

May 2007

## CAHU 'Healthy Solutions' Plan Unveiled

**A**t our annual Sales Symposium in February, CAHU VP of Public Affairs Alan Katz provided us with highlights from a CAHU draft proposal for health care reform in California, *Healthy Solutions*. By way of an update, following is a detailed synopsis of the final version of the *Healthy Solutions* plan that was sent to the media and legislators in the past couple of weeks.

Every Californian would have access to basic health care coverage under a proposal released by the California Association of Health Underwriters (CAHU), the state's largest association representing insurance agents. "As insurance professionals, we occupy a unique place in the health care coverage system, educating consumers on their health care coverage choices, helping them select the most appropriate plans for their specific needs and serving as their advocate if problems arise," said David Benson, CAHU President. "Our members see firsthand what's working and what's not. The result is our *Healthy Solutions* plan."

*Healthy Solutions* calls for universal access to health care coverage through a mix of public and private initiatives. CAHU's first aim is to enroll the one million Californians eligible for, but not currently participating in, existing health care public programs. Those lacking coverage, but whose incomes are too high to qualify for government programs, would be eligible for state subsidies to help cover the cost of health insurance. CAHU calls for gradually expanding eligibility for subsidies as the state demonstrates it can fund the premium support.

Like other health care reform proposals currently being considered by lawmakers, *Healthy Solutions* requires all Californians to secure health insurance by either public or private means. Once 90 percent of the population is covered, *Healthy Solutions* compels insurers to issue coverage to all consumers, regardless of their health conditions. Until that time, the state's existing program for the uninsured, the Major Risk Medical Insurance Plan (MRMIP), would be expanded to serve as "insurer of last

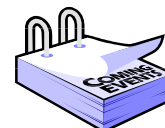
resort." Without a participation threshold, responsible consumers who buy coverage would pay a heavy subsidy to those who wait until after a serious accident or illness to participate in the system.

Recognizing that premium subsidies and expansion of government programs will increase state spending, CAHU finances its reforms through several sources, including:

- New health plan fees based on a carrier's overall market share in the state
- New taxes on hospital operating revenues and physician gross revenues, or some other

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### Calendar of Events



- **May 15** - Monthly Membership Lunch Meeting (11:30 a.m. - 1:30 p.m.), **Ending Life with Grace and Dignity (1 hr. CE, #170943), Panel Discussion, Moderator: Barry Fisher, Barry J. Fisher Insurance Services**, Courtyard by Marriott, Oxnard
- **May 23** - CAHU Day at the Capitol, Sacramento, CA
- **June 5** - Board of Directors Meeting (noon - 1:30 p.m., Westlake Village)
- **June 12** - Monthly Membership Lunch Meeting (11:30 a.m. - 1:30 p.m.) **Installation Meeting**, Courtyard by Marriott, Oxnard

## President's Message



We had a great meeting in April regarding contracts. A big "Thank You" goes out to Jason Herbison of LISI for facilitating this meeting. We also finally had someone win the PAC raffle at this meeting, and that person was Colleen King. Colleen was gracious enough to donate some of her winnings back to PAC.

Even though we are nearing the end of our year, we still have a couple of events coming up that you need to be aware of.

Our next member meeting is on May 15 and will feature a CE class entitled, "Ending Life with Grace and Dignity." This is a 2-hour panel discussion that provide valuable insight for everyone on both a personal and professional level.

Our annual Day at The Capitol is on May 23 in Sacramento. We have several members attending this event who look forward to speaking with our legislators about issues that concern our industry.

**Brandon Martin**

**VCAHU President  
2006-2007**

## Make Your Voice Heard!

*by Christopher Denton, PAC Chair*

I hope that all 100+ VCAHU members participated in Operation Shout Louder on April 20 by emailing or sending letters to our legislators about health care reform in this state. Along with our efforts to inform legislators and our Governor that meaningful reform is possible without eliminating agents, bankrupting the state or undermining the health security of Californians, we also need to back up that message with contributions to our local PAC. Without the PAC contributions we are "all bark and no bite."



Please contact me, whether it is to make a one-time donation or to set up contributions on a monthly draft through credit or debit card. Either way, any amount will help. Please support your local PAC.

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## CAHU 'Healthy Solutions' Plan Unveiled *(continued from page 1)*

mechanism for capturing support from self-insured plans

- New taxes on products known to increase health care costs such as:
  - tobacco products
  - alcoholic beverages
  - handguns and ammunition
  - food products that contribute inordinately to obesity through high fat and/or sugar content and fast-food restaurant meals

At the same time, CAHU seeks to constrain the underlying cost of medical care through the creation of healthy living and wellness programs, adoption of new technologies by the medical community and adherence to evidence-based medical procedures. As California's

population grows older and requires more frequent medical services, the issue of cost containment will only grow in prominence.

"All Californians deserve a health care system that delivers both world-class care and financial security," Benson said. "Californians deserve a system that is accessible, affordable and fair. Californians deserve a system that boosts the state's economy, attracts new businesses and strengthens existing enterprises. Californians also deserve a system that is realistic. We can only do so much as a single state; but what we can do, we should do. CAHU's *Healthy Solutions* plan is a responsible, realistic roadmap to real reform."

# 'Understanding Contracts' Focus of April Meeting

by Nancy Miller, Programs Chair



At our April member meeting, VCAHU President-Elect and LISI Regional Sales Manager Jason Herbison presented "Understanding Contracts."

The presentation was aimed at informing attendees of the importance of understanding their appointment contracts from the insurance carriers with whom they do business. The attendees learned about basic contracts and contract negotiations, terms and terminations. Assignment of rights was emphasized in the context of a broker selling a book of business for retirement (i.e., the value-added being dependent on the language in the contract signed by the broker before writing the business). Other topics that were discussed during the meeting included transfer of the agency upon death, succession planning and vesting. Sample sections of contracts from various carriers were reviewed, and various pitfalls were noted. Jason's colorful real life stories brought the legal aspects home for many in the audience. *(Contributing writer: Mark Miller. Photos: Chuck Rosen)*

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