

# LUBBOCK AREA ASSOCIATION OF HEALTH UNDERWRITERS

August 2012

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## Mark Your Calendars

October 4th

Cobra C.E. 4 hours

Presented by Conexis

This is a new course waiting approval.

### A note from our President Of the Lubbock Chapter, Lynn Alexander

Things are certainly different than when I served as president in 2004-2005, especially political issues. We are facing more challenges than ever including exchanges, Obama Care, anti-business sentiments from the White House and a tightening of control on behalf of the government. National Health Care was an issue in the past with Bill Clinton in the presidency and Ann Richards as Texas governor. At that time Texas set up a board made up of mostly bureaucrats and only one insurance agent. Fortunately, it was all defeated. Now it is back again with a vengeance.

My job this year as president is to try to keep the public informed with the truth about the harms of healthcare conducted by the Obama Administration. People tend to have more of an expectancy that Uncle Sam will take care of them. Our job is to keep the truth prevalent along with keeping our membership informed legislatively. We also have the obligation of serving our membership with continuous education (15 minimum per year) as well as be involved with our community in a leadership and benevolent roll.

I obviously can't do this job effectively alone. I have been honored to simply keep the local organization on the path expected of me by our membership. We have some of the brightest and most dedicated agents and brokers in Texas on our board who have the knowledge and expertise to handle this job of running LAAHU. I have to have the intelligence of knowing when to get out of the way when necessary and stand in amazement while they work. We have legislative issues, CE compliance, working with the public and do it all while having dedication, integrity and fun.

I see one of our biggest challenges this year is membership growth. We have held our membership on a consistent level since I came on board in the early 90s. The 54 members we have now have to move upward. I realize most of the chapters in Texas are down in that area but I don't believe anyone on our board or membership wants to be equal to the status quo. Thank you, Lubbock and surrounding area, for allowing me to serve in this capacity.

**Monthly Meeting: The Market Center**

**September 6th Time : 11:30 am**

**RSVP to [thomackr@sanins.com](mailto:thomackr@sanins.com)**

**No later than Tuesday September 4th**



Far right picture Jana Brown giving an high 5.

2nd row far left

Earnest Berry at the check out counter.

Bottom row far right Lynn Alexander

For the second year in a row I got the politest little 10 year old boy. He knew what he needed and took the lead. I just provided a little guidance and kept up with how much he had left to spend. Wound up \$20 over but it was I was glad to help out. Kohls is great and they deserve your business! **Ernest Berry**

My little girl was Zamyra, a 7 year old, first grader. She was a bit shy with me at first. We went to look for new tennis shoes first because that can determine how much you have left to spend. She really wanted the purple or blue ones, but none in her size were to be found. She settled on the white Nikes with a blue swoosh and bright pink laces. The best part was that they were on clearance for \$4.50!!! Yes \$4.50!!! I told her that was the bargain of the year. She gave me a high 5 and we were off. She skipped down the aisles the rest of the time. Had to keep telling her not to lose me. New socks, jeans, skirt, shirts and sweats were put in our bag! She was a pure joy! What an awesome thing Kohl's does in the deep discounts for these kids! What a pleasure it is to see her excitement in new things! I also watched adults pay the difference when the shopping went over the gift card amount. One adult made sure a teenager got the purple pants she picked out. She had decided to keep the jeans because she knew they were more practical but she ended up getting both! **Jana Brown**

My kid was a male, going into the third grade. He was shy but didn't hesitate to tell me what he wanted. He made a haul then Kohl's furnished cupcakes and juice or hot chocolate. Each child received a back pack of their own choosing. **Lynn Alexander**





## September Guest Speaker is Kenny Maines

Kenny was born in Lubbock, Texas, July 26, 1954 to James and Edith Maines. He was the third of a total of five siblings in the Maines' household. Music was a major part of most family gatherings and that tradition continues today. James Maines, along with his older brother, Raymond or "Sonny" and younger brother, Wayne formed the original Maines Brothers Band in the late 1950s. Almost any weekend, you could find the brothers playing rodeo dances, VFW halls, community theaters, or the dance halls in Post, Texas (Lubbock was "dry" at the time so people had to drive southeast to Post or northwest to Nazareth to buy their "wet" beverage). James would sometimes take his sons to perform with the band. The boys had started singing together when Kenny was 7 years old and the "Little Maines Boys" loved entertaining the crowd. In those days, Kenny would have to stand on a wooden "soda pop" crate, just to reach the microphone.

In 1992, Kenny was elected Lubbock County Commissioner and held that position for 12 years. In 2004, he decided to leave the political arena and return to the music he loves. Since that time, Kenny has produced three solo CDs, "Kenny Maines", "Out of Control" and "Kenny Maines: A Tribute to the Music of Hank Williams". The new mantra is "HAVE GUITAR.....WILL TRAVEL" and Kenny looks forward to performing for anyone who enjoys great West Texas music. For booking information, call 806-790-0170 or email: [kenny@kennymaines.com](mailto:kenny@kennymaines.com).

## September Lunch Sponsors

**SFG** SCARBOROUGH FINANCIAL GROUP, LLC

### Joe Scarborough | Financial Advisor, AAMS, CRPS



Joe has been a successful financial advisor through multiple fiscal cycles. He has earned his Accredited Asset Management Specialist designation and the Chartered Retirement Plan Specialist designation ... Joe sets on the Board for "The Center of Global Understanding" along with the "Texas Tech Office of International Affairs Advisory Board" He is a member of Toast Masters International and Lubbock Chamber of Commerce. Joe also conducts the "financial speaker series" held at the Texas Tech Club, where once a month you may join Joe for an educational update on

### Nathan Scarborough | Operations Manager



Nathan has been in the financial services industry since 2007 and he enjoys the rewards of helping people realize the importance of financial freedom. Being from a family of financial advisors, his education started long before he joined the industry and is rewarded by helping people take control of their financial future. He has served with many different civic organizations such as Rotary International, and multiple Chambers of Commerce.



## Washington Updates from NAHU



On Tuesday and Wednesday HHS will wrap up their national stakeholder meetings about implementation of the exchanges with public meetings in Chicago on August 21 and Denver on August 22. NAHU members from around the country will be at both venues advocating for a clear role for agents and brokers in both individual and small group exchanges.

We're also hoping that the IRS might release some new guidance this week on the employer responsibility provisions in the law. We've been hearing for weeks that a piece focusing on how you count employees and how you figure out whether an employee is part-time or not will be coming out any second. Those items might seem like simple matters, but when it comes to PPACA they are not. Considering that the applicability of the employer mandate generally and the calculations of any penalties, not to mention the 90-day waiting period limitations all hinge on these calculations, we're pretty anxious to see what's coming. We do know that whatever released will be another bulletin or guidance, as opposed to a regulation. This means that no matter how helpful the guidance is, it's just guidance and doesn't have the force of, you know, actual law.

We've been waiting patiently for at least one proposed rule from HHS addressing a host of issues including the essential benefit requirements, actuarial value calculations, the new rating requirements for the individual and small group markets both inside and outside of the exchanges, and new wellness program rules. However, while HHS officials say publicly that new regulations will be out "soon," we're hearing that this particular regulation(s) might not be out till after the election. While numerous insiders have told us that the draft of the proposal(s) are done and awaiting for official sign-off from people with higher pay grades, nothing has even been sent to the Office of Management and Budget for review yet. OMB is the last official stop on the regulatory review line.

We're not the only ones waiting for information from HHS this week. House Energy and Commerce Committee Chairman Fred Upton (R-PA) and Health Subcommittee Chair Joe Pitts (R-PA) sent a letter to CMS today asking where these regulations are and also when Secretary Sebelius plans to send a complete response to recent questions sent to the Department by Republican Governors Association about PPACA's Medicaid expansion provisions. They demanded that this information be provided by September 3.



## Rules to help Texans avoid surprise hospital bills are pulled

By ROBERT T. GARRETT Austin Bureau [rtgarrett@dallasnews.com](mailto:rtgarrett@dallasnews.com)

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AUSTIN — Texas' top insurance regulator has rescinded new rules designed to help consumers avoid a common pitfall when they seek medical treatment — big bills for out-of-network care — a move that angers consumer advocates and doctors groups.

The rules were meant to give more than 4 million Texans covered by preferred provider organization [health plans](#), or PPOs, more information about whether they'd pay the higher out-of-network costs if they were hospitalized and seen by a specialist. Many have been surprised to be on the hook for higher bills for the specialists' services, even though the hospital itself was part of their insurer's preferred network.

But state Insurance Commissioner Eleanor Kitzman suspended most new protections against "balance billing" in December, six months before they were to take effect. Earlier this summer, she dropped several of the disclosure requirements from a proposed rewrite of the rules, agreeing with [health](#) insurers that they weren't needed, despite advocacy for them by her predecessor, Mike Geeslin.

Her decisions could cost consumers thousands of dollars on top of what they might expect to pay for a major health issue, if Kitzman rules that the extra costs don't have to count against a patient's maximum charges under their policies.

### Protections claimed

Kitzman, unveiling her new version in June, wrote that making [insurance companies](#) disclose gaping holes in their provider networks — as one of the abandoned rules proposed — would "not provide substantial benefit to consumers and may lead to increased premiums."

Department spokesman Jerry Hagins said Monday that there are still numerous "protections against balance billing" in the tentative rules, which are still under review.

Groups such as Consumers Union and the Austin-based Center for Public Policy Priorities, which advocates for low- and middle-income Texans, protested Kitzman's decisions.

They say Geeslin's version required insurers to pay for no additional mailings. They simply would have had to add easily grasped information about hospital-based doctors who are in-network to their notices and websites. That would make it easier for people to compare plans when shopping and limit or avoid balance billing, the consumer advocates said.

Lubbock Area Association of Health Underwriters Website: [www.laahu.com](http://www.laahu.com)

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Duane Galligher of the Texas Association of Health Plans, though, said the new labels and information could confuse consumers — and punish insurers for things over which they have no control, such as hospitals' decisions to grant admitting privileges to some doctors and not others.

The flap comes as Kitzman, whom Gov. Rick Perry appointed last year, has come under criticism from consumer groups for her handling of rate decisions involving the state's largest property insurers. [Health insurance](#) matters — such as doctors' demand for prompt payment and the resistance by hospital-based doctors to being forced to sign a contract with an insurer — have traditionally been settled out of public view.

However, President Barack Obama's health care overhaul is focusing more attention on states' regulation of health insurance. While Texas' GOP leaders have greeted the development coolly, the federal spotlight probably will shine brighter over the next 16 months, barring a huge Republican win in the Nov. 6 elections that puts both the White House and Senate in GOP hands.

For Andrea Hanson, a stay-at-home mother in Collin County, the Texas department's turnabout on network-adequacy warnings is "very frustrating."

After their son Carter was born several years ago, Hanson and her husband, Jason, an architect, were "balance billed" for more than \$1,400 of uncovered, out-of-network expenses.

Carter, who suffers from asthma, spent brief periods in a critical-care unit at a Plano hospital and the emergency room at a Lewisville hospital

Caught in the middle'

Hanson, a former community college computer instructor, decided to try to warn others about balance billing. In 2008, she was featured in Consumer Reports magazine and appeared in a video on Consumers Union's website. She has written letters to members of Congress and state lawmakers. She says feuding doctors and insurers exploit consumers.

"The doctors and insurance companies just blame each other, so the patient is caught in the middle with potentially huge bills from ancillary services such as ER doctors, radiologists and anesthesiologists," she said in an interview. "And nobody seems to care."

Geeslin, the former insurance commissioner, did not respond to messages Monday. Prodded by bills that lawmakers passed in 2007 and 2009, he ordered the department to conduct lengthy "stakeholder" discussions among doctors, hospitals, insurers and consumer groups about the adequacy of PPO plans' provider networks.

One surviving piece of the rule he put forth in May 2011, which was to have kicked in this past spring, requires insurers to contract with enough doctors and hospitals so that an urban PPO plan member doesn't have to drive more than 30 miles for primary care or 75 miles for specialty care.

Geeslin pushed for new disclosures, such as a label on policy documents and provider directories that a hospital with few or no in-network anesthesiologists and ancillary-services doctors be called "limited" and one well-stocked with such

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Geeslin pushed for new disclosures, such as a label on policy documents and provider directories that a hospital with few or no in-network anesthesiologists and ancillary-services doctors be called “limited” and one well-stocked with such providers “approved.” He also wanted insurers to post web-based notices when there’s a “substantial decrease” — by three-quarters or more — in the number of hospital-

But those were ditched.

Kitzman, a former South Carolina insurance regulator, said she had to suspend and reissue the PPO rules because lawmakers voted last year to create a more affordable insurance product called an “exclusive provider organization.” Lawyers, lobbyists and experts at groups representing doctors say changing the rule on PPOs wasn’t necessary.

Lee Spangler, vice president of medical economics at the Texas Medical Association, said patients should never have to hesitate about obtaining emergency treatment because they are afraid they’ll be socked with bills insurance doesn’t cover.

“Commissioner Geeslin understood that to introduce a simple designation of ‘approved’ vs. ‘limited’ will provide an insurance consumer a basic understanding of the scope of the coverage offered,” Spangler said. “Not informing consumers about the insurance product they are purchasing only delays the consumer’s confusion until he or she receives care and discovers the services are not fully covered.

”Follow Robert T. Garrett on Twitter at [@RobertTGarrett](#).

**AT A GLANCE: Holes in PPO coverage**

The issue: Some patients covered by preferred provider organizations, or PPOs, have been startled after they came home from the hospital to learn that emergency doctors and pathologists weren’t in their insurance policy’s provider network. The policy pays little of what they charge, and the patient is “balance billed.” Former Insurance Commissioner Mike Geeslin issued a rule last year that would give people more warnings about the adequacy of a PPO’s provider net-



**Prayers & Praises for the following members and their families:**

Congratulations to Cheryl and Bobby Clark on their new grandbaby.  
Jack Galland had elbow surgery.

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