

NAMSA NEWSLETTER

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The official newsletter of the National Association of Medicare Supplement Advisors, Inc. This letter is sent to people who qualify for membership in NAMSA. It is sent on an irregular basis, as developments occur regarding Medicare, CMS, Medicare Supplement and Medicare Advantage. The letter will provide a forward looking, ongoing effort for NAMSA members to be updated regarding information useful to our industry.

JULY 8, 2009

“What you don’t know can’t help you”

IMPORTANT ANNOUNCEMENT REGARDING MSA AND NAMSA—

In a news release on July 1, 2009, the ***Ohio Department of Insurance*** announced rules prohibiting certain ***“Senior Designations”*** with the headline, ***“Department Adopts Rule to Help Protect Senior Citizens.”*** The article goes on to enumerate four classifications prohibiting use of “senior specific certification or ***professional designations*** in a manner that violates this rule and Ohio law.” ***The rule is in force as of July 1, 2009.***

While the ***MSA designation would not be in violation of the four criteria listed***, the article also states that the criteria ***“...includes, but is not limited to...”*** (the four criteria). Another paragraph deals with ways a ***designating organization can be accredited*** through three different accrediting agencies. While the word “Senior” does not appear in our designation, it would be hard to describe our mission otherwise, since 99.9% of our market is age 65 or over.

This ball began rolling some time ago, and these things have a way of gaining momentum. The ***original*** laws in seven states were ***“securities” law***, and referred to investments. They came about for a variety of reasons, too numerous to mention here, but were part of the mess creating the current financial unrest.

Then two states included “insurance” in their laws regarding the use of designations—***California and Utah***. ***Now Ohio*** has joined the progression under ***“insurance law.”*** By the time you get this issue of the newsletter, I will have contacted 30 Ohio designees and association members informing them that use of the designation is now disallowed.

Some things are silly. For instance I called the California Department and asked what we would have to do to qualify for approval. Among several things, I was told that we would have to offer ***75 hours (nearly two weeks) per year of continuing education*** in Medicare Supplement and Medicare Advantage. Doing that would amount to about ***70 hours of redundancy***, so I told them that ***wouldn't be happening***, and suspended sales of MSAA in California.

I also talked with the director of one similarly positioned “Senior” designation, who informed me that he had ***spent over \$100,000*** to be accepted by the “qualifying designating organizations”. So, obviously, ***that won't be happening either.***

Personally, knowing, or at least having talked with, most of our members, ***I object to including our designation as one which needs exclusion*** from a “list” of preferred and favorite old-time designations to ***“Protect Senior Citizens,”*** as the Ohio news release implies. I know that the ***value of our training and education produces an exactly opposite result***, especially in this day and age of millions of Americans at risk of dealing with “hit-and-run” artists.

Last summer at our annual meeting of the NAMSA board of directors, I informed the directors of what seemed to be underway regarding designations, although at that time, the laws were still directed at “securities or investment” designations. The board ***unanimously agreed that we should make the association stronger*** by asserting some new and real benefits to our members. The ***NAMSA Newsletter***, started in October, ***was the first of those innovations.*** The development of a ***“personalized, exclusive lead system*** was the second. We have several more benefits underway, including a ***very exciting one*** mentioned later in this letter—***a variety of informative webinars—which will be of great value to our members.***

At any rate, ***I have neither the stomach, time, nor money to “fight city hall”*** on this designation matter. Therefore, ***effective September 1, I will suspend sales of the MSAA designation,*** and convert the materials ***to training and educational courses under the NAMSA banner.*** No real changes will occur with the training program, except for the discontinuance of the designation. A great deal of internal work, mostly print items, will be required to achieve this transfer of emphasis from the designation to the value of the association. It will take ***some time and expense to accomplish this***—thus the reason for the cutoff date seven weeks ahead. ***Those who already have the designation, obviously, can utilize and enjoy it*** until such time as a state legislature may pass an “insurance” law that a department is required to uphold, and a producer is expected to know about and abide by.

I feel badly about having to make this decision, but ***I have great confidence in the value of the association,*** the benefits we can achieve for members, and the future of continued training and updating for those interested in our industry. As I

have said for at least the past four years, ***never has the need been greater*** for well trained, educated, informed, and conscientious producers in the “65 and over” market. ***I am very proud of the achievements of both MSA and NAMSA***, and through the association, look forward to ***protecting the American Medicare public*** through the ***very special people we have in our organization***.

As we move through the boomer phase of American demographics, or should “health care reform” make Medicare available to the first half of the boomer generation—20 million people—***the Medicare public will need us more than ever***. My hope is that we can grow in membership to the point where someday, we might have a say in, and effectively influence, ***Medicare policy***. I am ***impressed with the knowledge and experience of our members***. I have talked with most of you, and learn from you. Many of you have rendered great ideas, as evidenced ***in our attempt to create some reform in MA, MAPD and PDP matters***, particularly with the excruciating constraints of time frames involved in these markets.

Even though I could rattle on for several more pages regarding how I feel about insurance ***“designation defamation,”*** we have more valuable and immediate needs to discuss. So, here goes.

NAMSA offers its’ first Webinar to members...!!!

“Writing Medicare Supplements Electronically—A Webinar for NAMSA Members” Save the date, Thursday, July 23 !!!

We are very pleased to announce that your association has obtained the services of one of the ***nation’s leading authorities on internet, telephonic, and e-mail*** Medicare Supplement applications.

Mr. Sam Halpern, Director of Internet Marketing for Senior Market Sales, will deliver a ***webinar exclusively for NAMSA members*** on ***Thursday, July 23rd***. The event log-in information is outlined below, but it is important that you ***respond to me*** at, RonIverson@guardingyourgold.com ***as soon as possible*** because the webinar is limited to ***the first 25 members*** responding. Please just send me a note with your name, telephone number, and e-mail address on it, requesting ***“First of 25”*** and I will register you.

Two summers ago, I attended a conference where I met two young agents who said that ***100% of their business*** was written through the internet and/or over the phone. I couldn’t believe it, and of course the question was “How do they do that?” ***Well, now***, if you’ve been left out of this stream, ***you can find out***.

If **you** are only “**semi literate**” regarding somewhat newly available computer and internet techniques, **you will certainly gain** from this event.

For those of **you** who are “**ahead of the curve**” in electronic, telephonic and computer knowledge, and delightfully up-to-date and futuristic in your thinking, **you will be very interested in what Mr. Halpern has to say.**

Mr. Halpern will cover the following innovations:

- 1) Paper application via regular mail
- 2) Applications via e-mail with ink signature
- 3) Online application with electronic signature
- 4) Telephonic application via digital voice signature
- 5) Telephonic application via call center
- 6) Application via digital tablet

In describing these techniques, Mr. Halpern says, “Every day, **more and more agents are leveraging technology to help them save time, connect with new clients and write new business.** If you’re not using any of these methods and want to start, **this webinar is for you.**”

In addition, several studies point out the **growth of internet utilization** in searching for health care products. I am aware that many of you already have agencies or general agencies that utilize various electronic concepts for your agency production and growth. This **exclusive NAMSA webinar will be able to enhance and reinforce your position.**

Here are the details:

Date: Thursday, July 23

Times:

- 1) **2:00 pm Eastern**
- 2) **1:00 pm Central**
- 3) **12:00 Noon Mountain**
- 4) **11:00 pm Pacific**

Webinar Instructions:

- A) 10 minutes before start visit:
<http://www.gotomeeting.com/join/211997728>
- B) Download “GoToMeeting” software to “join a meeting”
- C) Type Meeting ID: 211-997-728 (if prompted)
- D) Type your name and e-mail address when prompted

E) Dial in to Conference Call 1-641-715-3210, access code 211-997-728

For those of you who are “webinar” savvy, you will have no problem with these instructions. For those of you who are “webinar” for the first time, just be careful to follow the instructions and you should encounter no problems.

Some tidbits:

We have discussed the “***False Claims Act***” and the “***Medicare Fraud Strike Force***” in past newsletters, and ***the evidence is showing for the effectiveness*** of these counterparts. In late June, the Strike Force indicted ***53 people in the Detroit area***, charged with ***defrauding Medicare*** in schemes amounting to more than ***\$50 million*** in false Medicare Claims.

In Los Angeles, a Medical Center board chairman pleaded guilty to paying illegal kickbacks for patient referral in a scheme to ***defraud Medicare*** and Medi-Cal by ***paying recruiters to find homeless people*** who would be admitted to City of Angels Medical Center as inpatients ***to receive unnecessary health services***.

Also, in late June, ***eight Miami residents*** were indicted in a scheme that attempted to ***defraud Medicare of about \$100 million and spanned five states***. There were two different conspiracies, one dealing primarily with ***infusion therapy and expensive medical treatment*** for cancer, HIV, AIDS, chronic pain and varicose veins which amounted to about \$50 million, of which ***Medicare had already paid about \$19 million***. The second scheme amounted to submitting \$19 million in false claims to ***Medicare Advantage plans***, and involved infusion therapy clinics in ***Florida, Georgia, Louisiana, North Carolina and South Carolina***.

There are other instances surfacing in this scumbag trade. But cumulatively, the long arm of the law has been casting a pretty wide net to keep up with the shenanigans of those intent on ***robbing our Medicare dollars***. ***Kudos to the Justice Department*** for pursuing what has been going on for at least two decades. As members of NAMSA, ***you and your customers have a stake*** in seeing these people pursued, indicted, and convicted of Medicare fraud.

Also, reports were issued in June that ***nearly nine out of ten people are happy with their Medicare Supplement*** (Medigap to government people) ***policies***. More on that in a later issue.

Also, next issue we hope to ***break down the new NAIC recommendations on Medicare Supplement policies, and what you can expect by June 1, 2010***. There are several changes in the standardized policy series, companies will be

starting over with ***new pools of MS policies*** and closing the old pools, and obviously, ***rates will be a factor*** in determining what the new series of policies will entail.

This important note: Things are heating up in the health reform debates, and whatever legislation may come about. Remember that Medicare matters are deeply involved in the structure of whatever will be included in new legislation. Updating will be more important than ever, and it looks like ***sometime in the next two months, the NAMSAs Newsletter will have to go to a weekly issue***, rather than the once every two weeks we have been doing. The weekly issue will be shorter.

As a result, ***new members are needed more than ever***, so with the new emphasis on NAMSAs and the deceleration of MSAA, please mention to your cohorts that the ***association needs them***. Also, ***advertising specs*** will be available to interested parties shortly.

Just to show you that we are not always so serious, remember these two things:

1) ***“Where there’s a will, there’s relatives.”***

2) ***“A will is a dead giveaway”***

As always, my best, and I am looking forward to a renewed emphasis on NAMSAs.

***Ron Iverson, President
National Association of Medicare Supplement Advisors, Inc.***