

## **HPMS E-Mail**

**Date:** July 2, 2009

**Subject:** Further guidance on criteria for payment of initial compensation fees in 2009

On June 26, 2009, CMS sent an HPMS email indicating that we were examining our guidance on criteria for paying initial agent/broker compensation fees for 2009. While we expect to issue more detailed guidance shortly via an HPMS memorandum, we wanted to take this opportunity to provide organizations and sponsors with a summary of the guidance we expect to release.

Independent agents and brokers enrolling a beneficiary with Original Medicare and a PDP into an MA plan or MA-PD, and vice versa, should be paid an initial compensation for any such enrollments with effective dates in 2009. We will provide further details regarding the correction of CMS reports that will be necessary for organizations and sponsors to correctly identify the enrollment transactions where agents/brokers should be paid an initial compensation. We urge organizations and sponsors to notify their contracted agents/brokers about this policy change as soon as possible.