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Limited Medical Plan Opportunities: Do Brokers Care Or Are They Over Them?

While attending a large, national broker conference, I recently sat in a breakout session that was focused on limited medical plans and how to be successful selling these benefits. With the increased exposure of limited medical plans in newspapers, industry periodicals and the marketplace, I was sure that brokers would be craving information on this topic. Throw in the number of carriers and experts that are currently populating the limited medical marketplace and you would think the limited medical session would be a surefire hit. But attendance at this session was poor and the question-and-answer session afterward was minimal.

It made me wonder if brokers already know enough about limited medical products or if they are no longer looking for this solution for their clients. Are brokers confused by the quick entries of carriers and the sheer number of limited medical products now available and, therefore, are suffering from analysis paralysis? Finally, do some brokers believe that limited medical plans are beneath their expertise and position? *What's going on out there?*

As a result of this, I took a step back and examined feedback received from brokers who are successfully selling limited medical plans. The result: *Brokers need to fully*

understand the opportunity that limited medical plans provide. Following are five ways to cut through the clutter, enhance your credibility and boost your revenues.

1 Use limited medical to solve multiple client problems

Most brokers have clients who are suffering from high premiums, tight financials and low participation. Help your clients make it all work by analyzing the dollars available to spend on health care and use the majority of that money to cover a tightly defined eligible class of employees. An employer can tighten eligibility by hours worked, job classification, or length of service, and then maximize the use of the available major medical dollars to cover 100 percent of that class. In doing so, the major medical carrier is much happier and rates may even go down. Next, cover the remaining employees with a limited medical program. Many employees excluded from participating in the major medical plan are already going without care due to the cost of paying for their share of the premiums. With this approach, clients end up with more lives covered under their insurance programs, and you end up with clients who appreciate your expertise in

establishing more stable and sustainable coverage packages for them.

2 Examine your current book of business

How many of you have clients on the books who are fairly self-reliant? It's easy to let them coast while working with your more demanding clients. We all like those "autopilot" clients, but don't forget to review their entire workforce for employees who are not covered in existing health plans. According to the Commonwealth Fund, 44 percent of employees who work in companies with 25 or fewer employees are not covered. In groups with more than 500 employees, 26 percent of employees do not receive the opportunity to enroll in group-sponsored coverage. You can mine premium from your existing client base by putting a spotlight on total employment versus total enrollment.

3 Prospect where the need for benefits is the greatest

The Commonwealth Fund also reports that 22 million people work in a job where no coverage is offered. You can

be the broker who explains to employers that an affordable option for providing day-to-day medical needs is available. A group-sponsored limited medical plan underwritten by a quality carrier can provide employees with access to physicians and hospital care with network repricing to make benefit dollars go furthest. Keeping more people on the wellness track is good for your community, state and nation.

4 Keep it simple

Employers are constantly working hard to explain benefit packages clearly and completely to their employees. When offering limited medical plans, it is in your best interest to sell plans that every employee can quickly read and understand. Stay away from plans that have confusing pre-existing condition limitations and complicated co-insurance maximums. All limited medical plans have maximum payouts, and brokers gain nothing by providing a plan that looks similar to a major medical plan. Employees should be able to quickly recognize the limitations of the plan they are enrolled in; this will reduce the misunderstandings that many brokers

fear when offering limited coverage.

5 Sell it once

The last thing you need is the headache of a lower premium plan with service or administration issues. Find a high quality, experienced administrator for your limited medical business, sell the case, and let it run itself. It is possible. If you are going to sell multiple products to a client, you cannot afford to let the new limited medical program corrode your entire relationship with your client. There are employers out there who have been successfully utilizing the same limited medical plan for 10 years—it is possible.

Renewals and consistency are good for your bottom line, and I welcome your thoughts and feedback on what you are seeing in the limited medical marketplace—the facts and the fiction. With the upcoming presidential election just months away, there is going to be continued focus on our nation's health care system and how we can improve it. Limited medical plans should be one of the options you are presenting to clients—new relationships as well as clients you're already serving. 🌐