

**From:** Raymond M. White, CLU, ChFC, CFP  
**Sent:** Wednesday, May 21, 2014 9:39 AM  
**To:** Sawicki, Marlene  
**Subject:** Public comment on SHOP exchanges in NH

To Whom It May Concern:

With regard to the employee choice component being integrated into the SHOP exchange for 2015, I would urge postponement in New Hampshire until 2016. The reason for this is that I as a broker suffered through almost 3 months of a nonfunctional federal exchange in 2013, and was unable to enroll my first individual exchange client until around December 17, 2013, despite that the Federal exchange supposedly was open for submission on October 1. I fear a similar situation will develop with the SHOP exchange, especially given that it was unable to launch this year because of technological and logistical problems. It would be much better to crawl before trying to walk. In other words, it would be much better to be able to demonstrate the Feds have the ability to have a functional web-based SHOP exchange that operates smoothly and as intended and promised before trying to add the complicated features allowing employees to choose between multiple carriers.

This complication could result in an enrollment and pricing complications that will frustrate both the public and we as brokers, similar to what healthcare.gov experienced for over half of its open enrollment period this year. In addition, there is risk to each individual carrier participating regarding adverse risk selection. To guard against this, carriers are going to be reluctant to offer "rich" plan designs from both a benefits and network perspective, because they are going to be nervous about having the very best plan available, knowing that the sickest population will gravitate toward that plan, regardless of the price, while the healthy population is more apt to judge a plan by balancing price and benefit considerations more evenly, since they are not in need of immediate, expensive care. Until a wellthought-out adverse risk mitigating system is a part of the employee choice system, I don't believe any carrier is going to offer their full menu of products, and thus the perceived full employee choice on the SHOP exchange will be illusional.

On another unrelated note, I find the recent guidance that came out of CMS regarding navigators and assistors to be appalling. They said:

CMS Guidance-"A state cannot require that a navigator hold an insurance license, have a surety bond, have errors and omissions coverage, provide a copy of a high school diploma, meet credit rating reporting requirements, or meet other unduly burdensome standards, officials say. Officials declined to list all of the requirements that they say states should not try to impose. State exchange programs that serve only small businesses may be able to have navigators refer all or most callers to agents and brokers, but states may not normally require exchange assistors to refer users to agents and brokers, officials say."

If this is the case, I don't understand how a regulatory body like the New Hampshire Insurance Department can impose burdensome standards on brokers regarding virtually every requirement mentioned in this quote, ostensibly to protect the public and safeguard personal information, but then allow PPACA personnel to operate in their states completely void of safeguards. This double standard is completely anti-business from my broker standpoint, and completely anti-consumer from the CMS language standpoint. Are we to assume that the broker community is made up of nothing but felons and ex-cons, who must be under constant scrutiny and monitoring because of their ability to harm the public at will,

but that public employees have nothing but pure motives at all times, and thus should be void of supervision and oversight, since it is impossible for them to do anything untoward? I would urge the New Hampshire insurance department to restore some balance and sanity to this blatant double standard, and assert their sovereignty as the state regulator of insurance, even if it means disregarding CMS guidance, as they are overstepping their authority. There is no point in having the historical state-based oversight of insurance any longer if the department is not going to resist the federal takeover of this realm that they do not have the constitutional authority to intrude upon. I urge the Commissioner and the state of New Hampshire to assert their 10th amendment constitutional rights and duties, and protect our citizens, both consumers and hard-working brokers.

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