

IN THE HOUSE OF REPRESENTATIVES

HOUSE JOINT MEMORIAL NO. 3

BY STATE AFFAIRS COMMITTEE

A JOINT MEMORIAL

1
2 TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES IN CONGRESS
3 ASSEMBLED, TO THE CONGRESSIONAL DELEGATION REPRESENTING THE STATE OF
4 IDAHO IN THE CONGRESS OF THE UNITED STATES, AND TO SECRETARY KATHLEEN
5 SEBELIUS, SECRETARY OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN SER-
6 VICES.

7 We, your Memorialists, the House of Representatives and the Senate of
8 the State of Idaho assembled in the First Regular Session of the Sixty-first
9 Idaho Legislature, do hereby respectfully represent that:

10 WHEREAS, licensed health insurance agents and brokers provide an in-
11 valuable service in assisting consumers to navigate America's complex
12 health care delivery system; and

13 WHEREAS, licensed health insurance agents and brokers provide thou-
14 sands of jobs in the state of Idaho; and

15 WHEREAS, on August 17, 2010, the National Association of Insurance Com-
16 missioners passed a resolution recognizing that: "Licensed health insur-
17 ance producers (agents and brokers) provide a wide range of services for both
18 individual consumers and the business community"; and

19 WHEREAS, the federal Patient Protection and Affordable Care Act re-
20 quires that insurance carriers abide by strict Medical Loss Ratio (MLR)
21 requirements that have led many carriers to dramatically reduce insurance
22 commissions that could ultimately force many agents and brokers to cut their
23 workforces or close their businesses entirely; and

24 WHEREAS, agent and broker commissions are pass-through fees that are
25 collected from the purchaser of insurance and passed on to the agent and
26 should not constitute an administrative expense; and

27 WHEREAS, the U.S. Department of Health and Human Services issued in-
28 terim final rules that include agent commissions in the MLR calculation; and

29 WHEREAS, the National Association of Insurance Commissioners expressed
30 concern that the U.S. Department of Health and Human Services regulations
31 will have a negative effect on the ability of insurance agents and brokers to
32 continue assisting health insurance consumers at a time of rapid change that
33 makes their role even more essential; and

34 WHEREAS, the National Conference of Insurance Legislators urged the De-
35 partment of Health and Human Services to exclude agent and broker compensa-
36 tion from the calculation of the MLR.

37 NOW, THEREFORE, BE IT RESOLVED by the members of the First Regular Ses-
38 sion of the Sixty-first Idaho Legislature, the House of Representatives and
39 the Senate concurring therein, that we urgently appeal to the U.S. Depart-
40 ment of Health and Human Services to remove health insurance agent and broker
41 commissions from the MLR calculation; and

42 BE IT FURTHER RESOLVED that we strongly encourage Congress to pass leg-
43 islation that amends the Patient Protection and Affordable Care Act to re-

1 move agent and broker commissions from the MLR calculation to protect con-
2 sumers and the potential loss of thousands of jobs in Idaho.

3 BE IT FURTHER RESOLVED that the Chief Clerk of the House of Representa-
4 tives be, and she is hereby authorized and directed to forward a copy of this
5 Memorial to the President of the Senate and the Speaker of the House of Repre-
6 sentatives of Congress, the congressional delegation representing the State
7 of Idaho in the Congress of the United States, and to Secretary Kathleen Se-
8 belius, Secretary of the U.S. Department of Health and Human Services.