

**Testimony of Janice Haynes Davis
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**Presented on Behalf of the
National Association of Insurance and Financial
Advisors – Greater Washington, D.C.**

on

**B19-2, the “Department of Health Care Finance District
of Columbia Health Care Exchange Authorizing Act of
2011”**

before the

**Council of the District of Columbia
Committee on Public Services and Consumer Affairs
February 9, 2011**

Good Afternoon.

I thank Councilmember Alexander and the rest of the Council and their staff for giving us the opportunity to talk with you today.

My name is Janice Davis and I am an insurance broker in Washington D.C. I am a 4th generation Washingtonian and I currently reside in Ward 4. My husband and I have a small financial services, employee benefit corporation, and insurance brokerage firm in Washington, D.C. We recently moved our office from 16th and K Street, where we worked for 20 years, to a hub zone area on M Street in S.E. We currently have 5 full-time employees—3 of whom live in the city and 5 associates who work with our firm. Most of my clients are in the small group market—less than 100 employees—although I also have consulted with various entities and municipalities on a fee- basis.

I am testifying today as a member and representative of the National Association of Insurance and Financial Advisors – Greater Washington, D.C. NAIIFA-GWDC's 375 members live and work throughout the metropolitan area. Many practice in the health insurance and employee benefits arena. I have served as National Committeeperson and currently serve as the Washington, D.C. liaison.

Like Stephanie and Tom Seltz, I serve on the D.C. Exchange Implementation Subcommittee, where we share ideas with other stakeholders regarding the design and implementation of a District of Columbia Exchange.

My colleague Stephanie has given you a detailed picture of the services that we provide for our clients and I want to provide you with a little bit of information about who we are and the additional services that insurance brokers provide to our community. Most health insurance agents like me, have multiple producer licenses and service clients in Washington, Maryland and Virginia, as well as other states.

Currently there are:

- 1,051 D.C. resident agents and entities who are licensed accident, life, sickness and health producers;
- 7,083 Maryland resident agents and entities licensed as D.C. producers and entities;
- 4,159 Virginia resident agents and entities licensed as D.C. producers and entities;

- A total of 12,293 individuals and entities are licensed accident, life, sickness and health producers in the District of Columbia from these three jurisdictions.

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Who are these producers? These producers are employers; they provide benefits, mentor, donate to various charitable causes, volunteer and train others in the financial services arena. They contribute to the community with their dollars and their time and they are taxpayers. Our firm has employed individuals from Wider Opportunity for Women, summer youth, and Mentors, Inc. and trained people to go on to careers in financial services, healthcare, billing and claims adjudication, customer service and to become successful insurance agents.

Two summers ago, I employed a student who had been involved in the court system for truancy (In my old days, I worked in the school system as an attendance officer) and she became my office assistant. She worked with me in solving claims and billing problems. She helped me with spreadsheets in analyzing benefits and costs. She was a whiz, even though I had to work with her on her punctuality.

By the end of the summer I was able to take her with me for open enrollments where we explained the various plan alternatives and benefit offerings. One enrollment was particularly memorable because I took her to visit one of my clients, a pediatrician. She was able to talk with one of the nurses and decided that she too wanted to be a nurse. She took some classes in medical billing but in September, she told me she had enrolled at Howard University in their nursing program.

All of my employee groups have my cell phone number, and I am on-call 24/7. My clients are not the insurance companies that provide policies, but they are individuals, employers and employees who utilize my firm's services to assist them in the often complicated and confusing process of purchasing insurance products. Like my colleagues, we at Davis Planning solve claims and billing problems. We appeal insurance decisions. We act as the human resources department for many small employers—giving guidelines to the employer regarding plan continuation, COBRA and other federal and local mandates. We secure identification cards and talk with physicians and providers to verify coverage. We negotiate rates.

We provide coverage when a college student goes overseas or takes a year off to travel in Asia. We design health plans in concert with the employer to ensure that all of their employees have affordable plans to meet their employee needs. We facilitate open enrollments and go to the various office locations to explain benefits and costs.

As NAIFA-GWDC's representative, I would also like to provide the organization's position regarding the Exchange. Our local association has been working in concert with NAIFA at the national level and with other state associations as states design and seek to implement the state-based exchange which must be set up and fully implemented by 2014. We have no objection to the essence of Bill19-2, which authorizes the creation of the Exchange. However, it is imperative to our members that we preserve the role of the agent in the Exchange process.

We believe that the following guidelines should be followed:

1. D.C. should establish its own exchange as opposed to letting the Federal government come in as a fall back.
2. A single public exchange should be created, allowing individual and small business owners access to the coverage options as delineated in PPACA and there should be privately financed exchanges as well to insure competition. Market rules for plans inside and outside of the exchanges should be identical.
3. Although a single public state exchange is ideal, regional exchanges should be explored, in part because of D.C.'s unique state/city structure and population with only 6% currently uninsured. However, different states do have different regulations and costs and administration may be a factor.
4. D.C. should create a risk-adjustment mechanism rather than rely on the Federal government. Existing state risk pools could be converted for the purpose of risk-adjustment.
5. Funding for the exchange should be broad-based in nature and not fall on any one group or segment of society.

6. The Department of Insurance, Securities and Banking must be involved in the administration of the Exchange.
7. Licensed, fairly compensated insurance agents and brokers must be a part of any newly designed D.C. Exchange.

As the Council prepares to examine and debate the merits of Bill 19-2, we urge you to consider the role of the broker in the Exchange process. The National Association of Insurance Commissioners has developed a Model Act which outlines the role of the Navigator of the Exchange. It does not specifically reference brokers or agents, but it outlines many of the things that we do. We make our clients aware of the availability of qualified health plans, distribute fair and impartial information concerning enrollment in these plans and facilitate enrollment in these plans. In addition, the Navigator provides information in a manner that is culturally and linguistically appropriate to the needs of the population served by the Exchange. This sounds a lot like some of the roles that a broker fulfills, but not all.

Thank you for your time and consideration.

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