

Health insurance agents concerned but Covered California promises to be ready Oct. 1

By Jondi Gumz Santa Cruz Sentinel Santa Cruz Sentinel

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SANTA CRUZ -- Depending on who is talking, the Affordable Care Act health insurance enrollment starting Oct. 1 will be exciting or chaotic.

At local nonprofit Community Bridges, philanthropy director Naomi Brauner is excited about plans to train a dozen people to become "certified application counselors," helping people enroll in health insurance plans made possible by the Affordable Care Act.

"We're going to hit the ground running," she said, noting counselors will undergo two-and-a-half days of training later this month and be available at the Live Oak Family Resource Center, Mountain Community Resources in Felton, La Familia in Santa Cruz, La Manzana in Watsonville and the Women Infants and Children nutrition sites.

But two local insurance agents who spent Saturday at a training class in Fresno required to sell the new health insurance plans, question whether California will be ready. They drove to Fresno because the only class in Santa Cruz County is slated for Sept. 27, three days before enrollment begins.

"This is as big as a paradigm shift as the federal income tax, Social Security under FDR, or Medicare with LBJ," said Gene Burkett of InsuranceLink in Felton, who attended the class. "I foresee a lot of chaos."

Pamela Fugitt-Hetrick of DCD Financial and Insurance Services in Santa Cruz, who attended with Burkett, said agents were warned online enrollment may not be ready Oct. 1 and told California is postponing until June training of "navigators" as unbiased sources of information about new coverage options.

"They're not prepared to do navigators," said Burkett, a career insurance agent, who questions how much help newly trained people can be. "They're not licensed agents. They can't give you any advice ... I suspect the (phone) lines will be overloaded."

Larry Hicks, a spokesman for Covered California, the state's health benefits exchange, disagreed, saying, "We expect half will need some one-on-one assistance. We're fully prepared to do that."

He called navigators "an important piece but a smaller piece," funded with \$5 million compared to \$43 million granted to 50 organizations for "educators" to spread the word about the new health plans.

"We're ramping up in-person enrollment assistants," Hicks said, referring to the certified application counselors such as those working for Community Bridges.

He said those organizations will get \$58 per successful enrollment that results in coverage on Jan. 1, which is when the individual requirement for health insurance takes effect.

Several thousand county workers will help enroll people along with insurance agents and 500 call center representatives, Hicks added, insisting that self-service online enrollment "will be available come Oct. 1."

In Santa Cruz County, 15 Health Services Agency employees will get trained at the end of the month.

Not everyone will be happy with the overhaul, especially those who find their employer's family coverage pricey but are not eligible for a subsidy.

"This is the memo no one wants to talk about," said Fugitt-Hetrick, who expects to pay \$429 a month next year up from \$320 a month this year. "People who don't get a subsidy are getting a huge rate increase. Only people who get a subsidy will be happy with the numbers they see, and those who couldn't get insurance before."

He recommends employers keep their plans for next year and "let the system work out its kinks."

Another challenge is California's 1 million "unbanked" households who do everything with cash and money orders rather than a checking account.

"As agents, we can't take cash," Burkett said. "We need to work out payment methods."

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INSURE OR ELSE

The Affordable Care Act levies penalties on individuals who do not have health insurance in 2014. The penalty is a flat fine or a percentage of income, whichever is higher, and is paid when a tax return is filed.

YEAR 2014 2015 2016

Per adult \$95 \$325 \$695

Per child \$47.50 \$162.50 \$347.50

Percentage of income 1% 2% 2.5%

Maximum \$285 \$975 \$2,085