

NEWSLETTER

OUR MISSION STATEMENT:

To promote the role of the agent, educate our membership, represent consumer interests, influence legislation and promote fair and ethical business practices through the Association of Health and Disability Insurance Professionals.

MESSAGE FROM THE PRESIDENT

Wow! Can you believe we are already heading into February? I hope you all had an amazing holiday season and a productive Q4/January. It was so nice seeing a lot of you guys at our Member Appreciation Event that took place back in November. Taco Tequila Tuesday, always a fun night!

We have a lot of fun and educational events planned for this year. I hope you were able to attend our most recent event at the Golf Bar where we had our own Legislative Council, Faith Borges, give legislative updates as it pertains to our health insurance industry. Be sure to mark your calendars for our upcoming CornHole event benefiting CAHU PAC on February 17th at the AleSmith Brewing Company. Speaking of PAC we need to give ourselves a pat on the back. The members of CAHIP - San Diego (formerly SDAHU. Yes, I'll get into that in just a moment) funded our PAC with over \$18,000. This is more than any other chapter in the state. We may not be the largest chapter, but by all means we are the mightiest! Great job San Diego.

As you may have noticed in the last couple months we have changed our name. San Diego Association of Health Underwriters is now California Agents & Health Insurance Professionals - San Diego or CAHIP - San Diego for short. As a state we wanted a name that would encompass all of the amazing individuals that work in our industry. You may have also noticed that NAHU has also changed their name as well. They have now become NABIP (National Association of Benefit & Insurance Professionals. CAHIP - San Diego will operate under NABIP just as SDAHU operated under NAHU.

San Diego just hit a milestone. We are back over 200 members! It is so wonderful to see our association growing. If you are interested in becoming a member, please be sure to reach out to a member of our amazing board. We would love to chat with you and discuss the value of being a member of CAHIP - San Diego.

I look forward to seeing you all soon!

David Parker



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Broker Rant brought to you by Barry Cogdill

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continued....



Hello CAHIP San Diego members, and other interested parties. It has been a few years since the last Broker Rant hit the airwaves. Mostly on purpose. Complaining about things is always fun, and easy to roll with. Finding solutions to my complaints is much harder work. Sometimes, it feels undoable. Thus, I felt like I needed to stop whining, and focus on helping my clients

Since I last posted, we have changed Presidents, we have recently split Congress by political party. We have blown away low interest rates. We have mostly survived a once in a century pandemic. We have seen our government and health system respond to a great threat, with fast-track vaccines, and amazing effort from the provider community to treat people. The cost to do this work has been substantial, mostly paid by the federal government (which mean US tax payers). I did not have a say in this budget decision. But, I support what we, as a nation, have done, and tried to do. We will have future pandemics, and we have learned more about how to respond.

The need for employee benefits is so fundamental to all people, even though most consumers have no idea what they really get when they elect insurance. Thank goodness there are insurance agents to help them understand the baffling acronyms, sometimes complex benefits, and byzantine billing systems for care. As essential workers, we agents have been at work all the way through the pandemic. I guess we do matter...

Watching the health system crippled by the COVID impact, and yet deal with it anyway, makes me offer a salute to the providers who suffered through the worst of it. Many burned out, and just threw in the towel, and that loss is causing a rapid inflation cycle for health insurance.

This is the first year since 2020 we have really faced this fact with our clients. The past couple of years have been somewhat uneventful, as people were not using the system much. That means not enough care being paid for each insurance premium dollar—the MLR working. No rate increase, per se. This past year, as consumers are finally coming back for deferred care, the increasing volume means a lot more utilization costs for insurers, provided by a shrunken work force of providers, now including hired guns and travelling nurses who require higher reimbursements for their work. This conflux always equals nasty rate increases, and medical inflation running at a much faster pace than the rest of the economy.

Uggh. Back in the day, a 10% rate increase was brutal, but based on a premium much lower than current world we sell in. I mean, 10% of \$300 is way different than 10% of \$800.

So-how is the health insurance market doing these days? I read recently that the largest pool of insureds is now the government financed sector, having replaced the employer-based market. That pool includes Medicare, VA, Medi-Cal, and individual health through marketplaces. And, Medicaid. All of these are subsidized.....This means the true “cost” of insurance is hidden from consumers. In the IFP marketplace, well over 80% of applicants get some amount of premium assistance. Logic tells me that health insurance is in no way affordable to buy, unless you have somebody help pay for it. That can be your employer, or taxpayers.

I still do not see an incentive for insurers and pharmaceuticals to take control of their cash cows. It really doesn't matter what they want to charge, as long as there is a way to show that expenses eat up enough of the premium dollar to justify the rate. The MLR is perverse in this way. 15% or 20% is only more income when premiums rise. In the end, this is a failure waiting to happen.

Which leads to the obvious possibility that the government will take greater control of the insurance system in the future. Insurers apparently do not have the clout to control their delivery costs, and providers are not willing to hold on contractual fees.

I do think that the federal government has the clout to rein in costs, unlike any private solution can. The results of doing this would not be pretty; Reduced compensation for providers (which also means a reducing provider base), new restrictions on care, and the notorious customer service that usually happens in government run programs. Yuck.

This is why I am a member of NABIP. I want someone helping me work to repair our existing, and unique health system. I think our private/public mix will never be the least expensive option, but may offer the best overall innovation and care. I do not wish for a single payer solution.

This is also why I am a PAC contributor. I need to do what I can to get people elected who understand me, my industry, and want to repair what needs to be fixed, and not try to take over what works. I do not have the personal resources to do this on my own. But, if I have other people helping me carry that load, I know my PAC dollars are working for me.

When we work together, we are so much stronger.

UPCOMING EVENTS



February 17 @ 1:30 pm - 5:00 pm
7th Annual Corn Hole Tournament
Alesmith Brewing Company

Details: Corn Hole will be played in pairs, please indicate your team member and team name When you register. Single elimination games, winner takes home a \$250 prize. Registration starts at 1:30 PM, first game starts at 2 PM.

Beer tasting will allow for 2 full craft beers. Be sure to add your \$5 donation.



April 21 @ 2:00 pm to 6:00 pm
Dancing with the CAHIP-SD Stars
Four Points Sheraton (Pavilion)

Details: More to follow!

PAST EVENT PHOTOS - Legislative update with Faith Borges

