

- Not all Medicare Advantage (MA) carriers pay the same.
- No splits on MA or Part D business due to certification requirements. We will pay the agent the carrier indicates as the writing agent.
- Most MA carriers will pay new policies in a lump sum for the first policy year then move to as earned (monthly) upon renewal.
- All MA renewals take place on January 1<sup>st</sup> of the calendar year following when the policy became effective.
- New MA policies will initially pay based upon the renewal/replacement commission rate and then if CMS determines that the policy is new to Medicare (approximately 30 days later) will pay a true-up commission to bring the total paid up to the first-year commission rate. For most carriers, when true-ups are processed, the renewal/replacement commission rate is charged back, and then we pay the full first year commission rate. So, on the same commission statement, you will see a negative transaction AND a positive (larger) transaction for the same policy. We get lots of questions because agents look at the chargeback section of their commission statement and see the negative transaction, but they don't look in the earnings section to see the larger positive transaction.
- The commission grids we (ASB) publish are for policies effective on January 1<sup>st</sup>. Carriers will sometimes prorate the commission rate paid based upon the effective date of the policy; if the effective date is other than January 1<sup>st</sup>. For example, if the policy effective date is July 1<sup>st</sup>, you would receive 50% of the published comp rate.
- Some plans will prorate commission for non-January 1<sup>st</sup> effective dates and some will not. Each carrier has their own set of rules at the plan level because within the same carrier some plans/policies will prorate and some will not.
- MA carriers all have different timing on when they pay. The big carriers like UHC, Humana, AETNA, Wellcare, etc tend to pay within a week or two of the policy being issued; regardless of effective date; except for AEP biz which can't pay before January 1. The other MA carriers are much slower – they usually pay at least one month in arrears of the policy effective date.
- Rapid disenrollments are policies that term within 90 days of the effective dates. Most carriers do a full chargeback of commissions on rapid disenrollments, even if the policy was in force for a month or two.
- Agent of Record (AOR) changes are also handled differently amongst the MA carriers. If you make an agent of record change in the first year, most carriers will not change who they pay commission to until the policy goes into renewal on January 1<sup>st</sup> the following calendar year. AORs from one ASB agent to another are tricky and NOT encouraged – be sure to notify your RSM and office admin if you do an AOR change.
- Plan changes are also complicated because some carriers often do not change the policy number when the plan and possibly the writing agent are changed.
- If you do feel like you are missing compensation on a policy, here are the data elements we need to know in order to research:
  - Carrier & Plan Type (MedAdv; MedSup; Part D; etc);
  - Client Name;
  - Client DOB;
  - Policy Number or Application ID (if available); and
  - Policy Effective Date.