational penalties.

Note that agents are included in the ruling and are required to record their marketing phone calls with prospects and clients. These means that we will need to seek out a system that meets the requirements for recording and data storage. Our Field Marketing Organizations (FMOs) other entities are in the process of securing these systems and will be offering them to their agents. Independent agents should explore the various offerings that are becoming available for example, by CRM’s and others.

The additional requirement is the display of the disclaimer shown above in bullet number two. Agents can work with their carriers and FMOs for any marketing materials including websites and other marketing for approval to include this disclaimer.

### AEP Marketing and Sales Opportunities

Just a reminder of the opportunity and preparation for Annual Open Enrollment:

- Make sure to follow the Medicare Marketing guidelines for meetings and materials and to always file your sales meetings with the respective companies for the products you will be representing. Meetings may be scheduled for in-person or using a virtual platform such as ZOOM.
- Client Retention should a priority by reaching out to your clients during this important enrollment period to help them determine if they wish to remain on their current plan or considering changing.
- Develop relationships with physicians, pharmacies, senior service centers and local chamber of commerce to provide ongoing service and information regarding AEP and Aging into Medicare information.
- Carefully review the Annual Notice of Change (ANOC) for the various plans you represent to see if Guaranteed issue situation applies to change to a Medicare Supplement Plan. (Review the Medicare Supplement company’s GI outline to specifically see which Medicare Supplement plans may be offered, what is required to qualify and what must be submitted for proof of prior coverage.

With preparation, planning, study and commitment you will have a successful and compliant AEP and can be confident that you have done the best you can for your clients, your business and your family. Go get ‘em! **CB**



**MAGGIE STEDT, CSA,**  
*LPRT, Senior Summit co-chair, Medicare chair of Orange County Association of Health Underwriters and immediate past president of CAHIP.*

# Powerful Performance Platform Helps Ambitious Agents Fly High

THE WHITE WING STORY - PART ONE OF A TWO PART ADVERTORIAL

**W**hen I arrived in the United States back in 2010 from Germany, I was thrilled to at last reach the birthplace of my father. I was hungry for opportunity and eager to continue the success I had experienced in Europe. With a background in media technology sales, I searched for a market that would give me independence and rapid growth. I soon met a fellow German transplant named Michael Wolff, a managing partner of Dickerson Insurance Services, a pioneer in the health insurance field in California. Recognizing my experience and zeal, he invited me to join his team.

It wasn't long before I made my mark as one of Dickerson's top voluntary benefits producers. As an Aflac wingman, my job was to build a team of producers whose goal was to offer their business clients the best supplemental financial coverage for their employees and families in the event of a severe accident or illness.

Along the way up, I discovered that while insurance is one of America's best careers, many of my fellow insurance professionals faced persistent challenges blocking them from achieving their goals. The truth is that there is a higher rate of turnover in insurance sales than in almost any other job category. According to a comprehensive industry study by McKinsey, nearly 90% of new agents quit within their first three years, and 30% of new agents leave in their first 90 days.

These newly minted agents do not set out to fail, but face major hurdles. Of course, the highest hurdle is the mountain of administrative tasks facing new insurance agents: the dreaded paperwork, which according to many experts, eats up about 60% of the average insurance agent's time. Add to that the difficulty of finding leads, getting renewals, managing the rapid changes in customer expectations, and keeping up with technology — you get a keen sense of the obstacle course facing new agents.

By understanding what challenges and opportunities exist, my team set out to proactively address them.

- 1. Balancing Administrative/Operational Work with Sales**
- 2. Finding New Leads**
- 3. Getting Renewals**
- 4. Managing Changes in Customer Expectations**
- 5. Keeping Up with Technology**

Instead of being discouraged by these challenges, I saw a huge opportunity. That was how I made my mark in Europe in the media-technology market: as a creative disruptor. I remembered what the late great Kobe Bryant once said, "Everything negative — pressure, challenges — is all an opportunity for me to rise." With that mindset, I imagined: what if I could create a performance platform that eliminated or reduced these challenges? Then, I could become a major player in the thriving insurance industry.

That's when my team formed White Wing Insurance Solutions with a singular goal of helping hungry and ambitious insurance agents hit their targets faster and more efficiently. Little did I know, but I was creating a hybrid startup company in the emerging insurtech sector, which refers to technological innovations that are created and implemented to improve the efficiency of the traditional insurance industry.

According to their 2022 Insurance Industry Outlook, Deloitte reports that insurers, which have been cautious in their adoption of new technology, are increasingly dependent on emerging technologies and data sources. This in order to drive efficiency, enhance cybersecurity and expand capabilities, with an intense focus on improving the customer experience by automating processes and offering customized services.

Our burgeoning sector powers the creation, distribution and administration of the insurance business. According to McKinsey, the segment emerged in 2010 and is expected to grow 41% annually between 2019 and 2023. In addition, new, technology-savvy players like White Wing are entering the insurance sector, bringing the full force of our innovative, disruptive, opportunity-laden power.

Insurtech companies such as Next Insurance, Zipari, MetroMile and Corvus Insurance blend a deep knowledge of the insurance sector with tech industry savvy to help insurance companies and brokers to simplify, become more successful and more efficient. Insurtech innovators leverage technologies like AI and data science to reduce the need for repetitive processes and tailor plan options to what each customer's needs, streamlining the journey from inquiry to enrollment.

White Wing has carved a unique niche in the insurtech world: agent performance and growth, a significant challenge in the overall industry. White Wing was designed as an agent-to-broker performance platform. It provides business services

and solutions: systems integration, professional data-driven coaching and development, back-office support and intelligence, for our target market:

As an insurance aggregator, we partner with other insurance providers and technology companies to offer a full range of insurance products to solve the increasing needs of their clients, including health, supplemental, property and casualty, life, pet, travel and more. With a larger product set, White Wing agents are able to do more for their customers and grow their own book of business more rapidly. In our first two years, White Wing has boosted the aspirations of over 600 agents.

We serve as a sort of headquarters for solo agents, enabling them to project a more capable and comprehensive service footprint for their customers. We provide a combination of high tech and high touch solutions, meaning we offer a range of tech tools to increase the agent's overall efficiency, allowing them to focus on their end users and grow their book of business, as well as providing coaching from our team of insurance experts. In simple terms, White Wing gives agents time to do what they do best: serve their customers.

This means our primary focus is to solve the problems faced by new agents so that they can achieve success faster and more efficiently. We transform low performing agents into high performance brokers who can control their success. White Wing strives to be the "Uber" of the U.S. insurance industry, by giving agents more opportunity, greater options and the ability to grow their businesses like never before.

I was fortunate to encounter these emerging technologies in the new world of insurance, and I am eager to help other insurance professionals entering the field or those who have been discouraged by the challenges they face. Ultimately, I

would like to share the power of insurtech solutions to transform an industry rich with opportunity. In many ways, the insurance industry can make the American dream come true for anyone willing to put in the work and use the tools available.

White Wing is eager to tap into the \$1.2 trillion insurance industry, but more importantly to use technology to provide efficient, value-added innovations for its agents and its customers. That is the promise of insurtech, which is clearing the way to fulfilling the aspirations of many like me. That is the promise of White Wing Performance Solutions. This is part one of a two part advertorial on White Wing. Next month, we'll outline the details of the powerful performance platform we've created to help ambitious, hungry agents who are shooting for the stars. We're delighted to be the vehicle to take you there. **CB**



**JOSHUA SCHNEELOCH** is the founder and CEO of White Wing Insurance Solutions and White Wing Wealth and the author of the upcoming memoir, "The Favored Son, How a Black Orphan Conquered Europe on His Way to America."

**Contact: whitewinginsurance.com**  
**joshuaschneeloch.com**  
**joshua@whitewinginsurance.com**



**WHITE WING**  
**INSURANCE SOLUTIONS**

**WHERE AGENTS GO TO GROW™**  
**AMERICA'S AGENT-TO-BROKER PERFORMANCE PLATFORM**

**BACK OFFICE SUPPORT**  
**PROFESSIONAL COACHING**

**DATA ANALYTICS/ADMINISTRATION**  
**PRODUCT MARKETING & SALES**

**JOIN TODAY FOR FREE**

**WHITEWINGINSURANCE.COM**

[onboarding@whitewinginsurance.com](mailto:onboarding@whitewinginsurance.com)

# Planning Needs for Insurance Professionals

*What a legal structure can and can't do for you*

**BY PHIL CALHOUN WITH DANNIEL WEXLER**

**I**n this article, we will cover information to consider when making key planning decisions. Health insurance professionals will learn how legal structures may protect their personal and business assets and provide allowable tax advantages that can help accomplish many planning goals.

“The important planning issues we consistently see for health insurance professionals and other advisors includes knowledge of legal structures, estate planning, tax and financial considerations as well as revenue protection in all life events,” explains Danny Wexler, counsel to Strazzeri and Mancini LLP.

The purpose of planning is to develop a personalized map you can follow for 5, 10 or more years. It is meant to help you arrive at your desired ending point or address unexpected events along the way. The assumption that a legal structure will address all the unique and significant issues insurance professionals face will be clarified.

Keep in mind there are variables for each person that may increase or decrease the need and type of planning tools utilized. “If you work solo and plan to continue solo, your needs are different from working with a partner,” Danny clarifies. “If you are employed by either an insurance carrier or insurance agency, your needs are unique.”

**When it comes to business structures there are three key considerations: asset protection, tax advantages and protection of residual commissions.**

## SUMMARY OF ENTITY OPTIONS

	<b>Sole Proprietor</b>	<b>General Partnership</b>	<b>S Corp</b>	<b>C Corp</b>	<b>LLC</b>
<b>Asset Protection</b>	<b>None</b>	<b>Limited</b>	<b>Best</b>	<b>Best</b>	<b>Best</b>
<b>Management Decisions and Control</b>	<b>Full control of management and operations</b>	<b>Each partner has equal control unless arranged otherwise in writing</b>	<b>Managed by a board of directors elected by shareholders, majority wins</b>	<b>Managed by a board of directors elected by shareholders, majority wins</b>	<b>Operating Agreement outlines management decisions and control</b>
<b>Commission Protection</b>	<b>Nothing but a Successor plan will work and cover a sale in retirement or at death or disability</b>	<b>Nothing but a cross Successor plan between partners will work and cover a sale in retirement or at death or disability</b>	<b>Limited. A written Successor plan is required along with carrier required upon death documents</b>	<b>Limited. A written Successor plan is required along with carrier required upon death documents</b>	<b>Limited. A written Successor plan is required along with carrier required upon death documents</b>
<b>Exit the Business Impact</b>	<b>Asset Sale Only</b>	<b>Subject to Partnership Agreement</b>	<b>Stock or asset sale, Key employee retention opportunity</b>	<b>Stock or asset sale, Key employee retention opportunity</b>	<b>Member interest percent sale, Key employee retention opportunity</b>

### Asset Protection

Asset protection is best provided in a legal structure. The table below outlines various legal structures. While each structure comes with costs and management requirements, the decision of which entity is best is based on your needs. If you work solo, have a few “partners” or work as part of a larger organization your decision of the legal structure needed will be based on your plan. In most cases insurance professionals are either solo now and want to stay solo or some may consider working with one or more solo brokers and form a new legal entity. Since asset protection is key to this discussion, we need to address how assets can be protected.

“Creditors, such as banks or even insurance carriers, can file a lien or lawsuit on anyone, an individual or corporation,” says Danny. “All legal action causes difficulties when individuals and/or entities are sued. Finding solutions to lessen the impact of a potential or actual lawsuit is the planning priority. Your legal entity can protect your personal assets when formed and operated correctly.”

One example is when a lien or lawsuit is filed on a corporate entity. “Personal assets are held outside of an entity and therefore are often protected,” he notes. “Personally held real estate, bank accounts, qualified retirement accounts, life insurance cash value, and other assets held outside the entity may be protected from creditors of the entity.”

### Tax Advantages

Tax considerations outlined in the chart show the benefits of a corporate structure. “The potential expense of \$800 annual minimum tax an entity is required to pay can be worth the expense, considering the benefits of enhanced tax planning,” Danny advises. “The advantage of expensing allowable business items on a pretax basis can provide a significant tax advantage. Consult with a personal tax planner on allowable expenses.”

### Protection of residual commissions

Our final concern is commission protection and how a legal structure works in the case of a life event, death, disability or divorce. This is a concern for nearly all active solo brokers and many insurance professionals in a small agency.

If the goal is protecting commissions in all life events, then the question is — will a legal entity provide this protection. “Legal entities are wonderful for asset protection and tax planning but have narrow protection for the earned commission of individuals or members and shareholders of an entity,” Danny says. “This is because carriers contract with insurance professionals. Health commissions earned from an insurance carrier are paid to a licensed health insurance professional. Commissions directed through assignment to an entity are at risk.”

The table above outlines how a corporation does not have an insurance license, does not contract with health insurance carriers, does not sign an enrollment application for a client applying for a health plan, and does not get certified annually

<b>Carrier</b>	<b>Is a Producer Defined as the Agent or Agency</b>	<b>Assignment Allowed but Reversible</b>	<b>Automatic Termination Occurs When?</b>	<b>Transfer commissions to new Broker/Agent</b>
<b>Aetna</b>	Must be an individual licensed and contracted as an Agent	Agent can temporarily assign commissions to an agency	Upon death or violation of contractual terms.	Allowed when Following Carrier Guidelines. Is permanent.
<b>SCAN</b>	Must be an individual licensed and contracted as an Agent	Agent can temporarily assign commissions to an agency	Upon death or violation of contractual terms.	Allowed when Following Carrier Guidelines. Is permanent.
<b>UHC</b>	Must be an individual licensed and contracted as an Agent	Agent can temporarily assign commissions to an agency	Upon death or violation of contractual terms.	Allowed when Following Carrier Guidelines. Is permanent.

for MAPD and PDP plan enrollment. “Based on a review of the producer agreements from top carriers it appears clear that only an individual who is licensed, required to meet continuing education requirements, certified with AHIP and all carriers paying the producer annually, signs the enrollment application for a client, and remains in good standing and alive will continue to receive the commissions they earned when submitting applications to the carriers with whom they have a personally executed producer agreement,” states Danny. “Given these conclusions, the legal structure a broker selects will have no impact on their commission payments now or in the future.”



**PHIL CALHOUN** worked for an M&A firm after completing his MBA, became licensed in 1990 and has set up several LLCs. He’s worked for hospitals, had business partners and has joined and separated with and from LLC business partners. He sold and purchased commissions from agencies and individuals. He has evaluated hundreds of businesses in numerous industries, many which were successfully sold. His firm has recently acquired health books from 12 retiring health brokers and he and his colleagues are successors for several active brokers. Phil consults with active and retiring health insurance professionals. He continues to operate agencies with group, Medicare, and IFP business with his team.

**“Knowing how carriers look at commission assignment versus commission transfer is vitally important.”**

**Contact: phil@commission.solutions  
800-500-9799**

**Summary**

A properly developed and managed entity can be an excellent defense of personal assets in a lawsuit and may offer tax savings opportunities for the owner or shareholders. Legal entities will not protect commissions when the health insurance professional experiences a life event as stated in the four carrier producer agreements referenced in the table above. Carriers will transfer commissions when a broker passes away and they have documents showing how commissions will be handled upon death.

One option is a signed commission protection plan with an identified successor that outlines what to do in the event of the health insurance professional’s death or disability. This document — along with each carrier’s required documents, such as a death certificate and estate executor endorsement — will likely ensure a successful result.

Active brokers are encouraged to learn more about how to protect their commissions while they remain active in the business. Active health insurance professionals interested in solutions to get 100% commission protection can email the author or arrange a 15-minute call.

For legal and tax advice on this topic please consult your local professional.



**DANNY WEXLER** a New York native, completed law school at USC. He is recognized as one of Forbes Top 100 estate planning attorneys in the U.S. Danny also manages the Orange County Exit Planning Institute, a professional collaborative of CPAs, bankers, attorneys, financial planners and business brokers. He is of counsel to Strazzeri and Mancini LLP. Danny coauthored “Exit Planning for Medical Doctors” and has written many legal reports and articles. He co-owned a law firm and now collaborates with insurance professionals to assist them with their client’s exit and estate planning needs.

**Contact: danny@strazzerimancini.com  
858-200-1900**

# Hiring Younger Workers a Win-Win for Agencies

*As boomers retire, young tech-savvy staff can fill the gap*

**B**rokers who look to grow and plan for their future often seek new employees. Learning the health insurance business takes time and finding the right person can be a challenge. In this market it can be difficult to find candidates that want to work in our industry.

While the need is huge, the competition is tough to find qualified people to hire to work in the insurance industry. Over 70% of health insurance professionals are baby boomers and within just a few years these individuals will be in their mid-70s. Over the next ten years insurance professionals will be looking to transition out of the business via a sale to employees, a merger with a colleague or a large firm, or just selling to an outside broker. In many cases adding young tech savvy new employees can be a solution. **Planning takes time and to have options one needs to select a planning strategy and implement a process to reach the goals needed as most plans take two or more years to bear fruit.**


With the option to grow by adding new employees to the business, health benefits broker David Ethington of Integrity Advisors pursued a plan to grow through adding youthful employees. “My agency was looking to grow,” said David, “and our needs were to find someone who was tech savvy and able to effectively communicate with clients.” Integrity Advisors, like many growing agencies, has a successful system to add new clients so the greatest need was to find help to manage the client service and support role which is critical to retention and annual open enrollment.

David did his research and asked me to develop and build a program to solve the concerns about growth through recruiting young candidates and then training them so they would be ready for a customer service role in a reasonable period. “We tried new graduates and found that many were open to the idea of a training program that led to a license and a full-time position in customer service,” reports David. “Another source we discovered was the many college students who need to complete an academic internship prior to graduation. We chose those students who were ready by the end of the semester to look for work.”



Using the guidelines outlined by David, I was able to develop a process to recruit both recent college graduates and soon to graduate students looking for internships. We selected students with tech and strong communication skills. The training modules we developed focused on teaching business communication and health insurance service skills. Mastering the online carrier tools and agency management systems is built into the curriculum and ideally suited for the tech savvy recent graduates. The program is industry specific and provides the development of a high level of online competency our industry now requires to

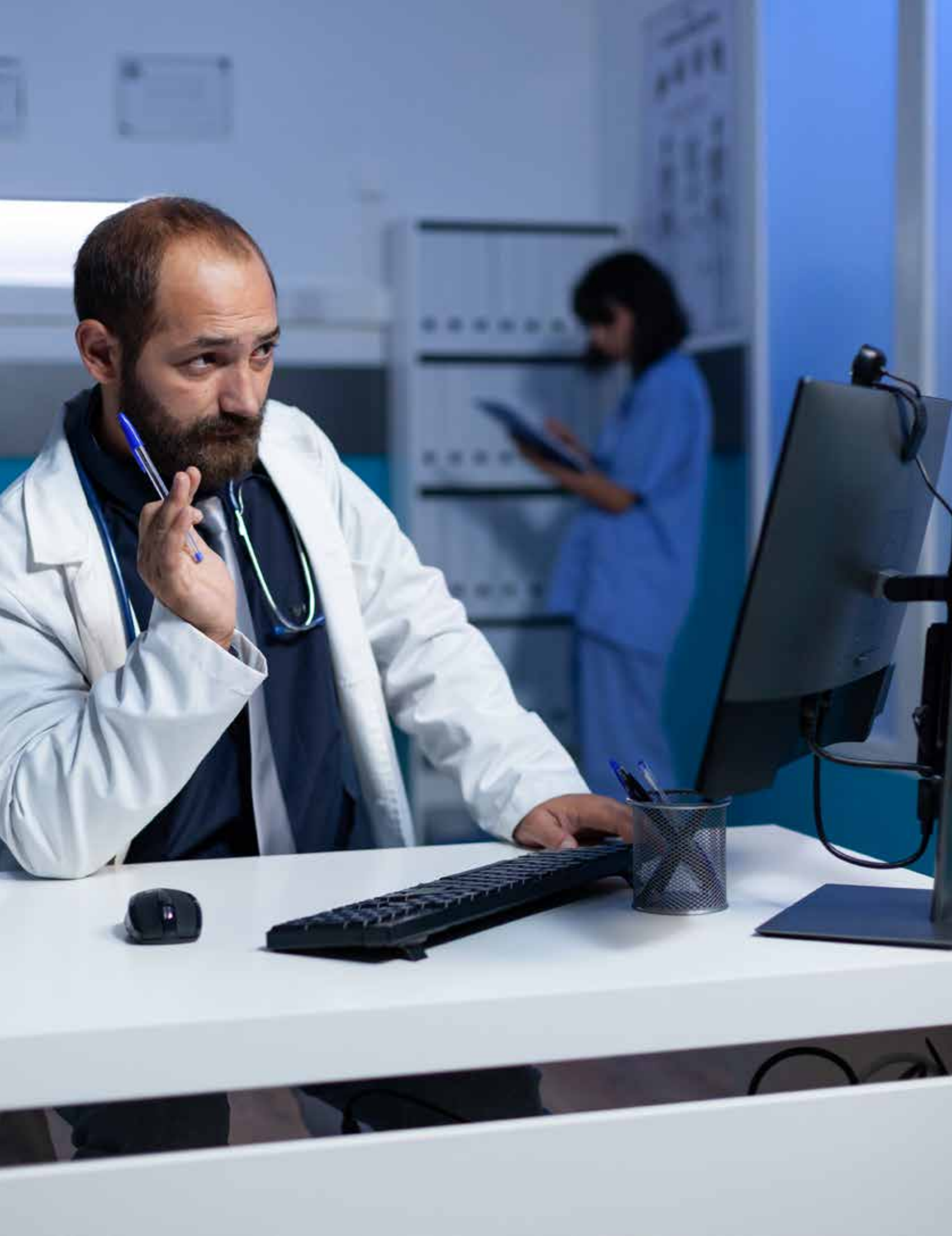
be successful in the health insurance field. “We have six trainees that graduated through the program and all passed the life and health exam,” David exclaimed. The graduates who showed interest in Medicare are now AHIP certified and ready to work on our open enrollment processes. “The progress each employee shows presents a natural progression from the customer service role is to a move into sales support to a sales position,” David said.

When it comes to improving the value of the agency to clients and possible buyers at some point, it is clear how new employees add value, especially with a crew of talented younger brokers. “Overall, the health insurance industry lacks new, younger brokers,” explained David. “There is a significant need to find more brokers to adapt to the new technology in our industry and provide agents and agencies help with the impact of the coming transition of retiring brokers.” 



**JENNIFER TURNER** joined Integrity Advisors in 2020 — a natural move as she became a healthcare advocate after 23 years as a high school teacher with a master's degree in education. She applied her expertise to develop a training program for aspiring health brokers. The program covers health industry terminology and introduces students to the industry and related insurance

product lines including Group, IFP and Medicare. Trainees have had a 100% pass rate on both the Calif. State license and AHIP certification exams. Jennifer loves her work and values trustworthy relationships with all of her trainees. **Contact:** [jennifer@integrity-advisors.com](mailto:jennifer@integrity-advisors.com)



COMING SOON TO A HEALTH PLAN NEAR YOU:

# Digital Disruption in Covered Services

BY MICHAEL GORTON

**A**s a quintessential entrepreneur, I've spent my career utilizing the latest innovations to disrupt the healthcare and telecom sectors. As a co-founder of Teladoc I discovered that everyone in the care chain – patients, physicians, and (even) health systems – are hungry for change. They want care to be more convenient

**As an agent/broker, you're a vital part of the equation.**

For example, perhaps you already have clients asking about virtual digital care solutions to make primary, mental health and urgent care needs better integrated, and secure, with sharable data. With Teladoc, we increased efficiency and launched a quarter trillion-dollar industry. Now, our focus is to take that telemedicine efficiency engine, and create an entirely new industry using our trademarked Digital Medical Home™. Recuro is dedicated to catching maladies before they become dangerous and expensive.

I've learned is that there is no reinvention of healthcare delivery without buy-in from payers. This truth was recognized in a 2015 article published in Health Affairs. The authors noted that "...health care remains expensive and inaccessible to many because of the lack of business-model innovation."

As the founder of Teladoc, I learned that it was the brokers who helped us pave the road for the telemedicine revolution. It is time for us to do it again.

## What is Disruptive Technology?

A disruptive technology reinvents the normal operations of a market. According to the Corporate Financial Institute, the phrase "disruptive technology" was coined by Clayton M. Christianson, a Harvard Business School professor. In the early days of Teladoc, Christianson became interested in us, and labeled us disruptive. Hah! Mom always told me not to be disruptive, but here we are!

**There are two types of disruptive technology, according to Christianson: sustaining or disruptive.**

With its Macintosh, Apple computers introduced both disruptive technologies and sustaining innovation. Macintosh was ahead of its time, with unheard-of features such as a mouse,

easily navigable menus, graphic interface, and expandable memory. The iPhone was one of the greatest disruptive innovations on the last two decades. At the time of introduction of the iPhone, virtually no one predicted that within ten years, everyone would be carrying a supercomputer, high-def camera, GPS mapping, entertainment device, cell phone in their pocket. How many industries did the iPhone disrupt? Many of us now even visit our healthcare provider through our smart phone.

## Five disruptive technologies trends to watch in healthcare delivery

The potential for change in healthcare delivery has not gone unnoticed by big tech and retail companies. Consider recent proposed alliances announced between CVS and Aetna, as well as Walmart and Humana. Amazon, Apple, Google, and Berkshire Hathaway are also searching for partnerships to disrupt the healthcare market.

## Here are five insights to think about when it comes to tech and disruption in health care:

### ① Healthcare has been slow to adapt to technology disruption:

Look around, and you'll see service delivery revolution everywhere outside of health care. Such customer-facing innovations as ride-hailing and banking (check deposits on our phones!) are taken for granted. Tesla is now the largest market cap auto maker. Kodak is gone. Even though 2021 set a record for healthcare investments, most venture capital investments flowed outside healthcare. One of the significant barriers in healthcare is that unlike other sectors, bureaucracy and political barriers to entry prevail. We experienced this repeatedly while building Teladoc. Seldom did a week pass when we did not get told by some governmental body, that telemedicine should be illegal, and we should go to prison.

② **Disruptive technology can fix many of the long-time problems in healthcare:** Patients are more prone to developing an expensive medical crisis that might have been managed with

preventable care through better access. Patients from urban to rural learned to appreciate telemedicine and virtual care during the COVID-19 pandemic. About half of all visits were virtual through telehealth. While that utilization has settled to about 20-25% as the crisis has subsided, one should remember the rate was near zero in 2020, before COVID-19. This trend indicates an opportunity to deliver better broader care with improved primary, mental health and urgent care outcomes.

**3 Health systems know that disruptive tech is now necessary for them to compete:** Telemed offers three distinct advantages.

These include store-and-forward (improved push capability to accumulate patient medical records, such as tests and consults), remote monitoring and the already mentioned real-time interactive services. Health systems see the opportunity. Hospitals understand that to be relevant to their patients, they must innovate with disruptive technology. Such progress is critical in meeting new value-based payment models in the works. The challenge is that 90% of payments are still aligned with disease and injury treatment. This is good news for payers and brokers as the current low adoption rate means tremendous disruption opportunities.

**4 There have been cyber security breaches as care providers make the disruptive technology transition - but the solution is better security:**

The news is full of hacker raids on patient records – 2021 was a "dire year," according to HealthcareITNew, with 40 million such breaches reported to the government. However, data is the common language that allows disruptive technologies to launch. The solution is better security, not to avoid the transition. Consider that a 2021 Pew survey of nearly a thousand innovators, developers, researchers, activists, business leaders and policy leaders found that 85% believe post-pandemic digital changes will be permanent by 2025.

**5 Patients (and their employers) will reward providers and payers who meet their demands for disruptive digital integration:**

With the federal rules that went into effect this year on price transparency, the patient payment sector got another boost with digital disruption transition in play for the past few years. Companies such as Waystar have been in growth and acquisition mode as health systems discover they can glean patient loyalty and goodwill by giving patients the same digital convenience they get in other aspects of their lives.

The growth is demonstrated in a 2021 U.S. Bank survey that nearly 70% of patients report they are still getting their medical bills in the mail. Despite this, as early as 2019, 60% of younger patients said they would switch healthcare providers over a poor digital experience. Further, almost half (46%) of all consumers reported in 2021 that they prefer electronic communications for medical bills, including emails, text messages, in-app messages and live chats.

(See: [www.fiercehealthcare.com/tech/60-younger-patients-will-switch-healthcare-providers-over-a-poor-digital-experience-survey](http://www.fiercehealthcare.com/tech/60-younger-patients-will-switch-healthcare-providers-over-a-poor-digital-experience-survey)).

**Virtual primary care expands and improves the promise of telehealth**

Despite the innovation and disruption, our healthcare system remains a reactive system. For the most part, we only visit our doctor when we are sick. The next of telehealth innovation is Virtual Primary Care (VPC). We can now deploy

the genomic and risk assessment tools to stay ahead of the curve while addressing the demand for more convenient access to care; and ever-increasing measures to reduce costs. These challenges are powerfully addressed by VPC, a beneficial evolution of telemedicine that is a true digital health solution.

Telehealth uses digital information and communication technologies, such as computers and mobile devices, to access health care services remotely. While the inception of telemedicine greatly expanded the convenience of remote care, virtual primary care goes even farther, delivering a relationship-centered version of personalized holistic

care with remote-capable services that support a patient’s digital healthcare journey — from wellness visits and preventative to urgent and chronic care — all within a virtual environment.

**As an agent/broker, you’re a vital part of the equation. For example, perhaps you already have clients asking about virtual digital care solutions for primary, mental health and urgent care needs.**

Virtual Primary Care	
<b>Comprehensive</b>	An integrated care team of board-certified primary care and behavioral health physicians enables whole-person care with a personal touch.
<b>Convenient</b>	Patients receive lab and genomic testing kits shipped to their doorsteps, self-collect their samples, and mail them to the lab in a pre-paid package, all from the comfort of their homes.
<b>Preventive</b>	A proactive approach that includes at-home labs, genomics, and risk stratification enabling early intervention to improve patient experience and outcomes.

# The ideal model for the future of U.S. medicine is Virtual Primary Care: an integrated, prepaid, tech-enabled system in which teams of primary care, home-lab delivery, and specialty physicians work together to deliver exceptional care.

Today's patients and clinicians are accustomed to integrated technologies and self-directed digital experiences. They expect nothing less from healthcare. Through VPC, the healthcare experience is optimized and immediately accessible, whenever and wherever care is needed.

A "virtual visit" experience using innovative telehealth technologies provide numerous conveniences and benefits to delivering cost-efficient, quality care. At Recuro, a relationship with a dedicated primary care physician is established through a computer or smartphone. A baseline is established with the world's preeminent risk assessment developed by the Cleveland Clinic coupled with a genomics panel. Patients interact virtually with physicians through multiple communication channels, including real-time video, mobile and secure messaging.

Physicians leverage software and tools that provide an interface for proactive clinical and administrative support. The goal is to deliver the tools so we can stay ahead of the curve and catch medical issues before they become expensive and dangerous. Recognizing that staying healthy is a tapestry, we add integrated care teams, from therapists, psychologists and psychiatrists and other clinical healthcare professionals. VPC can deliver easy access as behavioral health is becoming more accepted and utilized as part of holistic health and a primary care model.

The ideal model for the future of U.S. medicine is Virtual Primary Care: an integrated, prepaid, tech-enabled system in which teams of primary care, home-lab delivery, and specialty physicians work together to deliver exceptional care.


## What healthcare technology disruption might mean for plan brokers

Plan brokers are in the middle ground between insurance payers, employers, and patients. They receive an earful of claims at renewal time, and feedback is about to get more vigorous. Mandated July 1 was a federally required data release of what insurers are paying for care. This is predicted to be a boon to entrepreneurs who are beginning to create platforms that make complex data into something user-friendly. The secrecy around negotiated rates will now go the way of the \$10 hospital aspirin. Everyone should use this newfound data to make purchasing decisions before coverage renewal.

It's good news for plans that 44% of respondents in the

U.S. Bank survey report that they are using their health insurance plan's portal, with a third using the option to pay bills. It reinforces the evidence of a growing consumer-focused shift in health care.

**One juicy recent stat: 49% of patients said that having a clear estimate of financial responsibility will affect whether they see a specific provider.** Further, a 2018 study found that when patients are satisfied with their billing experience, they will pay their medical bills 75% of the time. This compares to only 50% of the time if they have a negative experience. Think about how that behavior can translate to lower collections and bad debt for providers. These are powerful future selling points for health insurance plans to employers, patients, hospitals, and physicians.

**Brokers are uniquely positioned to share these insights with key players in the healthcare business model. YOU control the narrative. Creating new truths in the healthcare disruption space is the first step in market disruption success.** 



**MICHAEL GORTON, MS, JD, is CEO and cofounder of Teladoc and Recuro Health.** He is an entrepreneur, author and strategic visionary with decades of experience building industry-changing companies, contributing to innovation in telecom and healthcare. As founding CEO, Michael leads Recuro Health with its digital solutions that are transforming healthcare from a reactive model to a

preemptive virtual private cloud (VPC). At Recuro, the goal is to help catch things before they become dangerous and expensive.

The Texas Business Hall of Fame appointed Michael to its 2022 Board based on his entrepreneurial spirit and personal dedication to integrity and community leadership. Michael was awarded Ernst & Young Entrepreneur Of The Year® 2022 Award, one of the preeminent competitive business awards for entrepreneurs, and named Tech Pioneer in Healthcare by the World Economic Forum.

Michael was a presenter at LAAHU's 2022 Annual Symposium in April in Pasadena, Calif.

**Contact: [mgorton@RecuroHealth.com](mailto:mgorton@RecuroHealth.com)**



**California**  
**Voters Identify**  
**Economy,**  
**Homelessness**  
**as Most Important**  
**Issues — Not Health Care**  
**Survey sponsored by CAHIP and presented**  
**at May 2022 Capital Summit**

---

BY FAITH BORGES AND JUSTIN WALLIN

**Facing the dawn of election** season and yet another statewide attempt at single payer healthcare in California, the California Agents & Health Insurance Professionals (CAHIP/formerly CAHU) wanted to know where voters stand on healthcare reform and what issues were top of mind. Despite the survey taking place amid the worst global health pandemic in a century, the results do not indicate an electorate concerned with or seeking healthcare reform.

Under CAHIP’s previous banner, the California Association of Health Underwriters (CAHU) in 2017 — when faced with a similar attempt to dismantle the current healthcare system — conducted a voter poll and found that an overwhelming majority of Californians liked their current healthcare and were not supportive of being forced onto a government-run program. However, the pre-COVID-19 world was much different, and CAHIP wanted to know if a global pandemic had changed the perspective of likely voters in California. Equipped with nearly identical questions and methodology as the 2017 poll, CAHIP commissioned a second poll from November 5-9, 2021, via telephone survey (see more on methodology article end). The poll revealed an electorate that remains deeply opposed to single payer legislation that was before the California State Legislature.

The phone survey conducted in English and Spanish began with a simple, impartial question. When asked, “What is the most important issue facing your community today?” the leading answers were predictably the economy/jobs (18.2%), homelessness (16.6%), and COVID-19 (14.3%). Public safety, affordable housing, and environmental issues came in well ahead of “healthcare,” which was indicated at just 2.1% of responses.

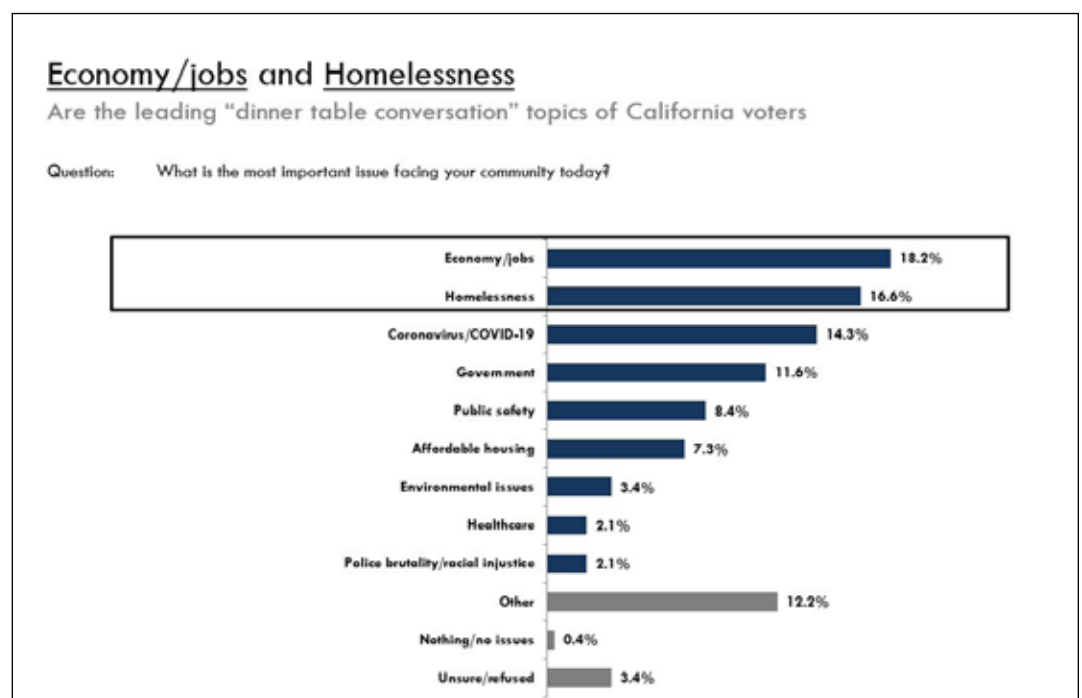
The poll also revealed that nearly three-quarters (72%) of Californians are satisfied with the timeliness, cost, quality, availability and accessibility of their healthcare coverage. Support was strongest amongst Democrats and Independents but was universal across all party affiliations. In addition to the high levels of support for the existing healthcare delivery system, survey

results showed intense opposition to establishing single payer healthcare (53% strongly oppose it).

### What was the single payer proposal?

The proposed single payer bill, AB 1400 (Kalra) that was before the California legislature earlier this year, would have effectively abolished private health insurance in California and mandated a government-run monopoly on all healthcare services in California, called CalCare. The new system would eliminate all existing individual and group private health insurance coverage, including Medicare, Medi-Cal, Long-Term Care and Covered California, and would shift responsibility for administering and financing health coverage to the state government.

Information from this poll was used to gauge voter attitudes and priorities. Demonstrating low interest in healthcare reform while simultaneously showing concerns about the economy can give legislators great pause about advancing reforms like AB 1400, which require every Californian to forgo their existing



# ACA 11 (Kalra)

**A** CA 11 would impose an excise tax, payroll taxes, and a State Personal Income CalCare Tax at specified rates to fund comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of every resident of the state, as well as reserves deemed necessary to ensure payment, to be established in statute.

## Gross Receipts Tax:

Annual excise tax at 2.3% of gross income above \$2 million for all qualified business in the state  
1% increase in gross receipts = \$47 Billion in 2022 dollars  
*Estimated Revenue: \$108.1 Billion*

## Payroll Tax – Employer Share:

Employers with 50 or more employees to pay 1.25% payroll tax rate on wages and other compensation of their employees  
1% increase in payroll tax = \$14 Billion in 2022 dollars  
*Estimated Revenue: \$17.5 Billion*

## Payroll Tax – Employee Share:

Employees earning more than \$49,900 in wages or compensation per year to pay 1% payroll tax  
*Estimated Revenue: \$14 Billion*

## Income Tax:

1% increase in Taxable Personal Income = \$16 Billion in 2022 dollars  
*Estimated Revenue: \$23.2 Billion (average increase of 1.45%)*

**Total Proposed Revenue Package = \$162.8 Billion New Taxes!**

coverage, which they like, in lieu of a new government-run program. The state-run single payer system, CalCare, would have also required hundreds of billions of dollars in new taxes to finance.

### Catching up on cost and what happened to AB 1400

Even with a record-breaking 2022-23 budget of \$300 billion, the state still falls hundreds of billions short to fund the type of healthcare reform proposed by AB 1400, and its nearly carbon copy predecessor SB 562 (2017), authored by the current California Insurance Commissioner, Ricardo Lara. Supporters of the notion of exclusively government-run healthcare are led primarily by the bill's sponsor, the California Nurses Association (CNA). Proponents repeatedly cite "system savings" if the state were to shift to a

government monopoly on healthcare, yet still acknowledge the need to raise "new funds" to finance AB 1400. Their solution was a companion bill to AB 1400, ACA 11 (Kalra and Lee), which called for various tax increases.

Despite claims of "savings" from proponents, the California Legislative Analysts' Office (LAO) found the policy proposals would cost somewhere between \$494

billion and \$552 billion per year, with cost growth of around \$20 billion to \$30 billion annually. The LAO's comprehensive analysis concluded that CalCare could cost between \$9 billion

and \$67 billion MORE than existing statewide healthcare expenditures. The LAO's report was in response to a request

**The poll revealed an electorate that remains deeply opposed to single payer legislation that was before the California State Legislature**

by the Assembly Rules Committee and although it was released after the defeat of AB 1400, it will likely provide ripples of economic caution for similar legislative attempts in the future.

Even as Californians were still recovering from the COVID-19 pandemic,

there was recognition by voters that AB 1400 would leave them with an astronomical bill for their healthcare, little accountability, and no guarantee of better or even similar healthcare. The

# Single-Payer Healthcare Opposition

## IN THE STATE OF CALIFORNIA



**65%** **OPPOSE** a new law establishing single-payer healthcare \*

**54%** **STRONGLY** oppose

### OPPOSITION IS SHARED ACROSS:



GEOGRAPHIC REGIONS



POLITICAL AFFILIATION



GENDER

AGES 18-65+

AGE

LATINO/HISPANIC, BLACK/AFRICAN AMERICAN, WHITE/CAUCASIAN, ASIAN

**61%**

**62%**

**63%**

### BECOME LESS LIKELY TO SUPPORT KNOWING:

the government would take over the entire health care system

it eliminates employer paid health coverage

it will reduce health care quality and hinder medical advancement

bill died as it was not taken up on the Assembly Floor by the Jan. 31 deadline. To the untrained observer of California politics, this may have been a surprise given the bill's party-line vote counts advancing through the Assembly Health Committee (11:3) and the Assembly Appropriations Committee (11:3). Yet the bill's author, Assemblyman Ash Kalra (D-San Jose) chose not to put the bill up for a full house vote in the Assembly, citing imminent defeat by a vote deficit of double digits. The underlying politics of that vote deficit is that 2022 is an election year and increasing taxes by hundreds of billions per year does not look great in reelection mail and commercials.

Speaking of politics, directly following the announcement that AB 1400 would not be brought up for a vote,

Assembly Speaker Anthony Rendon (D-Lakewood) stated, "The shortage of votes needed to pass this bill out of the Assembly indicates the immense difficulty of implementing single-payer healthcare in California. Nevertheless, I'm deeply disappointed that the author did not bring this bill up for a vote today. I support single-payer and fully intended to vote yes on this bill. With time, we will have better and more successful legislation to bring us closer to this goal. I expect more and more of my colleagues to sign on, so we can make California a healthcare justice leader..."

Building on the statement of support from the Speaker, proponents have vowed to reintroduce similar legislation next year when a new class of legislators will be sworn in following the 2022

election this November.

### From the polls to the poll

Since this fight is bound to continue for the foreseeable future, let's unpack some voter concerns and trends to consider in future legislation. After assessing voters' initial attitudes towards healthcare reform, related messaging was included in subsequent questions to assess the impacts of informing voters about the possible utilization and cost outcomes of CalCare. Those messages included concerns that the proposal would eliminate employer-paid health coverage to be replaced with a government-run monopoly on healthcare which may reduce the delivery of quality healthcare and hinder medical advancements for

**Of interest to our members, opposition to single payer has marginally increased; however, it is also worth noting that so too has support. This polarization of positions is perhaps unsurprising given the greater trend of political division that has occurred within the last 5 years.**

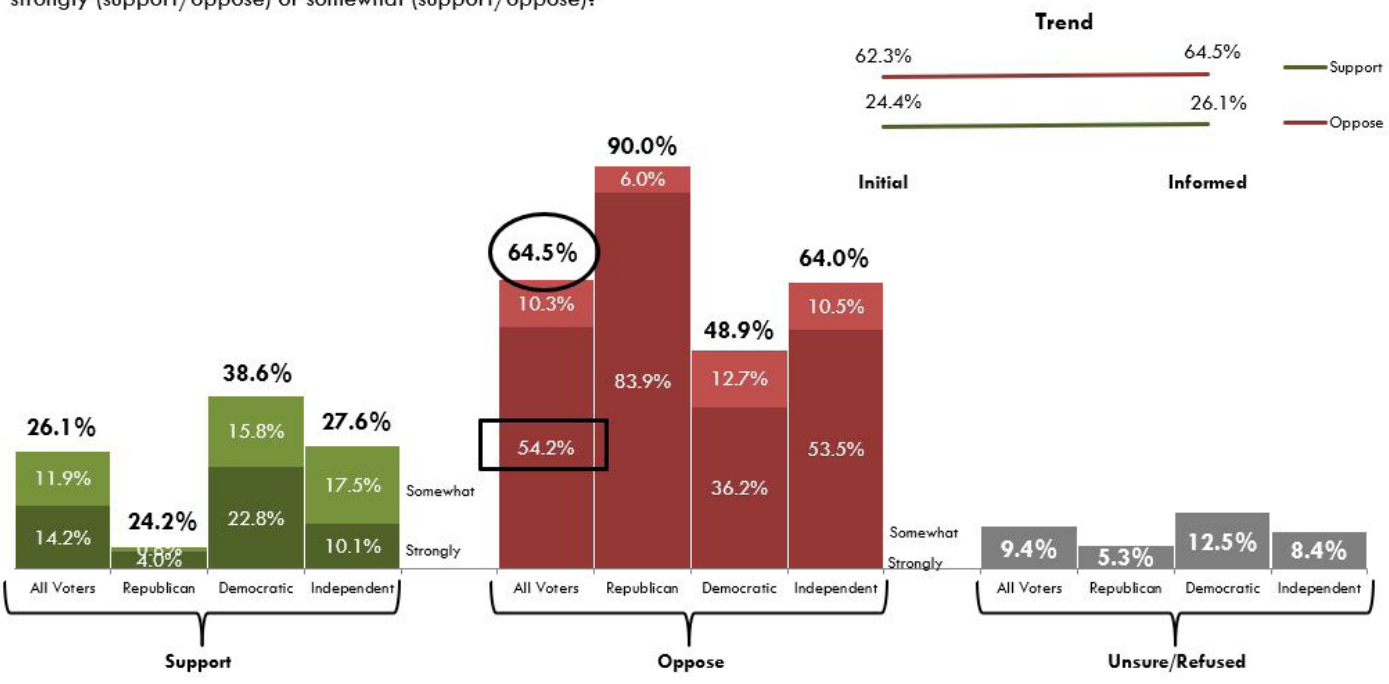
Californians. These tested messages strengthened opposition.

Of the 1,000 voters surveyed, 61% became less likely to support a new law establishing single payer healthcare — knowing the government would take over the entire healthcare system. Additionally, 62% became less likely to support — knowing it eliminates employer-paid health coverage, and 63% became less

# Nearly a supermajority (64.5%) of informed voters opposes

A law that would eliminate the current health care plan in California (intensity is high)

Question: Knowing what you do now, would you say that you support the new law that would establish single payer health care, eliminating current health care system in California, or oppose it? [RECORD] [IF SUPPORT OR OPPOSE>>>] And would you say that you strongly (support/oppose) or somewhat (support/oppose)?



likely to support — knowing it will reduce health care quality and hinder medical advancement. This last point may be most compelling in the wake of a pandemic in which the current system responded with swift, life-saving medical advancements.

Since the previous poll conducted in 2017 used nearly identical questions to the 2021 poll, we were also able to examine trends in voter preferences. Of interest to our members, opposition to single payer has marginally increased; however, it is also worth noting that so too has support. This polarization of positions is perhaps unsurprising given the greater trend of political division that has occurred within the last 5 years.

### Now what?

The legislature only has a few weeks until the conclusion of the 2021-22 legislative year. On Aug. 31,

**CAHIP looks forward to continuing its mission with the newly elected legislature to improve our members' ability to meet the health, financial and retirement security needs of all Californians through education, advocacy, legislation, and professional development.**

2022, the gavel will fall one final time for this class of elected leaders. Those seeking re-election will shake hands and kiss babies in their districts until the November election yields the next batch of lawmakers to be sworn in on Dec. 5, 2022.

CAHIP looks forward to continuing its mission with the newly elected legislature to improve our members' ability to meet the health, financial and retirement security needs of all Californians through education, advocacy, legislation and professional development.

For CAHIP members looking for information on this poll and other educational resources on AB 1400, ACA 11, California's recent achievement of Universal Healthcare, and more, visit the Legislative tab of [www.CAHU.org](http://www.CAHU.org).

## About California Agents and Health Insurance Professionals


CAHIP is the state's largest association of health insurance agents, brokers and other health insurance industry professionals. Our members help millions of individual Californians, families and businesses evaluate, select, purchase and use their health care coverage plans. Our agents and brokers also serve as consumer advocates for policyholders and their families year-round to help with questions and if coverage disputes arise — all at no additional cost to the consumer.

**Not a member yet? <https://nahu.org/membership/join-now>**

CAHIP works diligently with stakeholders, legislators, and regulators to ensure the best possible outcomes for Californians, and their leadership frequently cites our input and impact. For more information, go to [www.cahip.org](http://www.cahip.org).

### Survey methodology

From Friday, Nov. 5 through Tuesday, Nov. 9, 2021, J. Wallin Opinion Research conducted a telephone survey of voters throughout the State of California. One thousand voters were interviewed, in Spanish and English and calling both mobile and landlines (88.8% of this survey was completed on mobile phones). The sample is stratified and has a margin of error of +/-3.1% (95% confidence interval). An executive summary of the poll and its methodology are available.

For complete survey methodology, contact **Faith Borges at 916-441-5050, [fborges@caladvocates.com](mailto:fborges@caladvocates.com)**. 



### FAITH BORGES

*is legislative advocate on behalf of California Agents & Health Insurance Professionals (CAHIP). She joined California Advocates as*

*a senior lobbyist in 2017. Borges provides professional advocacy services before the legislature and regulatory agencies such as Cal OSHA, the Department of Workers Compensation, and Covered California. Prior to joining the firm, she was legislative director for Assemblymember Catharine Baker. During her tenure in that position, she sent many bills to the Governor's desk, including bills on employment development, health care, local government, transportation, business and professions, and privacy, all of which were signed into law. Prior to her position in the Assembly, Borges worked for two senators, Senator Ted Gaines, and Senator Anthony Cannella. With a decade of combined experience as a legislative advocate and staffer in both houses of the Legislature, she is a policy and strategy expert.*

*Borges earned her BA degree in Political Science from UCSB. She went on to become a California Senate Fellow, earning her graduate certificate in Applied Policy and Government from Sacramento State University.*

**Contact: [fborges@caladvocates.com](mailto:fborges@caladvocates.com)**  
**Website: [californiaadvocates.com](http://californiaadvocates.com)**



### JUSTIN I. WALLIN

*is CEO/Pollster with J. Wallin Opinion Research. He is a "marketing concept" strategist, with more than 15 years of experience*

*helping to develop communications strategy through opinion research. Wallin delivers strategic direction to Fortune 500 firms, statewide, city and municipal governments, political candidates and campaigns, organizations and non-profit organizations and other businesses. He is a recognized expert in accurately measuring public opinion, forecasting outcomes and identifying the most effective ways to influence thoughts and behaviors.*

*A regular guest on CNN, BBC and Fox News, his research, commentary and analysis can be found in Politico, Roll Call, Campaigns & Elections, Public CEO and Inside Politics. He has lectured at many prestigious universities and taught both graduate and undergraduate courses in marketing. He is a featured speaker throughout the nation on matters of strategy, marketing and messaging.*

*Wallin is a Fellow of the Jesse M. Unruh Institute of Politics at USC. He received his MBA with an emphasis in marketing and strategy from USC and his BA in Philosophy from Whittier College. He is a member of AAPOR and CSDA.*

**Contact: [jwallin@jwallin.com](mailto:jwallin@jwallin.com)**  
**Website: [jwallin.com](http://jwallin.com)**

# **Guiding Clients Through Compliance with the Transparency in Coverage Rule**

*Employers look to their broker partners to keep them informed*

**Here's six key  
elements to  
discuss**

**BY MISTY BAKER**

**W**hen it comes to legal and regulatory compliance, one of the key challenges for employers is keeping abreast of numerous changes that come through legislation, guidance and court rulings. Employers look to their broker partners to keep them informed in an ever-changing regulatory environment, so it is incumbent on brokers to provide expert guidance and direct clients to government tools and calculators that can help them meet their responsibilities when it comes to measurement and reporting.

On July 1, 2022, a new and game-changing phase of the Transparency in Coverage (TIC) rule went into effect, requiring most employer-sponsored group health plans to disclose cost-sharing information to plan participants, upon request, before services are provided. Under the rule, both employers and issuers (also known as insurance carriers) have responsibilities to publish or provide on request, certain types of plan information.

The goal of implementing transparency is to help plan participants make informed decisions on their health plan procedures and services. The past two years have highlighted the ways that unexpected medical bills and lengthy hospital stays can severely impact family finances, adding additional stress that compounds already difficult situations. Until now, most consumers have been in the dark when it comes to the cost of both their routine and unexpected health care costs.

For example, when being treated at an in-network facility, a patient may receive care from a doctor or specialist who is considered out-of-network, but the patient has no way of knowing that until the bill arrives. Or a doctor may refer a patient for an MRI at a particular facility that charges more than another nearby clinic charges for the same scan. The aim of the TIC is to shed light on these price variances to empower the consumer to make informed decisions about their healthcare dollars and better plan for large expenditures.

*Here are six key elements of the TIC that brokers should be discussing with their clients:*

#### **Machine Readable Files (MRF)**

Machine Readable Files (MRF) will require health plans or issuers to publish three, separate machine-readable files:

- Negotiated rates for all covered items and services between the plan or issuer and in-network providers
- Historical payments to, and billed charges from, out-of-network providers
- In-network negotiated rates and historical payment net prices for all covered prescription drugs at the pharmacy location level.

#### **What brokers need to know:**

“Publishing” means making the information available on a public website, not a company intranet or employee-only website.

The reason for this is that spouses and dependents of employees who are covered by the group health plan must be able to access the information.

**Brokers will need to educate and advocate to help clients navigate this directive.** Consumers may need additional context and information, for example, to understand the difference between an allowable amount and a billed amount. Simply



publishing the MRF may not be sufficient if the goal is to empower consumers with information.

While enforcement was deferred until July 2022 for the in-network and out-of-network files, further rulemaking is pending for the prescription drug file.

#### **Price comparison tools**

Price comparison tools and cost-share estimators will require health plans or issuers to have an internet-based, self-service tool that provides real-time, personalized, out-of-pocket cost information, based on the member’s plan for covered items and services furnished by a particular provider. For plan years beginning on, or after Jan. 1, 2023, the plan or issuer must disclose cost-share information for 500 shoppable items and services identified within the rule. For plan years beginning on or after Jan. 1, 2024, all covered items and services must be included in the cost-share tool

### **What brokers need to know:**

Like MRF, employers will need to consider the spirit of the rule, not just the letter of the law. A key question will be, how easy is this for the layperson to navigate? If the tool uses Current Procedural Terminology (CPT) codes, which are used to document medical, procedural and diagnostic services, it may be easier to develop and launch, but difficult for consumers to understand and use.

Employers should also be thinking of ways to educate and incentivize employees to use the tool once it is available. The implementation and education pieces will be critical in determining how valuable the tool is to the end consumer.

### **Insurance ID cards**

Insurance ID cards will now require health plans to include the amount of the in-network and out-of-network deductibles and out-of-pocket maximum limitations on the card itself. While some carriers and issuers were already including this information on their ID cards, this is now a requirement.

---

**On July 1, 2022, a new and game-changing phase of the Transparency in Coverage (TIC) rule went into effect, requiring most employer-sponsored group health plans to disclose cost-sharing information to plan participants, upon request, before services are provided.**

---

### **What brokers need to know:**

Pending further rulemaking, implementation of compliant ID cards is based in good faith. Carriers and issuers have flexibility to design cards that comply as they see fit. At this time, there are no requirements on font, color, or placement of the required information.

### **Good Faith estimates**

Healthcare providers and facilities will be required to provide a “Good Faith Estimate” for requested services three days in advance of the service and not later than one day after scheduling of service. The estimate should include the type of coverage that the patient is enrolled in and provide notification whether the patient has coverage.

An important provision of the Good Faith Estimate addresses notification for claims. Basically, if the individual is enrolled in a health plan or coverage, and is seeking to have a claim for the item or service submitted to the plan or coverage, the provider must supply this notification to the individual’s plan or coverage. If the individual is not enrolled in a health

plan or coverage or does not seek to have a claim for the item or service submitted to the plan or coverage, the provider must furnish this notification to the individual.

### **What brokers need to know:**

Enforcement has been deferred, with further rulemaking expected in late 2022. It’s not immediately clear what form the estimate should take. The federal government could provide a standardized form or providers may be free to create their own forms or letters, based on a set of government criteria.

The good faith estimate is really where transparency starts for consumers. By providing specifics on the costs and elements of service, as well as whether or not each element is covered by the patient’s plan, consumers can be more proactive about their healthcare spending. Transparency allows consumers to ask questions about alternative options or inquire about setting up a payment plan that spreads costs out over time.

“Good faith” is key in providers complying with this aspect of TIC. The estimate cannot be general, but should be specific to the patient’s service. The patient should be able to look at the details of their coverage and understand how costs will be covered by the plan they have. While the onus is on the provider to comply, employers should think about how they will educate group plan participants on good faith estimates and how they can use the information to make more informed healthcare decisions.

### **Advanced Explanation of Benefits (EOB)**

Upon receiving a “good faith estimate” regarding an item or service, plans and issuers must create and share an Advanced Explanation of Benefits notification in clear and understandable language. The notification must include:

- The network status of the provider or facility
- The contracted rate for the item or service. If the provider or facility is not a participating provider or facility, the EOB will describe how the individual can obtain information on providers and facilities that are participating
- The good faith estimate received from the provider
- A good faith estimate of the amount the plan or coverage is responsible for paying, and the amount of any cost-sharing for which the individual would be responsible for paying with respect to the good faith estimate received from the provider
- Disclaimers indicating whether coverage is subject to any medical management techniques

## Employers should also be thinking of ways to educate and incentivize employees to use the tool once it is available. The implementation and education pieces will be critical in determining how valuable the tool is to the end consumer.

### What brokers need to know:

While good faith estimates and EOB documents are intended to clarify costs for consumers, they represent a substantial change in the types of itemized documents that consumers will be receiving from providers and carriers. Employees may be confused, thinking these items are bills that must be paid, rather than estimates.

Further rulemaking is expected in 2022. Though employers with self-funded plans should talk to their third-party administrator (TPA) or stop-loss carrier to understand how compliance will work and who will be responsible for which portions. Most self-funding employers cannot produce this level of detail without outside assistance.

### Accurate provider directories

One can also expect more timely and accurate provider directories. Health plans will be required to have up-to-date directories of their in-network providers, which shall be available to patients online, or within one business day of an inquiry.

The plans must verify key data elements such as name, address, telephone, specialty and digital contact information, every 90 days and have a process to suppress providers from the directory that do not respond.

Additionally, plans must be made publicly available and include on each EOB, information on prohibitions on balance billing, information related to the applicable state law, the requirements applied and information on contacting applicable state and federal agencies.

Finally, health plans are required to respond to an individual who requests information on a provider's network status through a telephone call within one business day, in writing electronically, or in print, per the individual's request.

### What brokers need to know:


This will greatly simplify the process for consumers who need to find a provider who is in-network and accepting new patients. It is incumbent upon the plan providers to create a process for updating directory information on a regular basis.

For consumers who prefer to contact their plan directly for information, carriers must respond within specific time frames, depending on the consumer's preferred method of communications.

### Keeping an eye on the future

Many industries have moved toward transparency in

pricing — automotive, hospitality and airlines, just to name a few. So, it's no surprise that with the financial pressures on consumers that these changes are coming in the benefits space. And, there is more on the horizon. Expect to see the same push for transparency with respect to prescription drug files, mental health coverage and more, all in the interest of helping consumers navigate the complex world of healthcare.

On July 1, 2022, a new and game-changing phase of the Transparency in Coverage (TIC) rule went into effect, requiring most employer-sponsored group health plans to disclose cost-sharing information to plan participants, upon request, before services are provided. 



**MISTY BAKER** is an Affordable Care Act Compliance, Agent and Industry Advocate. She is the director of Compliance and Government Affairs at BenefitMall and an Affordable Care Act (ACA) compliance and agent advocate specializing in ACA, ERISA, FMLA,

COBRA and legislative advocacy for more than 20 years. She is passionate about delivering real-world and easy to understand solutions for clients, agents and broker concerns in this ever-changing health insurance market.

Misty is currently serving as the 2022-2023 Legislative Vice Chair for the National Association of Health Underwriters (NAHU/NABIP), where she has been a member since 1999. In 2015, Misty was recognized as one of the Most Influential Women in Employee Benefit Advising, by Employee Benefit Advisor. She served in the local, state and national leadership and advisory programs, and has been awarded with more than 10 awards for legislative efforts, agent advocacy and leadership.

Misty is the happiest bride on the planet, marrying David Grafe in April 2018 and has four very entertaining kids: Connor 25, Austin 25, Lindsay 23 and Alec 21. She loves to watch Wheel of Fortune with David, garden, cook, travel, love on her 6-year-old dog Jack and create memories with her friends and family.

Fun Fact: Her license plate is INSNRD

Contact: [www.Benefitmall.com](http://www.Benefitmall.com)

# Going Off-Brand:

## The Case for Prioritizing Generics

BY PHILIP CARROLL

**F**rom the checkout line at the grocery store to the total at the gas pump, consumers nationwide are feeling the pinch of soaring costs. With prices rising everywhere, those requiring medication have not been spared. Armed with patent protections, brand medication prices continue to increase, year over year. January 2021 saw 832 brand medications raise their list price, with an additional 791 increases in January of 2022. Of those brand medications, specialty medications continue to be the main driver in employers' increased drug spend. Specialty medications are those that tend to have a higher cost and treat complex or chronic conditions such as multiple-sclerosis and cancers. According to a study released by California's Department of Managed Care, specialty drugs account for 60.2% of total spend while only accounting for 1.6% of prescription drugs dispensed. These numbers can be a bit hard to swallow.

### Generics offer potential savings

However, just because costs can rise, doesn't mean they have to. Generic medication offers a viable alternative to these increases. As reported by 46brooklyn Research, an Ohio non-profit, over the past five years, generics have consistently seen cost deflation ranging between 5-15%, with the use of generics being one of the key drivers of value in pharmacy benefit. On average, generic drugs cost 30 to 80% less than their brand-name alternative. Steering member usage from brand name medication to generics can offer less hassle and more savings.



### Consider the following case study:

An analysis of a company's drug spend was conducted, finding that their top five drugs accounted for 56% of their total spend. The client's main objective was overall cost savings, as they were in growth-mode. The PBM conducting the review knew these high-cost brand medications, as well as others on their formulary, were eligible for patient assistance programs (PAP), and was confident in their ability to lower the client's drug spend. Supporting this PAP strategy for the high-cost brand medications was a targeted approach to remove brands that offer little, if any, therapeutic superiority over their widely available generic counterparts. The PBM implemented a tiered formulary, with placement of certain drugs on tiers 2

or 3, enabling the use of step therapy and prior authorizations where a therapeutic equivalent was available and clinically appropriate. Most of the PBM recommendations were implemented by the client. As a result, the client experienced a 38% reduction in overall drug spend that included a 62% reduction in brand costs. It is important to note this coincided (and to some degree facilitated) the client's overall census growth. This resulted in a 36% increase in utilizers and 30% increase in prescriptions prescribed.

### Making potential savings a reality

A look at any client's pharmacy benefit strategy should always start with ensuring maximum generic utilization, but are these savings replicable across different member groups? Through a review conducted by the U.S. Government Accountability Office (GAO), a series of studies estimated the U.S. health care system realized savings of more than one trillion dollars from 1999 through 2010, simply by switching from brand-named medications to generic. These savings translate to individual payers as well. According to a report released by AARP, an analysis of six drug therapy classes found one PBM was able to provide a savings of approximately \$230 million simply by switching to generic anti-cholesterol medication. While savings are always client-specific and dependent on member mix and formulary utilization, a generic-driven formulary has the ability to provide each subscriber with substantial savings.

**Knowing that heavy generic utilization leads to savings, how can companies effectively guide their membership to make the generic choice?**

A relatively simple approach is to

implement a mandatory generic program. Keep in mind, the laws that govern pharmacy dispensing and pharmacist substitution vary by state. Some states allow members to choose to fill their prescription with the branded version, despite the prescriber allowing a generic; it is called “DAW 2,” and this is where a benefit-enforced generic program will provide savings.

**Plan sponsors can implement a Dispense As Written (DAW) penalty, also known as a member-pay-the-difference penalty.** With this program, once the formulary manager identifies that a generic equivalent is available, the “mandatory generic requirement” is active at the point-of-sale at the pharmacy. If the member still wishes to fill the branded medication, they pay the difference between the cost of the brand and the generic, in addition to their copay. Clients will immediately see the benefit of reduced costs, due to increased member paid portion. Additionally, generics are often available for extended day supplies, further lowering their cost to the plan sponsor and its members.

**Low-cost generics are often beneficial not just for plan sponsors, but for individual members as well.** As an incentive for participation in these generic programs, many generics are offered at either a zero-cost copay or a very low copay. With medications that are approved by the FDA to be equally efficacious as the high-cost brand names, these programs provide both instant savings to the member and long-term savings to the plan sponsor.

**Another way generics can provide savings is through a comprehensive formulary exclusion program.** By preventing member utilization of medications that provide low therapeutic value, plan sponsors will be paying for clinically appropriate medications at the best prices. For example, Rayos (extended-release prednisone) at a cost of approximately \$2,685 cannot be medically justified when generic prednisone (immediate-release) costs about \$7.75.

### Measuring the shift to generics

One way to monitor the success of generic programs is to monitor the generic dispensing ratio (GDR). This is

the number of generic fills divided by the total number of prescriptions filled for the whole plan. The higher the GDR number, the lower the prescription drug costs tend to be. According to a study conducted by the Journal of Managed Care Pharmacy (JMCP), prescription drug cost savings come with increases in GDR. In the years studied, each one percentage point increase in GDR correlated with a 2.5% drop in gross pharmacy expenditures, with slightly more than half of the savings being derived from the conversion from brand to generic medications. The remaining savings were found in reduced brand drug utilization. To maximize savings, each plan should aim for an 85%+ ratio. As an aside, when making the push for high generic utilization, it is important that pharmacy benefit managers, in conjunction with plan sponsors, do not prioritize GDR over that of clinically appropriate prescription utilization.

### Is reliance on generics the answer?

Yes – and no. The good news is that heavy generic utilization has proven effective, and with big name drugs like Eliquis, Ibrance, Prolia and Stelara poised to lose patent protections, more generics will become available in the battle against rising costs. However, as reported by Scrip, the top 10 pharmaceutical manufacturers have more than 46% of their revenues at risk as they lose patent protections, with not enough in the development pipeline to fill those voids. This means the pharmaceutical industry will increasingly feel pressure to provide new high-cost medications to continue driving revenue for manufacturers. What does this mean for plan sponsors?

### PBMs continue to play an important role

When providing benefits, there will always be cost drivers, both seen and unforeseen. The ultimate purpose of a PBM is to develop programs and strategies that will efficiently facilitate the benefit structure and save plan sponsors money, all while continuing to provide continual feedback that allows plan sponsors the ability to make the best decisions for their groups. While a generic driven formulary is sure to

save the plan sponsor money, there are a myriad of other approaches that can be implemented in the fight against increasing drug spend. PBMs can offer utilization management programs to prevent overspending, such as:

- Prior authorization requirements
- Well-vetted step therapy requirements
- Therapeutic substitutions
- Formulary management

A well rounded PBM will continue to monitor usage, even after dispensing the drug, offering:

- Retrospective drug utilization reviews
- Disease management programs
- High-cost user drug utilization reviews

Even with all of the programs offered to keep costs at bay, there are going to be times that costs still rise. PBMs will assist with patient assistance programs (PAPs), as a way to minimize costs to the consumer and plan sponsor.

Ultimately, effective cost containment strategies (whether they be formulary management, prior authorization, or mandated generic programs) can make all the difference in a sponsor’s ability to provide benefits that align with their goals of affordable coverage. **CB**



**PHILIP CARROLL**  
is VP of Sales and Account Management at Integrated Prescription Management (IPM), a full-service, middle market PBM that works with self-

funded employer groups, brokers, TPAs and behavioral health facilities around the country. Carroll has more than a decade of PBM account management and sales experience and provides client support and development on the West Coast.

**Contact info: rxipm.com  
877.846.3397  
pcarroll@rxipm.com**

# *Coaching is more than Game Planning*

A more personal, honest approach  
to advising can win big

**IN**

**BY  
GLENN CRAWFORD**

---

**previous writings** I've spoken about the idea of coaching rather than advising as an approach to work with your clients. Truth be told, I'm not saying they are diametrically different. The two concepts are very similar, but I submit the coaching approach is much more personal and the dialogue may prove more comfortable for most of the people we serve.

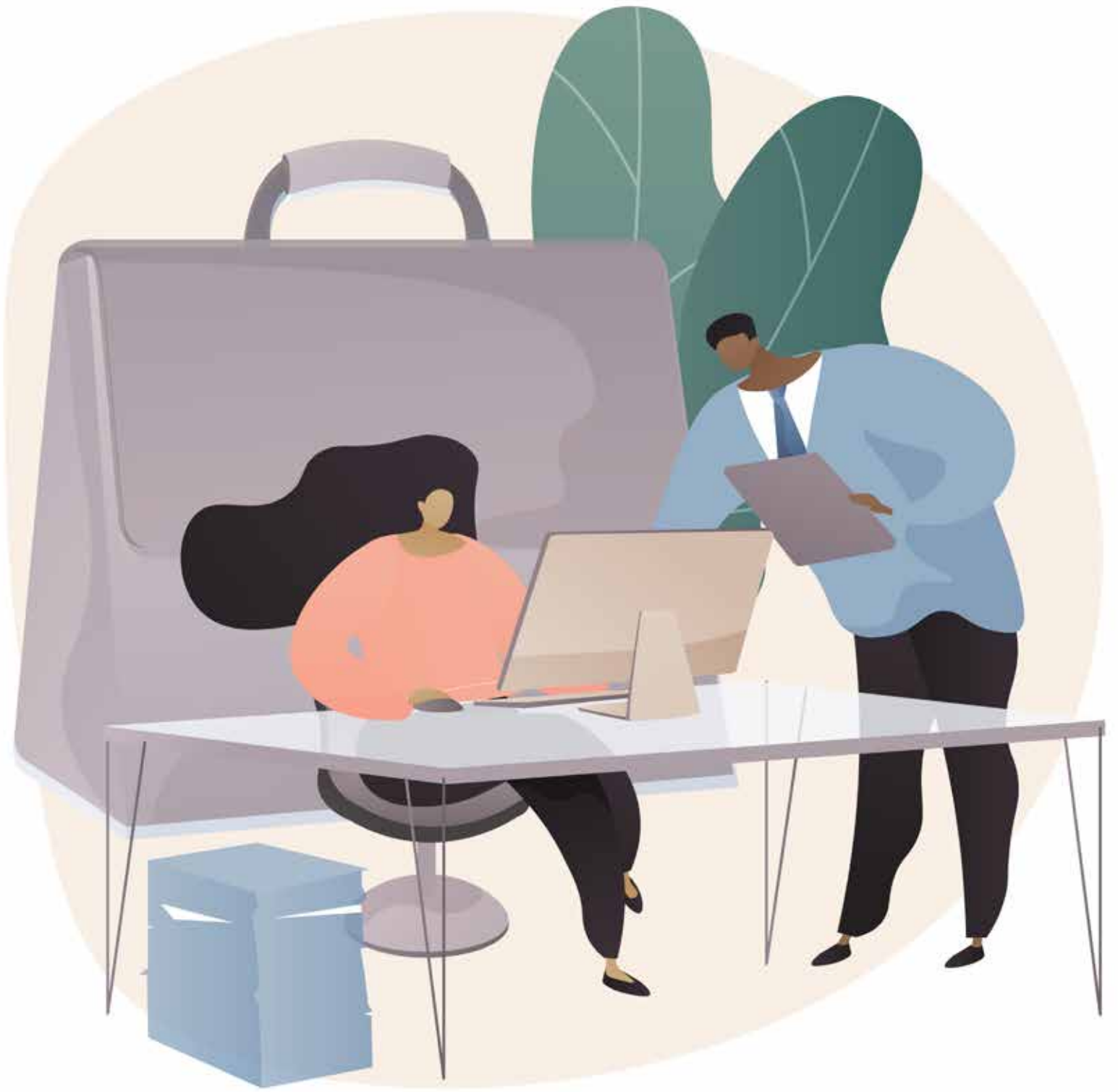
Let me first say that writing these articles has proven to be somewhat of a challenge — encouraging me to contemplate what I have to offer. Having traveled around the Sun 67 times, I'd like to think I've learned a thing or two worth sharing.

I do have a fair amount of coaching experience to draw upon. I coached my first team, a track team, while in high school. I coached youth sports (flag football, basketball, baseball and soccer) year-round for eight years running. Before entering the world of financial wellness, I was a founder in a \$65M national firm where I coached more than 60 sales associates. To this day, people approach me to coach them in business and life. I've worked with many of them, and my hope is that I've had a positive impact on their lives. One of my biggest joys is when former players come to me as young men and women asking me to be a sounding board — someone who will listen, be straight with them and won't judge them. Hmm! Sounds a lot like what our clients want.

In a sea of people who say they have all the financial answers, our prospects do not know who to believe and have a fair amount of skepticism. So, in my work, I decided to be my authentic self — Coach Glenn.

In an attempt, then to answer the question of how you might benefit from hearing my thoughts, I'll start like I did on the first day of practice with the kids. I'm going to share who I am, why I'm here and what is likely to happen should you consider listening to me.

I'm schooled, skilled and experienced in a wide range of financial instruments and concepts with extensive training and several credentials that I believe qualify me as a financial fiduciary. My overriding intention is to help people be better or achieve better outcomes by raising the level of their games. If



---

“  
***In a sea of people  
who say they have  
all the financial  
answers, our  
prospects do  
not know who to  
believe and have  
a fair amount of  
skepticism.***

---

even one of the nuggets I share can be put into practice to help your clients, then I've attained my goal. I never told my players that we would win every game. In fact, I told them I didn't care if we won. I care how we win and how we handle defeat. If at the end of the game we can say that we gave our best, competed valiantly and left everything on the court or field, then we won — no matter what the score said.

Coaching is not for the meek of heart. You, your conduct, and your decisions are open to criticism by fans in the stands or other coaches. You are basically operating in a glass house, and many/most will claim to know better than you do how to implement a plan. On the flipside, coaching provides a tremendous opportunity to grow in your knowledge of whatever game you are coaching, your ability to motivate, your fortitude to handle adversity, your ability to be decisive, your capacity for compassion, and the chance to test your belief system and grow as a leader. Further, I've studied great coaches and I've learned that a coach can push hard to make a player better, if they come from a place of good intention. Players want to be pushed. Pretty cool stuff as far as I'm concerned. And easy to translate into the business world.

We are going through unprecedented times with COVID-19, civil unrest, rioting in our nation's Capital, rising interest rates, and volatility in the stock market. There's never been a more important period in my lifetime to be a financial coach than now.

Coaching in turbulent times should be a welcome challenge. I can imagine and witness the circumstances we find ourselves in, wreaking havoc with some of the plans your clients have in place. I suggest the first thing you do is BE PRESENT. Take initiative and reach out to your clients. Test their freakout temperatures. I believe one of the most valuable skill sets a coach must have is the ability to help his or her team keep their composure when momentum is going against them.

Coach Jimmy Valvano, one of my heroes, did something masterful when the game was on the line. His team was losing ground because the other team started fouling his player with the lowest free-

throw percentage. In the final minutes of the game with the players' confidence shaken and the team unsettled, Jimmy called a timeout. He told the player "after you make this free-throw, this is what we are going to do." He planted the suggestion that there was no way the player would miss. He told him "when you make this shot." The player did and the team won.

### **Having a plan is just the first step**

Another mark of a great coach is knowing when to stick with the plan and when to adjust it. One of the greatest indicators of a great coach is what happens after halftime. The staff has had a chance to examine the things to take advantage of and the things that need to be shored up (opportunities and threats). There have been many games where I had to scrap the game plan (or financial plan) I'd so diligently worked on because the game (life) evolved in a different way. Like Mike Tyson famously said, "Everyone has a game plan until they get punched in the mouth."

In my view, it's important to have a sound game plan, a contingency plan and a contingency, contingency plan. I'm not suggesting that you should hold or fold. That depends on several factors such as your client's risk tolerance, time horizon and need for liquidity or income. Sometimes the best course of action is to stay the course if you believe in your plan. Often the team/client needs to be told where they are not executing well and where — if they adhere to the strategy and execute — they may have a good chance for victory.

### **Be ready to adjust your plan to adapt to new realities**

My father was a colonel in the military and one of the many things he taught me was the difference between strategy and tactics. Strategy is the overall mission objective and tactics are adjustments made along the way. The goal could be to win the war, but right now we need to simply take this hill and it's proving more difficult than we planned. What do we do to achieve the most pressing objective? Determine that and you can be victorious. Your

strategy and game plan require consistent examination and adjustments may be warranted.

*Two great analogies come to mind that exemplify how in-game adjustments can affect the flow or even the outcome of a game.*

**First:** The great Don Haskins from the NCAA Basketball Championship 1964 Texas Western College (TWC — now the University of Texas at El Paso) implemented the 4-corners offense to help defeat the great Adolph Rupp’s Kentucky Wildcats (Pat Riley was on that team). It was a style never seen before that opened the court and slowed down the game. It frustrated the opponent and led to easy buckets for TWC.

**Second:** The LA Lakers Showtime dynasty run began in 1980. It was sorely in jeopardy when the star and pillar of the team, Kareem Abdul Jabbar, suffered an ankle injury that prevented him from being able to play. Paul Westhead and Pat Riley (again, and what a journey this man has had) were interim coaches and made the decision to go small against the mighty Boston Celtics and put Earvin “Magic” Johnson at center. Their decision was cemented when they saw notes from Jack McKinney, who was unable to coach because he was injured himself, where he had developed a contingency game plan in the event Kareem got hurt. His plan said, “go small.” The Lakers did. Magic lit it up with 42 points, 15 rebounds and 7 assists and the team won the championship. The dynasty was off and running.


### **Good intentions rule the day**

Many times I had what I thought was a great game plan only to throw it out the window. And succeeded in my attempt to change the pace of the game and gain better results — ala Jimmy Valvano style. In the game of advising clients, constantly examine your financial game plans to see if some aspects need to be altered.

Again, I’m not recommending you always look to change the plan or change the pace — or stand pat. You are

in the best position to determine what the best move is — if you know your customer, listen to their needs and know what solutions you have to offer. I AM recommending that you be prepared, be present, have a plan, have a contingency plan, have a contingency-contingency plan and continually examine and question it.

Here’s another thing about coaching. A player or client will be open to listening to anything you say or push them as hard as you want, as long as they know you are coming from a place of good intentions. Assuming your belief and advice in what you say is grounded in experience and facts, do not hesitate to share your truth. There are times when you must make comments that your client may not want to hear. Your job is to make them better than they sometimes even believe themselves to be. Have conviction and trust yourself.

I’m still growing and discovering how good I am as a financial coach, so that remains to be seen. I do believe one thing though — I’m a helluva coach, because I come from a place of good intentions. I only say what I believe to be true and I only offer what I believe is in the best interest of the client. 



### **GLENN CRAWFORD**

*is a wealth asset manager, insurance broker, CDFIA® & Mediator with Signature Resources Insurance and Financial Services. He’s also past president of NAIFA-Los Angeles.*

*Glenn brings a coach-like approach to his advisory practice to help clients understand sound practices of financial planning.*

**Email: [g Crawford@srifs.com](mailto:g Crawford@srifs.com)**

**Phone (818) 486-5053**

**Web: [www.srifs.com](http://www.srifs.com)**

---

”

***I believe one of the most valuable skill sets a coach must have is the ability to help his or her team keep their composure when momentum is going against them.***

---

## ad index

**2**

**Brand New Day**  
bndhmo.com/brokers  
866-255-4795

**3**

**CaliforniaChoice**  
calchoice.com  
800-542-4218

**5**

**Covered California**  
coveredca.com/forsmallbusiness  
844-332-8384

**7**

**Petersen International Underwriters**  
piu.org  
piu@piu.org  
800-345-8816

**11**

**Syndicated Insurance Agency, LLC**  
818-718-8987  
info@syndicatedins.com

**13**

**David Ethington**  
714-664-0605  
david@commission.solutions

**21**

**White Wing Insurance**  
whitewinginsurance.com  
800-291-0806

**47**

**Integrity Advisors**  
Broker Consulting Division  
Phil Calhoun MBA  
phil@commission.solutions  
800-500-9799

**48**

**Word & Brown**  
WordandBrown.com  
(Northern CA) 800-255-9673  
(Los Angeles) 800-560-5614  
(Inland Empire) 877-225-0988  
(Orange) 800-869-6989  
(San Diego) 800-397-3381

## classifieds

**PAYING TOP DOLLAR  
FOR  
BOOKS OF BUSINESS**

**We Don't Just  
Buy Them  
We Service Them**



Contact George At:  
George@Geldin.com  
**877-789-5831**

### Classified Ads



Please contact  
**Thora Madden**  
818-370-1706  
Thora@calbrokermag.com

**E & O**

**LOWEST RATES  
IN THE  
INDUSTRY**

**GUARANTEED!**  
ErrorsAndOmissionsOnline.com

**800 399-3125**

**"TOP \$\$ PAID"**

**ARE YOU  
SELLING?**

**MEDICARE BOOK**

Call Kevin:  
Save-on Insurance  
**1(888)-613-2626**

**37 Years Experience**

# OPPORTUNITIES

**If you'd like to discuss advertising opportunities,  
email Devon Hunter devon@calbrokermag.com**



We are  
**Real** California Brokers  
helping active health Brokers  
*Protect, Grow and Sell* health  
commissions

**NOT SURE WHERE TO  
START YOUR PLANNING?**  
Visit our website for more details.  
Learn from our clients and see how  
we can assist you. Then set up a free  
15-minute session.  
[www.commission.solutions](http://www.commission.solutions)  
(800)500-9799



**Commission Solutions**

Helping health insurance brokers **Protect, Grow & Sell** their commissions

[www.commission.solutions](http://www.commission.solutions)





## REDEFINE PRESENTATION.

### We make it possible.

Have you thought about reevaluating how you work? Balancing business with more of what you love. We make it possible. We're changing what you can expect from your General Agency.

More than just a quote, we're a partner that understands your vision, in business and in life. A partner that appreciates you and cares about your success.

Together, let us redefine presentation.

[wordandbrown.com](http://wordandbrown.com)

**Word&Brown**<sup>®</sup>