



Will ACA Navigator Rule Wash Out Agents?

▶ Helping the consumers to find their way through the health care maze will be a massive job. Who will fill the role of navigator?

By Susan Rupe

Some fear that the role of the health insurance advisor will become little more than a customer service representative when the health insurance exchanges open for business on Oct. 1.

The newly created position of insurance navigator is a government-paid advisor who will be available to help individuals and small employers choose their health care options in the exchange marketplace under the terms of the Affordable Care Act (ACA).

Although health insurance advisors and brokers are eligible to serve as navigators, some who are following the health care issue say that the exchange regulations leave the advisor no room to provide advice.

The U.S. Department of Health and Human Services (HHS) announced last

month that up to \$54 million in grants will be made available to support the hiring of navigators for the state health insurance exchanges. The funds are available to states where a federal or state partnership exchange will be implemented. Funds are available for either individuals or organizations who wish to provide navigator services.

The role of navigator will be crucial to the success of the exchanges, where an estimated 30 million uninsured Americans will turn to purchase health care coverage.

The exact number of navigators required nationwide has not been determined, but it is estimated that the number will reach into the tens of thousands. California alone announced earlier this year that it plans to certify 21,000 of them to work in its exchanges.

In addition to individuals working as navigators, each exchange is also required to have at least one navigator from what HHS calls “a community and consumer-focused not-for-profit entity,” which could include anything from a

local human services agency to an agricultural organization.

But the two big questions in all of this are:

[1] Will advisors and brokers who currently sell health insurance be able to serve as navigators?

[2] Will they even *want* to?

One of the main factors entering into this debate is money. Navigators are prohibited from receiving any payment or commission from a health insurance company for enrolling anyone in exchange-qualified health plans. Navigators will be paid from grants made to health care exchanges, and they will be paid for each individual they enroll in a qualified health plan. The amount the navigators will be paid for each enrollee will vary by state.

In April, HHS issued the latest proposed regulations on the navigators. In those regulations, HHS specifies that although a navigator is not permitted to receive payment or commission from a

health insurance issuer, there is nothing in the regulations to prohibit them from receiving commission for other insurance products they sell (such as life insurance) outside of the exchange.

“It just plain does not look like an attractive business proposition for the health insurance agent,” said Tony Novak of OnlineNavigator.org. Novak described the job of navigator as “the equivalent of a customer service representative.”

“In one state, they are paying their exchanges \$86 per enrollee to cover their expenses. The navigators will get one-third of that (\$28),” Novak said. “How many enrollees can you sign up in one month? The enrollment process will be time-consuming and it does not look like a cost-attractive business for the in-person enroller.”

“I think for the average agent, there will be a lot of work involved in enrolling people through the exchanges, and not much compensation,” he said. “I think that what you’ll find is that the agents will gobble up all the middle-income, tech-savvy individuals for health care, and the rest of the health care consumers will end up going to the exchanges.”

“I can’t imagine any of our members opting to get into (the navigator program),” said Diane Boyle, vice president of federal government relations with the National Association of Insurance and Financial Advisors (NAIFA). “The big issue with the navigators is compensation. They can’t be compensated through commissions; they have to be paid through the exchange.”

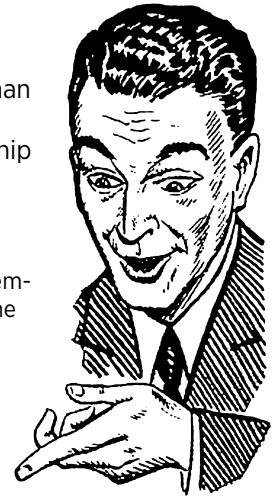
Boyle said she believes there is a role for the navigators to play in getting information about health care to specific groups who are underserved by the health insurance business, such as ethnic minorities or residents of remote areas. “But let’s use the Cattlemen’s Association as an example – is that where you want to go to get your health care information?” she asked.

There is nothing in the current navigator regulations that prohibits licensed agents from becoming navigators. Navigators are required to undergo training in the Affordable Care Act before they can be approved to enroll people in the program. Training is scheduled to begin in June in preparation for the opening of the exchanges in October.

So you wanna be a Navigator?

In early April, the U.S. Department of Health and Human Services (HHS) issued standards applying to navigators under the federally-facilitated and state partnership exchanges. **These standards specify the following:**

- » Navigators may not be health insurance issuers.
- » A navigator may not be an association that includes members of the insurance industry or lobbies on behalf of the insurance industry.
- » Navigators may not receive any compensation from any health insurance issuer in connection with the enrollment of individuals or groups into a qualified health plan (QHP).
- » Navigators must provide the exchange with a written plan to remain free of conflicts of interest during their term as navigator.
- » All navigators must provide information to consumers about the full range of QHP options and insurance affordability programs for which they are eligible. They may not recommend any specific plan.
- » Navigators must disclose to the exchange and to all consumers who receive information from them of any line of insurance business (such as auto or homeowners) that the navigator sells while assisting consumers, and any relationships with any health insurance issuers.
- » Navigators must obtain certification from the exchange, which includes completing HHS-approved training, passing an examination and obtaining required continuing education. Recertification must be done at least every year.




The National Association of Health Underwriters (NAHU) issued a statement to HHS in which the association expressed its concern that “many potential navigators may initially lack basic insurance knowledge and relevant experience, although they are expected to perform a series of significant and sensitive duties that may be similar to those duties currently completed by licensees.” NAHU urged HHS to ensure that the navigator’s role be limited to determining eligibility for individuals or groups to participate in the exchange.

The National Association of Professional Insurance Agents (PIA) also has been vocal on the issue of navigators. PIA delivered a letter to the National Association of Insurance Commissioners (NAIC) Producer Licensing Task Force, recommending that states require rigorous licensing of navigators as they implement any finalized HHS rules.

“I really don’t see navigators competing with agents,” Boyle said. “There may be a very small fraction of our members – retired agents perhaps – who may want to become navigators. But for the rest, the money is not there.”

“I think the agent will always be around, but with the shift in compensation through the Medical Loss Ratio, what we will see is that agents who have been specializing in health insurance will be diversifying and offering additional products,” Boyle said. “I don’t see agents turning their backs on their existing clients. The big question is what about new clients, who will they turn to? Will they turn to the navigators for health care? There is still a lot of confusion there.”

Boyle said the NAIFA member community is “still figuring out where the agents will fit in as the rules change.”

“We always will have the eternal optimists,” Boyle said. “They say, ‘this is so complicated, we will still see a need for the agent to serve the clients.’” 

Susan Rupe is assistant editor for InsuranceNewsNet. She formerly served as communications director for an insurance agents’ association and was an award-winning newspaper reporter and editor. Susan may be reached at srupe@insurancenewsnet.com.

