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DATE: March 6, 2008

TO: All Medicare Advantage Organizations

FROM: David A. Lewis /s/
Director, Medicare Advantage Group

SUBJECT: Recommended Best Practices for Training Sales Agents and Brokers

CMS recently obtained baseline information from 40 Medicare Advantage Organizations (MAOs) offering Private Fee-For-Service (PFFS) products about their programs to train sales agents and brokers. These organizations provided CMS their training materials and tests used to train agents on the Medicare program and plan specific products. These 40 organizations represented a mix of experienced and new Medicare plans. Although only PFFS training materials were reviewed, the principles explained in this memorandum are applicable across a wide range of Medicare Advantage (MA) products and Prescription Drug Plans. The best practices identified from the information reviewed represent industry standards and best practices.

- Training program standards should not differentiate between employed/captive agents and delegated/contracted agents. Some plans reported differing performance expectations and levels of acceptable performance between the two groups.
- Agents must pass a test to assess their knowledge and understanding of the Medicare program and plan-specific products with a pre-determined minimum passing grade. Based upon our review of existing industry practices, we strongly recommend a minimum passing grade of 80%.
- Computerized testing provides organizations with an opportunity to create a repository for administering tests and recording test results. The maintenance of this data is important to the success of any training program. However, there are concerns related to computerized testing. Safeguards should be in place to guard against 'gaming' tests:
 - Plans that allow agents to retake their test multiple times should randomize or modify the questions on each test (i.e., changing the order of questions, including questions not asked previously) so that agents cannot predict either the questions or the answers.
 - If the plan does not randomize the test, then agents should not be allowed to retake the test multiple times (i.e., only one retake within a year). When an agent is unable to pass with a satisfactory score after more than one retake, the agent should be prohibited from selling the plan's products for a prescribed amount of time, such as 6 months.
- Most plans report that they have a process in place for annual refresher training for all agents. During this training, new Medicare benefits and requirements are explained as well as changes to the plan specific products. Providing such annual training and

the implementation of annual certification based upon that retraining is considered a best practice. If not already part of your organization's comprehensive training program, this should be incorporated for the future.

- CMS reviewed training materials from many different MAOs for accuracy and completeness. CMS believes that any training program must be comprehensive in scope and address all program requirements. Attached to this correspondence is a document that provides a list of the topics to be covered during PFFS training programs and that are representative of the best practices identified from the materials reviewed. A strong PFFS training program that should contain all of the subjects on the attached list.

CMS strongly recommends that all MAOs conduct a self analysis of the training programs currently in place and implement any of the above recommended practices that are not already in place. CMS will continue to devote considerable oversight attention to marketing and sales practices in 2008 and beyond. We strongly recommend the best practices in this memorandum to meet CMS' high standards and to serve Medicare beneficiaries with complete and accurate information.

If you have any questions related to this correspondence, please contact Helaine Fingold at 410-786-5014 or by email at Helaine.Fingold@cms.hhs.gov.

Attachment