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## The Ins and Outs of Selling Plans on the Exchanges

Brokers can sell health insurance on or off the New York Health Benefit Exchange, and you are paid commission directly from the carriers, not by the Exchange. In our March/April 2013 edition of Broker Focus, we shared this and other information that was then available regarding the broker's role in selling plans on the Exchange.

In this issue, we further explore the role of brokers in the exchanges, according to guidelines most recently released by the Center for Consumer Information and Insurance Oversight (CCIIO). Here are answers to some questions you may have:



Some recent statistics show consumers may need a lot more help understanding health reform.

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### Do brokers have to register and complete a training to sell plans on the Exchange?

- **Yes, if brokers want to sell individual plans.**  
In states with either state exchanges (like New York) or federally-facilitated exchanges, brokers must register with the Centers for Medicare & Medicaid Services (CMS). The brokers must also complete an online training course and a privacy and security agreement. In 2014, the training will not address the particular requirements of any state. Health insurance issuers will be responsible for verifying the registration status of their brokers.
- **It's optional if brokers only want to sell small group plans.**  
For brokers working *exclusively* with the Small Business Health Options Program (SHOP), the above-stated registration and training are optional.

### How will brokers be able to assist individual consumers?

Registered brokers will be able to assist individual consumers who are selecting a plan on the Exchange in two ways:

1. **Issuer-based pathway:** Brokers assist consumers in the use of an issuer's Web site. Once consumers decide to apply for coverage through an Exchange, brokers log on to the issuer's Web site and are securely redirected to the Exchange to apply for eligibility. Once the consumer's eligibility is confirmed,

they are securely redirected back to the issuer's site to help the consumer compare plans and purchase coverage.

2. **Exchange pathway:** Consumers use the Exchange Web site with a broker's assistance. Consumers log on to the Exchange site to open an account and apply for eligibility, with assistance from a broker. Once eligibility has been confirmed, the broker can assist the consumer in comparing Qualified Health Plans (QHPs) and purchasing coverage. The consumer will need to enter the broker's assigned ID to indicate the broker worked with them to compare plans and buy coverage.

## How will brokers be compensated for selling plans on the Exchange?

State and federally facilitated exchanges will not pay commissions or compensation to registered brokers. New York State has chosen to establish a compensation structure whereby issuers pay commissions directly to, or through an intermediary — the Exchange.

## Does New York offer a Web broker option?

State and federally-facilitated Exchanges may offer a Web broker option, whereby brokers may serve as an alternate channel for consumers. The Web broker option allows consumers to start looking for plans on a broker's Web site, be redirected to the Exchange site to apply for eligibility and return to the broker's site to compare QHPs and select one. New York State does not offer a Web broker option.

We hope this information has been helpful to you. We will continue to provide updates as the implementation of the New York Health Benefit Exchange moves forward.

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### Reference:

CCIIO. May 1, 2013. Role of Agents, Brokers, and Web-brokers in Health Insurance Marketplaces. <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/agent-broker-5-1-2013.pdf>

### Health Reform Highlights:

- CCIIO. May 10, 2013. Small Business Health Options (SHOP)-Only Marketplace FAQs. <http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/Downloads/shop-marketplace-5-10-2013.pdf>
- CCIIO. April 30, 2013. Model Language for Individual Market Renewal Notices. <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/individual-market-renewal.pdf>
- CMS. March 22, 2013. Standard Companion Guide Transaction Information. <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/companion-guide-for-ffe-enrollment-transaction-v15.pdf>

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