

*RIO GRANDE ASSOCIATION OF HEALTH UNDERWRITERS*

# HEALTH ISSUES

*“New Mexico’s Benefit Specialists”*

Vol 1, Issue 11

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PO Box 92965, Albuquerque, NM 87199-2965

**Websites:** Rio Grande Association of Health Underwriters: [www.rgahu.org](http://www.rgahu.org)  
New Mexico State Association of Health Underwriters: [www.nmsahu.org](http://www.nmsahu.org)  
Region VII of NAHU: [www.nahuregion7.org](http://www.nahuregion7.org)  
National Association of Health Underwriters: [www.nahu.org](http://www.nahu.org)

## *JUNE BREAKFAST MEETING*

Understanding the Complexities of Disability Insurance

**Speakers – Larry Schneider**

**7:30am to 10:00am**

**Thursday, June 12, 2008**

**RADISSON HOTEL, I-40 & Carlisle, Albuquerque, NM**

**[See Registration Form at end of Newsletter](#)**

### ***RGAHU President Message...Cecilia Webb***

Alas! We are in the home stretch of the 2007-2008 Board! "Thank you, thank you, thank you" to all of you for your support and attendance of the Rio Grande Association Breakfast Meetings and May CE. I have enjoyed working with you and getting to know you a little better. As your President over the past few months, I hope that you feel RGAHU has met your expectations and that the education provided has enhanced your personal growth and business development.

Congratulations to our LPRT Qualifiers and if you did not apply this year, please get on the band wagon for next year. Let your accomplishments be known. I can hardly wait for the NAHU Convention LPRT Qualifiers Cruise in San Diego next month!

As we continue to monitor the health care topics and legislation for our State and nationally, let's not forget that we are a force when we stand united. Our industry is vitally important and the community will always needs us. We shall not be divided easily and most certainly without a fight.

Looking forward to seeing you at the June Breakfast meeting, at which time the award recipients of the Eva Jean Fomalont and Pat Miller Awards will be recognized. Additionally, all award recipients will be mentioned at the National Association of Health Underwriters Convention in San Diego, June 29th thru Jul 2nd. It is not too late for you to register on [www.nahu.org](http://www.nahu.org). Please view our local website at anytime: [www.rgahu.org](http://www.rgahu.org).

On a personal note, I say "thank you" to my industry peers who attended the Ebony Fashion Fair last month with over 600 others.

Sincerely,  
Cecilia L. Webb,  
RGAHU President

## **CMS Proposes Medicare Advantage Rules...**

On Thursday, the Centers for Medicare and Medicaid Services (CMS) released new proposed rules concerning, among other issues, changes to the marketing requirements for Medicare Advantage (MA) and stand-alone prescription drug (PDP) plans. NAHU and other interested parties will have the opportunity to provide comments to CMS on the proposed rules before July 15. CMS will review all comments and issue a final regulation later this year.

While the proposed regulation does contain a number of the ideas suggested by NAHU in our policy recommendation paper for improved oversight and accountability in Medicare private insurance product sales and marketing, some of the proposed restrictions on commissions, cross-selling and cold-calling go beyond what NAHU has recommended.

As NAHU has suggested, the proposed regulation would codify the requirement for MA and PDP plans that elect to use independent sales agents to only use state-licensed independent agents and brokers. Furthermore, as we suggested, the proposed rules stipulate that carriers must appoint their MA and PDP producers in the states that require appointments for other products. In addition to appointments, the proposed rules contain requirements for agent training supported by NAHU. They call for consistent training by all carriers on Medicare marketing rules and requirements, as well as a written exam to document competency. The five-part NAHU/AHIP training program meets both of these requirements.

The proposed rule also addresses the idea of level commissions for producers selling MA and PDP products, but CMS's changes to existing law are different than what NAHU has proposed in several key ways. The new rule would prohibit MA and PDP plan commissions to be higher in the first year of a sale than in subsequent years. In addition, the new rule would prohibit commissions based on a percentage of the premium, and instead require the payment of a fixed monthly fee. The fixed monthly fee would have to be the same for every MA plan offered by the sponsor's parent company. NAHU supports removing incentives for making a quick sale and/or making recommendations to change policies on an annual basis without regard to the consumer's health care needs, but would prefer that the level commission structure reflect the way in which Medicare Supplement commissions are paid.

The regulation also tightens direct sales requirements by codifying the door-to-door sales ban and prohibiting producers from selling MA and PDP products at "educational" events and in anywhere but the common areas of a health care facilities. The proposed rule also places a complete ban on cold-calling potential MA or PDP customers and places significant restrictions on cross-selling. The sale of non health insurance-related products is prohibited. Health insurance products are not defined, so it is unclear if these provisions would apply to long-term care policies, etc. Furthermore, the producer must get the client to agree, in writing, up to 48 hours ahead of time, as to the scope of products that can be discussed during the upcoming appointment. If another topic comes up, the agent would have to schedule a new appointment at least 48 hours later.

NAHU's Medicare Advisory Group and Legislative Council are currently reviewing the proposed regulation and we will submit comments to CMS on the proposed rule in advance of the July deadline. Once our comments are completed, they will be made available to you through Washington Update and NAHU's website.

## **and "Clarifies" SCHIP Crowd-Out Directive to States**

On May 7, the Centers for Medicare & Medicaid Services sent a letter to state health officials intended to clarify a directive that some states say would diminish their ability to provide coverage under SCHIP.

CMS issued an August 17, 2007, directive to ensure that, if a state raised its SCHIP eligibility level to include children in families with incomes greater than 250% of the Federal Poverty Level, policies were in place to prevent "crowd-out" – when private coverage is dropped in favor of public coverage.

According to the May 7 letter, states may suggest crowd-out prevention strategies that differ from those recommended by CMS, many of which states have said would be impossible to achieve. In addition, the directive has been widely criticized by governors, congressional Democrats and consumer advocacy groups as an attempt by the Bush Administration to limit SCHIP enrollment.

The August 17 directive also required states to demonstrate that 95% of the children with incomes below 200% of the Federal Poverty Level had coverage before they enrolled children above 250% of the FPL.

"This is an achievable goal and, based on conversations with states, we are convinced that a number of states have already reached this goal. We will continue to work individually with affected states on different approaches to document this assurance, including the use of state-specific survey data or other data sources to refine the underlying Current Population Survey (CPS) data," Herb Kuhn, deputy administrator and acting director of CMS's Center for Medicaid and State Operations, said in the letter.

According to legal opinions issued April 18 by the Government Accountability Office and the Congressional Research Service, CMS exceeded its authority when it issued the directive.



***Northern New Mexico President Message...Marcie Abeyta***

Our CE presentation in April was very well attended with 23 members and guests. James Campbell gave an update on the impact of Wellness Programs on Premiums at the Box Luncheon Meeting.

We are developing our Board for the 2008-09 NNMAHU Year. If you would like to work with the Board or on a Committee this coming year, please contact Marcie Abeyta, President at: **505-992-1861**.

***Membership Report...Julia Moore***

The current membership for RGAHU is 137 members. New and renewing members joining our association since our last newsletter are:

<b>New Member</b>	<b>Company</b>	<b>Sponsor</b>
Marlene Baca	Lovelace Health Plan	Jessica Brand
Esther DeAnda	Delta Dental of NM	Lori Lutgen
Kiyoko Dulac	USI Southwest, Inc.	Patti Burns
Lesku, Lisa	Assurant Employee Benefits	Jessica Brand
Jones, Scott	Brown & Brown of NM	Annette Watson
Rael, Raquel	Insurance Shoppers	Pamela Stahnke
Mike Valverde	Colonial Life	Stacey Weaver
Brad Woolard	Colonial Life	Stacey Weaver

Please take time at our next RGAHU breakfast to get to know these members and make them feel welcome.

Membership is very important to our local chapter. The purpose and goal of membership is to attract and retain members. **THIS JOB CANNOT BE DONE ALONE!** The combined strength of 20,000+ NAHU and RGAHU members means our voice will be heard. Recruit, recruit, recruit....so we may continue to have the power to change the future of our industry. NAHU has an outstanding team of experienced professionals to ensure your needs come first.

I am including a recruitment flyer that will give you a tool to "ASK" those you know who are not members to consider joining. Bring your potential member to a breakfast meeting to let them look at how we function. Become proactive by recruiting when you can...and inform us of any status changes that could affect our membership.

Better yet, if you have time and energy, become a member of the RGAHU Membership Team. There is a lot of work that needs to be done in the months ahead. Call Julia Moore at 890-1539 to volunteer your services.



## WE'RE MEMBERS...ARE YOU?

RGAHU is committed to the agent distribution system. With the ever-changing market place, the importance of being involved and supporting your industry has grown dramatically with the mergers and acquisitions. You need to know what is going on. As we are all aware, our legislators have determined to change our laws on a regular basis. Being kept informed of these changes and how it will affect your business is crucial in today's market place.

But what do I get out of being a member of RGAHU?

- \* Monthly membership meetings with guest speakers on topics that may affect your career..
- \* Member discounted fees for Sales Congress..
- \* Industry publications: HIU Magazine - State Magazine - RGAHU Monthly Newsletters..
- \* C.E. license credits through monthly educational programs..
- \* Member discount fees on C.E. classes..
- \* Errors & Omissions insurance endorsed by NAHU..
- \* Designation opportunities: RHU/REBC/DITC/CSA/LTC..
- \* Eligibility for Leading Producer Round Table (LPRT) Award..
- \* Enhance professional image, learn sales marketing ideas, and strengthen your character..
- \* Network with fellow industry carriers, brokers, agents and related insurance specialists..
- \* Legislative representation in New Mexico to safeguard your livelihood..
- \* Personal recognition through community service..

**Support the Industry that provides your living, Join today!!**

**RGAHU Membership Dues Breakdown:**

<b>NAHU Portion of Dues</b>	<b>\$195.00</b>
<b>STATE Portion of Dues</b>	<b>\$ 15.00</b>
<b>RGAHU Portion of Dues</b>	<b><u>\$ 40.00</u></b>
<b>Annual Dues</b>	<b><u>\$250.00</u></b>

**(check made payable to NAHU)**

**Membership application can be downloaded from RGAHU website at [www.rgahu.org](http://www.rgahu.org)**

**“Every man owes a part of his time and money to the business or the industry in which he is engaged. No man has a moral right to withhold his support from an organization that is striving to improve conditions within his sphere” by Theodore Roosevelt**

**RGAHU CONTINUING EDUCATION MEETING  
EVALUATION REPORT  
May 8, 2008**

**TOPIC: “EBSA Investigations – When They Become an Ethics Issue”**  
**SPEAKER: Sherri Stewart, US DOL/EBSA**

Number of completed evaluation forms: 16

	1=Excellent	2=Good	3=Poor
QUESTION	1	2	3
Topic relevancy to NM insurance needs	07	9	0
Presentation format	8	8	0
Speaker’s knowledge of topic	14	2	0
Speaker’s ability to answer questions concisely and accurately	9	6	0
Usefulness of information presented	9	6	0

**Comments:** Location & Facilities: Stuff not set up – looks unprofessional  
Future Programming: Individual “Life/Dental/Vision – carrier options.

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**TOPIC: “Acronyms We Need– ERISA, HIPAA, WHCRA, MHPA”**  
**SPEAKER: Deborah L. Perry, US DOL/EBSA**

Number of completed evaluation forms: 19

	1=Excellent	2=Good	3=Poor
QUESTION	1	2	3
Topic relevancy to NM insurance needs	16	3	0
Presentation format	8	11	0
Speaker’s knowledge of topic	16	3	0
Speaker’s ability to answer questions concisely and accurately	15	4	0
Usefulness of information presented	15	3	0

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**TOPIC: “COBRA – Issues and Answers”**  
**SPEAKER: Sherri Stewart, US DOL/EBSA**

Number of completed evaluation forms: 31

	1=Excellent	2=Good	3=Poor
QUESTION	1	2	3
Topic relevancy to NM insurance needs	17	7	0
Presentation format	15	13	1
Speaker’s knowledge of topic	24	6	0
Speaker’s ability to answer questions concisely and accurately	24	8	0
Usefulness of information presented	23	7	0

**Comments:** Anyone other than Ouida Peterson speaking on COBRA is second rate; I preferred Ouida Peterson’s presentation

**Future Programming:** State Dept of Ins. explaining their mandates along with 6 months continuation guidelines.

## RGAHU BREAKFAST SPEAKER:

### Larry Schneider, Disability Insurance Specialist

Larry Schneider attended New York University and has been a featured panelist on a local TV program as a Disability Income Insurance authority, discussing the many "wording" differences between disability contracts offered by the major carriers. He has been a guest speaker for AT&T at their Corporate Headquarters for one of their sales executive insurance seminars. In addition, he has spoken to many other State and National Life, Health (NAHU, DITC, International DI Society, LOMA), CPA and Financial Planning Associations on the subject of Disability Income Insurance, Denied Claims, and the tax consequences of premium payor.

Prior to his insurance career, he was a management consultant for one of the "BIG-EIGHT" CPA firms, performing analytical and efficiency studies on behalf of their clientele, to support recommendations for creative solutions to problem solving.

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## RGAHU BREAKFAST REGISTRATION FORM

**WHEN:** Thursday, June 12, 2008  
**WHERE:** Radisson Hotel, on Carlisle just north of I-40 in Albuquerque, NM  
**TIME:** 7:30 AM to 10:00 AM  
**COST:** Member \$25.00 Non-Member \$35 Non-Member Guests \$15  
**CE:** 2  
**TITLE:** Understanding the Complexities of Disability Insurance  
**SPEAKERS:** Larry Schneider, Disability Insurance Specialist

**Phone, fax, e-mail or mail reservations by Monday, June 9, 2008**

Send to: Alberta Priest, Education Chairperson – Phone: 243-2601 or 1-888-598-8795; Fax: (505) 243-5109;  
Email: [ampcinc@aol.com](mailto:ampcinc@aol.com). Mark envelope: "RGAHU BREAKFAST", PO Box 3753, Albuquerque, NM 87190-3753.

**NAME:** \_\_\_\_\_ **COMPANY:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_ **City:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**PHONE:** \_\_\_\_\_ **FAX** \_\_\_\_\_ **EMAIL** \_\_\_\_\_

If you would like to bring a non-NAHU Agent Guest, please provide information below. The charge for non-member guests is \$15.

I AM BRINGING THE FOLLOWING GUEST(S) :

<i>Guest</i>	<i>Company</i>	<i>Price</i>
1		\$15
2		\$15

**Total amount enclosed:** \$ \_\_\_\_\_

*We want to thank you for attending the Breakfasts. We appreciate your participation and have enjoyed offering you this year of Educational topics.*