Agency Marketing Strategy

Probing Questions that Create Sales

The next time you are speaking with a prospect/client, ask the following questions. I guarantee you will pick up one new client for every ten you ask these question of.

1. Does this prospect/client suffer from more than 50% turnover in their hourly workforce?
2. Does this prospect/client employ more than 100 hourly or part-time employees working between, 30 – 40 hours per week?
3. Do they currently offer these hourly workers a limited medical plan, MEC (Minimum Essential Coverage) or MVP (Minimum Value Plan)?
4. Do their MEC plans include a supplementary indemnity benefit? Or are they MEC only? (Note: Try to determine if they pay more than $50 per member per month for a MEC only option)
5. Does their MVP plan have any enrolled employees? If yes, <u>this is a red flag for follow-up</u>
6. Does their MEC plan return unused claims surplus to the employer? <u>Another red flag</u>
7. Has your prospect/client experienced unusually poor administrative service from the carrier or TPA sponsoring their MEC or MVP programs? *Likely you will find that most service has been anywhere from poor to horrible*

Behind the Reasons for These Question

Q – 1. You want to lead with the cost of turnover and the use of structured Access Based benefit strategies to retain, reward and recruit.

Q – 2. You want to identify employers who employ hourly workers <u>and</u> are using *"*skinny options*"* to comply with the employer mandate requirement under ACA. If they say no, this begs the question, "what exactly are you doing to comply with ACA employer mandate requirements?"

**Any solution using limited medical or MEC only coverage*

You may also want to determine whether this employer is using a MEC, MEC plus indemnity, or MVP plans. We know, for example, that MVP plans are likely **<u>not necessary</u> and carry with them an unacceptable amount of risk to the employer. This should be an opening for you to discuss eliminating the MVP and retaining a MEC plus replacement.

***The reasoning for this is that fewer than 1% of typical hourly employees exercise their rights to subsidized health plans on the exchange. Simply put, <u>the penalty for not meeting Minimum Value is less than the cost (and potential risk to the employer for high claims) of implementing a Minimum Value solution.</u>*

Q – 3. If your prospect is offering a MEC ONLY option, chances are it is grossly overpriced. Example: Claims typically run no more than $12 to $15 per covered employee per month. Most MEC Only plans charge an exorbitant administrative fee, compared to the actual claims being paid. This is another opportunity to make the incumbent broker look bad and you look good. The strategy here is to replace the MEC only, with a MEC plus insured indemnity for only a few dollars more.

Q – 4. Many, if not most of the MEC plans that we encounter, do not return unused claims dollars to the employer. Due to the predictability and relatively minimal risk, these plans are almost always overfunded. In some cases, no pre-funding is required, so the employer is required to fund claims on "on-call" basis, this can affect cash flow and is disruptive to budgeting and cash flow.

Q – 5. Focus on Service: Many of the TPAs sponsoring MEC/MVP plans have done an exceedingly poor job of handling billing administration. In some cases, we have found that they do not even answer the phone. Many employers assume that poor service comes with the territory in this market segment, this is absolutely not true and is unacceptable. Often, this simple question, "how has your service been" creates an opening to discuss improvement in the plan as well as provider services.