

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Medicare  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



**MEDICARE-MEDICAID COORDINATION OFFICE**

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**DATE:** June 11, 2018

**TO:** California Medicare-Medicaid Plans

**FROM:** Lindsay P. Barnette  
Director, Models, Demonstrations & Analysis Group

**SUBJECT:** California MMPs: Update to Agent/Broker Compensation Policy for Contract Year 2019

The purpose of this memorandum is to announce a marketing policy change applicable to California Medicare-Medicaid Plans (MMPs) starting for Contract Year (CY) 2019 enrollments. This guidance supplements the guidance in section 120 of the CY 2018 California MMP State-specific Marketing Guidance posted at: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/CACY2018MarketingGuidance072417.pdf>.

For CY 2019 enrollments, California MMPs approved by the California Department of Health Care Services will be permitted to use and compensate independent agents/brokers for MMP enrollments consistent with all applicable Medicare guidance, including the forthcoming Medicare Marketing and Communications Guidelines (MCMG) for CY 2019. This policy change is being implemented on a pilot basis subject to monitoring and oversight by the contract management team (CMT). The CMT will issue additional guidance to approved MMPs describing additional CMT monitoring and oversight requirements on agent/broker facilitated enrollments, ad hoc reporting, and training expectations for contracted independent agents/brokers. With advance notice, the CMT may also require an MMP previously approved to use and compensate independent agents/brokers to stop using independent agents/brokers.

We clarify that all California MMP enrollments facilitated by health plans must use the streamlined enrollment process as described in the August 2016 California Department of Health Care Services guidance, "Plan Submission of Opt-In Cal MediConnect (CMC) Enrollment Requests," even when the enrollment is facilitated by an independent agent or broker. Enrollment processes will not change for MMPs operating in county-organized health systems counties (H7885 and H8016), should these plans be approved to use and compensate independent agents/brokers.

California MMPs will continue to have the flexibility to compensate independent agents and

brokers in the two specific scenarios detailed in section 120 of the CY 2018 California State-specific Marketing Guidance.

California MMPs interested in participating in this pilot must request approval from the Department of Health Care Services by June 30, 2018. Under the pilot, DHCS expects to prioritize the requests of MMPs providing no other Medicare Advantage plans in the Cal MediConnect service area. Upon approval, MMPs must report their use of independent agents/brokers and compensation amounts in the Health Plan Management System (HPMS) by July 27, 2018, subject to the guidance in the May 25, 2018 HPMS memorandum, “Contract Year 2019 Agent and Broker Compensation Rate Adjustments, Submissions, and Training and Testing Requirements” and the applicable Medicare MCMG requirements. Please note that the July 27, 2018 compensation submission deadline will not be extended.

This guidance will be incorporated into the forthcoming final CY 2019 marketing and communications guidance for California MMPs, which will be issued to California MMPs later this year following the release of the CY 2019 MCMG.

If you have any questions about the contents of this memorandum, please contact the Medicare-Medicaid Coordination Office at [MMCOCapsModel@cms.hhs.gov](mailto:MMCOCapsModel@cms.hhs.gov).