

Kennedy Health Care Reform Legislation

What does it mean for independent agents and brokers?

- ✓ The Kennedy bill, through the “Navigators” program, cuts experienced and educated agents and brokers out of the process of boosting health insurance enrollment.
- ✓ The Kennedy bill entrusts inexperienced, untrained and non-licensed representatives from community-based organizations to educate and enroll consumers in health insurance plans.
- ✓ The Kennedy bill creates a fast track to a government-run health care system at the expense of consumers and taxpayers.

❖ **“American Health Benefit Gateways” and the “Navigators” Grant Program – Cuts agents out in favor of community-based organizations.**

- American Health Benefit Gateways would be created in each state and serve as a health insurance exchange. The state-based gateways would offer a public plan as well as qualified private plans to qualifying individuals and businesses.
- A Navigators grant program would be established to award grants to public and private entities to conduct public education, distribute information, and assist with health insurance enrollment. Health insurance issuers, including agents, would be prohibited from participating in the Navigators program.
 - The Navigators program would cut experienced and educated agents out of the process of boosting health insurance enrollment.
 - The Navigators program would mistakenly entrust organizations with no prior health insurance background with the authority to advise individuals on their insurance decisions.
 - Individuals seeking information on what health insurance plan best fits their needs should be able to count on sound advice from a licensed health insurance agent, broker or consultant.
 - It is simply reckless to hand this trusted role over to random community organizations with no relevant health care background.

❖ **A “Public Plan” – A fast track to a government-run health care system at the expense of consumers and taxpayers**

- A public (“government-run”) plan would be implemented to compete against qualified private plans in the newly created American Health Benefit Gateways.
 - A public plan would create an unlevel playing field. The federal government sets its own rules and there is nothing fair or level about them. According to a 2009 Lewin Group study, Medicare's current reimbursement policies pay hospitals only 71% of private rates and doctors 81%. According to a 2009 Lewin Group study, if the public plan’s reimbursement rates are similar to Medicare, an estimated 119 million people will shift from private insurance to the public plan.
 - A public plan would provide consumers with fewer choices. According to a 2007 survey by the American Medical Association, 60% of doctors say they limit the number of new Medicare patients they see.
 - A public plan would not result in a more efficient marketplace. The federal government has not proven itself to be a model for health care efficiency. Each year, Medicare loses \$60 billion due to fraud alone.
 - A public plan would not be self sustaining as supporters suggest. The federal government’s current entitlement programs are on the fast track to financial insolvency. According to the Medicare trustees, the Medicare Trust Fund will be exhausted by 2017. Medicare and Medicaid alone account for 4% of GDP today and will rise to 9% by 2035, according to the Congressional Budget Office. The Congressional Budget Office estimates that individual and corporate income tax rates would have to rise by about 90% to finance the projected increase in spending through 2050.