

U. S. House of Representatives' Committee on Energy and Commerce
Subcommittee on Oversight and Investigations
Hearing Regarding Predatory Sales Practices in Medicare Advantage

Summary of Testimony Submitted by Peggy Olson, Healthwise Insurance Planning, LLC

- The recent documented abuses of some health insurance producers selling Medicare Advantage plans are inexcusable. However, the outrageous behavior of a dishonest few is in no way reflective of my entire industry.
- Selling any Medicare-related insurance product, if done correctly, is a very labor-intensive process that requires great patience, compassion and specialized knowledge of the many facets of the Medicare system.
- Most licensed producers who sell Medicare Advantage plans spend countless hours advising their clients, answering questions and helping to select the best possible plan options based on their clients' budgets and personal preferences.
- Medicare Advantage may not be the right choice for every senior, but there are many Medicare beneficiaries who are very happily insured under these plans. Eighty percent of my clients have chosen to use the Medicare Advantage plans because they are easy to understand, offer excellent benefits and, at least in Oregon and Southwest Washington, are relatively inexpensive.
- It is critical that all Americans, including Medicare beneficiaries, have a wide range of health plan choices available to them. And it is just as important that they have access to a licensed and ethical health insurance professional who can help them pick the policy that best suits their individual needs.
- The way that we can make sure that all producers selling Medicare-related products are able to advise their clients in the most ethical manner is through education. It is critical that anyone selling any type of Medicare product, be it Medicare Advantage, Part D or a Medigap plan, be thoroughly trained.
- My passion for proper producer education is in large part of what led me to become involved with my industry's professional trade association 25 years ago. Since 1997, I have been a member of the National Association of Health Underwriters' (NAHU) national Medicare Advisory Group, and I served as its chair in 1998. To ensure that NAHU members are equipped with the most up-to-date and accurate information on marketing Medicare plans, during the past year NAHU and AHIP established a four-part education program on Medicare, Medicare Part D and Medicare Advantage.
- This program has been approved for continuing-education credit in almost every state, and we are actively promoting the course to both NAHU members and non-members.
- The program is currently being updated and expanded to include more training on private-fee-for-service plans and will be available in a more universal format. It is our understanding this will be the standard for education for producers who market these products, whether they are independent agents or employees of insurance.
- We expect to be able to announce major enhancements to our program that will greatly expand its outreach in the coming weeks.

**Testimony for the
United States House of Representatives
Committee on Energy and Commerce
Subcommittee on Oversight and Investigations**

Hearing Regarding

Predatory Sales Practices in Medicare Advantage

**On
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Submitted by

**Peggy Olson
Healthwise Insurance Planning, LLC
P.O. Box 14725
Portland, OR 97293
(503) 788-5680
(503) 777-7133 FAX
olsonmm@yahoo.com**

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Good morning. My name is Peggy Olson, and I am very honored to have been asked to testify before the Subcommittee today. I am a licensed health insurance agent from Portland, Oregon, and I specialize in the sale of Medicare-related health insurance products, including Medicare Advantage products. I have been in the insurance business for 25 years, and I have been counseling seniors about Medicare-related health insurance products since 1989.

First of all, I would like to commend the Subcommittee for taking up this important issue, which is extremely close to my heart. I am well aware of recent publicity that has documented the highly unethical behavior of some individuals selling Medicare Advantage plans. I make absolutely no excuses for those individuals and their egregious violations of the Medicare marketing rules. However, I do not think the outrageous behavior of a dishonest few is in any way reflective of my entire industry.

The sale of “senior products” is really a labor of love. I speak not just for myself, but for my thousands of professional colleagues from all over the country who have built up their businesses focusing on this niche market, when I tell you that this isn’t in any way a “get rich quick” means of making a living. The Medicare-eligible population has very unique needs. Clients are frequently suffering from debilitating and/or chronic medical conditions. Many have trouble with functional literacy and/or comprehension as a result

of either health issues or educational background. Most are simply deliberative by nature. Selling any Medicare-related insurance product, if done correctly, is a very labor-intensive process that requires great patience, compassion and specialized knowledge of the many facets of the Medicare system.

Just to give you a real-life example, I recently worked with a client who is 83 years old. Her husband had died recently and his employer was astounded to find out that neither of them had ever enrolled in Part B of Medicare. Open enrollment for Part B is from January 1st to March 31st each year, and then the Part B coverage becomes effective the following July 1st. After a lot of discussion and explanation, I was able to enroll her in a “bridge” plan to cover her Part B benefits until July 1st and finished her enrollment in a Medicare Advantage Plan last week. This whole procedure took more than 10 total hours of meetings, phone calls and paperwork. For this, I will receive \$4 in commission per month for the length of time she stays on the plan.

The standard I use for advising my senior clients is to treat them as I would my own parents. This is the standard that the vast majority of my professional colleagues use as well. Most licensed producers who sell Medicare Advantage plans spend countless hours advising their clients, answering questions and helping to select the best possible plan options based on their clients’ budgets and personal preferences. I would hate to see the Subcommittee undertake any actions that would limit the ability of seniors to access the services of licensed, ethical health insurance producers.

I would also hate to see the Subcommittee do anything to limit plan options for seniors. Medicare Advantage may not be the right choice for every senior, but there are many Medicare beneficiaries who are very happily insured under these plans. Eighty percent of my clients have chosen to use the Medicare Advantage plans because they are easy to understand, offer excellent benefits and, at least in Oregon and Southwest Washington, are relatively inexpensive.

I think it is critical that all Americans, including Medicare beneficiaries, have a wide range of health plan choices available to them. And it is just as important that they have access to a licensed and ethical health insurance professional who can help them pick the policy that best suits their individual needs.

One of the main ways we can make sure that all producers selling Medicare-related products are able to advise their clients in the most ethical manner is through education. As I have said already, Medicare is a unique market that necessitates special sales rules. It is critical that anyone selling any type of Medicare product, be it Medicare Advantage, Part D or a Medigap plan, be thoroughly trained.

My passion for proper producer education is in large part of what led me to become involved with my industry's professional trade association 25 years ago. Since 1997, I have been a member of the National Association of Health Underwriters' (NAHU) national Medicare Advisory Group, and I served as its chair in 1998. I have also worked with CMS and its precursor, HCFA, on creating agent training programs for the sales of

Medicare managed care products and have served as the president of my state association, the Oregon Association of Health Underwriters.

My association has always been committed to senior product education, but I want to make sure that all of the Subcommittee members are aware of the project we have undertaken in the last year in cooperation with America's Health Insurance Plans (AHIP) to make sure that producers have access to high-quality and consistent training.

To ensure that NAHU members are equipped with the most up-to-date and accurate information on marketing Medicare plans, during the past year NAHU and AHIP established a four-part education program on Medicare, Medicare Part D and Medicare Advantage. The NAHU/AHIP course teaches the marketing rules and responsibilities of each program and, like all of NAHU's many education programs, it covers and encourages ethical professionalism and includes a required exam to document competency. My fellow Advisory Group members and I reviewed the course content over the past year and I participated in the training program last fall. This program has been approved for continuing-education credit in almost every state, and we are actively promoting the course to both NAHU members and non-members.

We learned in development of the course that its effectiveness would depend on its consistent use by carriers operating in the Medicare Advantage market. The program is currently being updated and expanded to include more training on private-fee-for-service plans and will be available in a more universal format. It is our understanding this will be

the standard for education for producers who market these products, whether they are independent agents or employees of insurance carriers. This has been underway for a number of months, and the recent voluntary suspension of Medicare Advantage fee-for-service product sales accentuates the need for this type of comprehensive training. It is our understanding that all carriers will utilize this uniform training and its required exam to be certain that all agents are trained with the same information. We expect to be able to announce major enhancements to our program that will greatly expand its outreach in the coming weeks.

I truly appreciate this opportunity to appear before the Subcommittee today. If you would like any additional information, I can be reached at either (503) 788-5680 or olsonmm@yahoo.com. If any of the Subcommittee members have questions, I would be happy to answer them.