

# Medicare Advantage Commission Schedule – Attachment D

**Effective January 1, 2023**

## **Providence Health Assurance (PHA) New Appointment**

Before selling our Medicare Advantage products, you must be an appointed Producer and meet the following requirements for our Medicare Advantage product line.

- Complete and return our appointment application. Please provide all information requested, including references. The application will be reviewed with consideration for:
  1. Professional association affiliation
  2. Medicare Advantage plan health insurance focus
  3. Congruence with Providence core values
- The application includes:
  1. A completed Agency and Commission Agreement
  2. A copy of current Errors and Omissions Policy, stating policy holder name, policy limits (\$1 million minimum aggregate coverage), and policy effective dates
  3. A copy of your current producer/agency license(s)
  4. A completed W-9 form for accounting purposes
- Complete and pass the online Providence Medicare Advantage Plans Certification Training which consists of:
  1. CMS required information such as plan offerings and enrollment process
  2. Providence Medicare Advantage Plans Certification Test (must receive a passing score of 85% or greater)
  3. Provide a copy of the AHIP, NAHU or Pinpoint Medicare training certificate

Please note the following:

- Agents appointed under an upline agency who desire a different upline agency or seek a direct appointment with PHA must first obtain a release from their current agency before PHA will appoint or transfer them. In the absence of a release, agents are required to wait 3 months before switching GAs or obtaining a direct appointment with PHA.
- Moving to a different upline agency or seeking a direct appointment with PHA will only be allowed once per calendar year
- Changing appointment status will not be allowed from October 1 – December 15

### **Maintaining Existing Appointment**

Insurance agents who are currently appointed with Providence Health Assurance are required to meet the following appointment standards:

- Maintain current license(s)
- Maintain \$1 million in errors and omissions coverage at all times
- Comply with all the provisions of the Agency and Commission Agreement
- Complete the online Providence Medicare Advantage Plans Recertification Training and pass the product test with a score of 85% or greater
- Provide a copy of the AHIP, NAHU or PinPoint Medicare training certificate

### **Commission Schedule**

Commission schedule for approved Medicare Advantage contracts:

- Commission schedule will adhere to the Centers for Medicare & Medicaid Services (CMS) agent/broker compensation maximum amount allowed to be paid to agents/broker for Initial and Renewal enrollment for the plan year
- Initial Compensation is paid at the fair market value (FMV) cut-off amount published by CMS annually, as long as the member(s) policy is active and the agent's Medicare Advantage appointment is in good standing
- Renewal compensation is paid at fifty (50) percent of the initial compensation, as long as the member(s) policy is active and the agent's Medicare Advantage appointment is in good standing

- The enrollment (Initial or Renewal) is determined by CMS and reported to PHA monthly. PHA will adjust the commission (Initial or Renewal) based on the monthly report from CMS.
- After the 1st year of enrollment with PHA, renewal commission will be paid on a per member per month basis (PMPM)

Oregon & Washington	
Initial Compensation	\$601 lump sum
Renewal Compensation	\$301 lump sum
Renewing PMPM Compensation	\$25.08 PMPM

California	
Initial Compensation	\$750 lump sum
Renewal Compensation	\$375 lump sum
Renewing PMPM Compensation	\$31.25 PMPM

- If the policy is a new enrollment to Providence Health Assurance, we will pay a lump sum payment for the entire year. The lump sum will be either \$601/\$750 or \$301/\$375 if the member does not meet CMS definition of initial.
- Unless advised differently by CMS, renewal commission will be paid for the lifetime of the policy assuming the Agent and the Member contract is in good standing
- Commission may change from year to year based on the Agent Broker Compensation amounts released by CMS annually
- Commissions shall be issued twice a month to the appointed agency. If appointed directly, commissions will be paid to the producer.
- Any disputes in payment for new Medicare enrollments must be submitted to PHA by the appointed producer / agency within 90 days of the effective date of the plan. Any disputes in payment for an existing Medicare enrollment need to be submitted to PHA by the appointed producer / agency within 180 days of the last received payment. After review by PHA, if PHA determines payment is due, the payment will be included the following month.

- PHA will not accept payment disputes for new Medicare enrollments past the 90-day threshold. For payment disputes for an existing Medicare member, Providence Medicare Advantage Plans will not accept payment disputes past a 180-day threshold.
- PHA is required to recover, per CMS, all commission payments when a Medicare beneficiary disenrolls from the plan within the first three months of enrollment (rapid disenrollment). If a beneficiary disenrolls after the first three months, all unearned initial commission payments are recovered.