

# Medicare Supplement Compensation Schedule – Attachment E

**Effective January 1, 2024**

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

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

- Complete and return our appointment application and provide all information requested. The application will be reviewed with consideration for:
  1. Professional association affiliation
  2. Medicare Supplement 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

Please note the following:

- Agents currently part of an upline agency that are seeking direct appointments with PHA or who desire to move to a different upline agency, will be required to wait three months after obtaining a release from their current agency before PHA will appoint them
- 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 Medicare Supplement Plans 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

## Commission Schedule

Commission schedule for approved and paid Medicare Supplement contracts:

- Commission schedule will adhere to the Oregon Division of Financial Regulation (DFR) agent/broker compensation policies
- Commission for Year 1 Enrollment will be paid as lump sum for the full 12 (twelve) months commission. Commissions for Year 2 and beyond will be paid on a per member per month basis.

Year 1	\$348 lump sum
Year 2-6	\$19 PMPM
Year 7-10	\$10 PMPM
Year 11+	\$4 PMPM

- Commission will be paid to the Producer of record for each Medicare Supplement enrolled member with Providence Medicare Supplement Plans, assuming the Producer is and remains in good standing with Providence Health Assurance
- Unless advised differently by the DFR, renewal commission will be paid for the lifetime of the policy assuming the Agent and the Member contract is in good standing
- Only Providence Medicare Supplement appointed producers are eligible for Medicare Supplement commission
- Commissions shall be issued twice a month to the appointed agency. If appointed directly, commissions will be paid to the producer.
- PHA will not accept payment disputes for new Medicare Supplement enrollments past the 90-day threshold. Any disputes in payment for the

Medicare Supplement 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 Supplement 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.