Federal Legislative Priorities
117th Congress: Summer 2021

The National Association of Health Underwriters is the leading professional association for health insurance agents, brokers, general agents and consultants. NAHU members work with individuals, families and employers of all sizes to help them purchase health insurance coverage and use that coverage in the best possible way. We are a dedicated group of benefits specialists across the nation who advocate on behalf of our clients – American health insurance consumers. The professional health insurance agent and broker community looks forward to the potential opportunities of working toward meaningful changes in laws and regulations that will increase stability in health insurance markets and make health plans more affordable and accessible. To make the healthcare insurance market more efficient and responsive to American employers and individual health consumers, we would like to provide background on the role of agents and brokers in the health insurance market and respectfully recommend the following items:

Market Stabilizers to Reduce Cost and Improve Individual- and Employer-Market Risk Pools

- Preserve the employer tax exclusion: The employer-sponsored health insurance system provides private-sector, market-based coverage for more than 175 million Americans, including those covered by unions. Eliminating the exclusion would be detrimental to the stability of the employer-based market and would negatively affect middle-class Americans. COVID-19 has proven how important the employer-sponsored market is, and the failure to preserve the tax exclusion would put all of those covered lives in jeopardy.
- Employer Reporting: Establish a new voluntary reporting system, reduce the number of individuals and amount of information reported, eliminate the requirement to collect dependent Social Security Numbers, and ease reporting provisions.
- Bring down the cost of healthcare by bringing down the cost of prescription drugs. Eliminate impediments to drugs getting to market, and consider methods used by other countries, such as an international pricing index.
- Fix the family glitch by clarifying that employee eligibility for affordable coverage does not extend to family members if there is not an affordable employer contribution to dependent coverage.
- Allow health providers to continue to reach patients at their home for medical check- ups and screenings by extending telehealth flexibilities in the CARES Act. This legislation (S. 1988) would ensure rural and underserved community health care providers are able to continue offering telehealth services after the current public health emergency ends, including the ability to offer audio-only telehealth appointments when clinically appropriate.

Public Option and Medicare for All Are Choice for None

- Medicare for All would not allow consumers to maintain their current coverage by eliminating employer-sponsored coverage and threatening the coverage of beneficiaries already on Medicare.
- The cost of Medicare for All is not sustainable and is estimated at $32 trillion over 10 years with an average tax increase of $24,000 per household, at a time when the financial viability of our current Medicare program is already in question.
- Medicare for All would reduce the standards of quality and access Americans currently enjoy in their healthcare by creating delays in medical treatment, tests and access to care. This would come as a result of doctors being unable to treat as many patients for the amount they would be paid, some doctors dropping out of the system, and hospitals put under pressure with a global budgeting process.
- The public option would destabilize current insurance markets by creating an unlevel playing field. This would happen when providers are compelled to accept payments at much lower rates than private carriers can require them to accept.

- The public option would compel hospitals and other providers to accept unsustainably low reimbursement rates, causing them to eliminate some services to patients, create waiting periods that would reduce services to patients, or leave unprofitable urban and rural areas.
- The public option could put more than 1,000 rural U.S. hospitals at high risk of closure by using Medicare provider reimbursement rates. These hospitals depend on a mixture of patient payment methods to allow them to provide services in these areas.

Medicare and Long Term Care

- Allow COBRA coverage to count as creditable coverage for Medicare beneficiaries just as employer-sponsored coverage does. This will allow beneficiaries to have access to Part B on a timely basis without penalties for late entry into the program.
- Many Medicare beneficiaries are classified as being on "observation," which can result in significantly higher claims and prevent Medicare coverage from being applied for nursing-home care for patients who do not have a three-day inpatient hospital stay. Our proposal (H.R. 3650/S. 2048) would allow observation stays to be counted toward the three-day mandatory inpatient stay for Medicare coverage of a skilled nursing facility.
- Observation status also adversely affects beneficiaries' costs for medication while hospitalized. Maintenance drugs would be covered under Part D rather than Part B, adding undue burden on the beneficiary. Policies around observation status are not uniform and could leave beneficiaries with unexpected out-of-pocket expenses.
- Allow individuals to use existing retirement accounts to pay for long-term insurance – a commonsense change to enhance financial security in retirement. (S. 2415) permits individuals to pay up to $2,500 each year for long-term care insurance with their 401(k), 403(b), and IRAs without a tax penalty.

Consolidated Appropriations Act of 2021

- The CAA, passed in December 2020, includes several disclosure requirements for employer sponsored plans. To date no guidance has been released as to how these requirements will be put in place despite the upcoming implementation date at the end of 2021. Congressional support for a delay of implementation or a safe harbor for those employers attempting to comply despite the lack of guidance is crucial to maintaining the stability of the employer sponsored market.
- Broker disclosure of all direct and indirect compensation was also included in the CAA, but to date no guidance has been released despite an implementation date of December 27, 2021. Congressional support for a delay or a safe harbor for those agents and brokers attempting to comply with the broad language of the statute would ensure that consumers are able to maintain access to licensed health benefits specialists.