

Frequently Asked Questions Medicare Improvements for Patients and Providers Act (MIPPA)

I. Marketing – Outbound Calls

Q. Can I make outbound marketing calls to prospects?

A. No, as of September 18, 2008, you may not make outbound calls to prospects, such as beneficiaries aging into Medicare. You can only call individuals who have expressly requested agent contact.

However, there is an exception for current members: You may call your current Aetna Medicare members to provide them with information regarding 2009 Aetna plan options.

Q. What if a beneficiary calls me, can I schedule him / her into a home visit?

A. Yes. However, before the visit occurs, you must document the scope of the appointment (products to be discussed in the appointment) either in writing or with a recorded call. No beneficiary identification such as SSN or HICN may be requested.

Each agent is responsible for storing their own lead cards or obtaining the equipment necessary to record telephonic conversations. This documentation must be maintained for 10 years

Q. Can I call people who don't show up at a meeting?

A. Yes. Once a beneficiary has asked for a meeting or home visit, you may follow-up with that beneficiary to ensure they have the information they need to make a decision about their plan options and to schedule a home visit. You will still have to document the scope of the appointment (either in writing or by recording) before the visit occurs. All outbound calls must contain a privacy statement. Per current process, no beneficiary identification such as SSN, HICN may be requested.

Q. How many times can I call a beneficiary?

A. Permission given by a beneficiary to be called or otherwise contacted is to be considered short-term, event-specific basis, and may not be treated as open-ended permission for future contacts. You must follow the Do Not Call regulations for your state in terms of the number of times and over what period of time you can call a beneficiary in response to their inquiry.

Q. Can I mail information to beneficiaries?

A. Yes, you may mail directly to beneficiaries. Please remember that Aetna must approve any materials referencing Aetna or Aetna products.

Q. Can I reach out to current PDP members to up-sell them into an MAPD?

A. Yes, you may contact current members to provide them with information regarding new Aetna plan options.

Q. If I am calling a beneficiary regarding a Medicare Supplement policy, can I discuss Medicare Advantage products as well?

- A. Due to the nature and relation of Medicare Supplement and MA/PDP product options, if during the course of an outbound call for a Medicare Supplement product the beneficiary initiates interest in a Medicare Advantage or PDP product, then that MA or PDP product may be discussed, as long as the call is recorded. The recording must include the beneficiary-initiated request for MA or PDP information and be stored for 10 years.

II. Marketing – Events / Meetings

Q. How do I obtain proper consent at meetings to follow-up with the beneficiary?

- A. You must obtain a signed lead card from each beneficiary enabling you to follow-up with a phone call or home visit. If you do not receive a signed lead card you may not follow-up with those leads. Lead cards that include a field for prospects' signature is available from Aetna's Producer World. It is critical that you capture on the lead cards all products that the beneficiary would like to discuss, since a home visit must be limited to the scope that the beneficiary has requested. For example, if a beneficiary has requested follow-up on PDP only, you may not include discussion of MAPD in that home visit.

Lead cards must be securely stored for 10 years and adhere to state and federal privacy standards.

Q. Can I get a beneficiaries' signed consent for a home visit at the time of the home visit?

- A. No. Consent for the home visit and the products to be discussed must be obtained prior to the home visit.

III. Educational Events

Q. How are educational events defined? What activities can I do at an educational event?

- A. Educational events are intended to provide objective information about Medicare and / or health improvement and wellness. A disclaimer must be included stating that the event is "educational only and information regarding the plan will not be available." Examples include health information fairs, conference expositions, state- or community-sponsored events, etc.

You may not distribute or collect any marketing materials including business reply cards or applications at an educational event. You may not conduct any marketing activities at an educational event.

Q. What are some examples of acceptable materials for distribution and activities at educational events?

- A. Specifically, any material distributed or made available to beneficiaries at an educational event must be **free** of plan-specific information (this includes plan-specific premiums, co-

payments, or contact information), and any bias toward one plan type over another. Some examples include:

- A banner with the plan name and/or logo displayed.
- Promotional items, including those with plan name, logo, and toll-free customer service number and/or website. Promotional items must be free of benefit information.
- A business card if the beneficiary requests information on how to contact the agent for additional information, as long as the business card is free of plan marketing or benefit information.

Q. What are some examples of unacceptable practices at educational events?

A. Producers may not:

- Discuss plan-specific premiums and/or benefits.
- Distribute or display business reply cards, scope of appointment forms, or sign-up sheets.
- Set-up personal sales appointments or get permission for an outbound call to the beneficiary.
- Attach business cards or plan/agent contact information to educational materials.

Q. Can I collect lead information at educational events for future follow-up?

A. No. You cannot distribute or display business reply cards, scope of appointment forms, or sign-up sheets. No marketing activities or materials are allowed at educational events.

Q. What are some examples of senior events that are considered sales events and not educational events?

A. The following are examples of events that are considered sales and marketing events, where all rules regarding marketing events apply:

- An event or presentation advertised as educational, but after the presentation the agent asks if anyone would like to hear more about any specific options available to them. In this situation, the entire event would be considered marketing. Similarly, you do not advertise an educational event and then have a marketing event immediately following in the same general location (same hotel, for example).
- Any event where beneficiaries can get educational materials, a blood pressure check and enroll in the plan.
- An agent goes into a senior housing complex and talks about Original Medicare and/or Medicare supplemental policies, but then discusses an MA or PDP plan.
- An agent attends a community-sponsored health fair, and hands out plan-specific benefits information including premium and/or co-payment amounts; or the agent hands out only educational materials but gives a brief presentation that mentions plan-specific premiums and/or co-payment amounts.

Q. Can I distribute marketing materials at senior events?

A. Yes, as long as these events are not educational events, you may advertise and distribute marketing materials and new leads cards that include signed authorization for agent contact.

Q. What activities can I do in a provider's office?

A. Consistent with current policy, you may not conduct any sales activities in a health care setting where beneficiaries receive or wait to receive care (e.g., physicians waiting room,

pharmacy counter, etc.) except in common areas (e.g., cafeterias, conference rooms). You may leave flyers or put up posters (with that provider's permission) advertising meetings where beneficiaries can learn more about Aetna's Medicare plans. Providers are permitted to make available and/or distribute plan marketing materials as long as the provider distributes or makes available plan marketing materials for all plans with which the provider participates.

Q. Can I meet with residents of Long-Term Care facilities?

A. Only upon request by the beneficiary may plans schedule appointments with beneficiaries residing in long-term care facilities.

Q. What are examples of refreshments permitted at sales events?

A. You are prohibited from providing meals at sales events. Light snacks are acceptable, examples include:

- Fruit
- Raw vegetables
- Pastries
- Cookies
- Crackers
- Muffins
- Cheese
- Chips
- Yogurt
- Nuts

Q. Can I provide small gifts at sales events?

A. Yes, consistent with current policy, you may provide beneficiaries with small gifts worth \$15 *retail* or less, that are not readily convertible to cash as long as they are provided to all beneficiaries, regardless of whether they enroll.

IV. Marketing – Cross-Selling

Q. Can I sell MAPD in a home visit that was set up with a focus on PDP?

A. No, you must get express permission for the scope of the meeting and the products to be discussed prior to the meeting. If the beneficiary requested a meeting only on PDP, you may not discuss MAPD or Medigap products. You are required to follow-up with an additional meeting after a 48 hour "cooling off" period.

You must follow the proper guidelines to set up any home visit or meeting.

Q. Can I sell non-health care related products at the same time that I sell Medicare Advantage products?

A. Marketing non-health care related products (such as annuities and life insurance) to prospective enrollees during any MA or Part D sales activity or presentation is prohibited.

You may sell non-health related products on inbound calls when a beneficiary requests information on non-health related products

V. Agent Marketing Standards of Conduct

Q. Do the Aetna Medicare Marketing Standards of Conduct still apply?

A. Yes, by signing the application for licensing, all Aetna Marketing Standards of Conduct apply to all agents, brokers, and Aetna employed sales representatives conducting Medicare business with Aetna.

VI. Agent Licensing & Appointment

Q. Do I need to be state appointed in order to sell Aetna's Medicare Advantage products?

A. Yes, independent agents and internal must be state licensed and appointed in accordance with state and federal law. If an agent is not appropriately licensed, appointed, and trained at time of sale, the member will be held harmless, and their application will be processed, but will be non-commissionable. Certain states, such as TX, UT, IN, and NC, require appointment at time of presentation of rates, others at time of the applicants signature, and still others at the effective date of coverage. It is your responsibility to follow state appointment rules when submitting applications.

Aetna will initiate appointment submissions for all agents who pass the AHIP certification program. Agents will be appointed in their state of residence and each state where the agent is licensed and Aetna also offers a Medicare Advantage product.

Q. What additional requirements must be satisfied in order to become state appointed with Aetna?

A. There is no additional paperwork that must be submitted. Once the appointment is approved by all states where the agent is licensed, a letter will be mailed to each agent confirming successful completion of all requirements. Agents can also check the status of their appointment by contacting Aetna's Broker Service Center at 888-247-1050.

VII. Compensation

Q. How does CMS define agent compensation?

A. "Compensation" includes all commissions, bonuses, gifts, prizes, and other financial and non-financial remuneration related to the sale or renewal of a policy. Remuneration related to volume of sales is considered "compensation." CMS guidelines specifically exclude some items such as state appointment fees and training or testing fees from the definition.

Q. How is the new compensation guidance recently released by CMS structured?

A. The new six-year compensation guidance recently released by CMS is structured in a way that requires health plans to compensate the selling agent for the initial year of the enrollment plus five subsequent renewal years. First year compensation can be up to (but no more than)

200% of each renewal year. However, CMS expects that health plans set reasonable compensation levels that reflect fair market value and that are kept as level as possible across plan types and among agents.

Q. How will an agent of record get paid for new business sold for 2009?

A. CMS has implemented a special transitional rule for 2009. For 2009, all health plans are required by CMS to pay compensation as though every sale, regardless of the status of the member (e.g. age-in, Traditional Medicare FFS, etc.), is a renewal. No first year rates will be paid in 2009. Instead, 2009 will be considered the first renewal year and four additional renewal years will be paid out after that.

Q. Why has CMS moved to a six-year compensation structure that limits the difference between initial commissions and renewal fees?

A. The primary goal of the new CMS compensation guidelines is to eliminate churning and facilitate appropriate beneficiary choice.

Q. How and when will plan changes be tracked?

A. After 2009, producers will not be able to receive compensation that's greater than the renewal fee paid by the replacing plan if an existing policy is replaced with a "like plan type" during the six year compensation cycle (i.e., if a beneficiary moves from a PDP offered by one carrier to a PDP offered by another carrier). However, CMS does not currently have the ability to track these types of plan-to-plan changes. Therefore, for 2009, CMS is requiring that renewal compensation be paid on all enrollments regardless of new business or renewal status. Starting in 2010, CMS will begin tracking plan changes by beneficiary record, not by agent/broker record.

Q. How are renewals going to be paid for enrolled members sold in 2008 and prior years?

A. Existing Aetna business that renews in 2009 will continue to be compensated based on the renewal schedule that was in place in 2008.

Q. If a member decides to disenroll, how will compensation be impacted?

A. If a member disenrolls prior to month 4, no compensation will be paid (100% chargeback). In other words, the 100% chargeback would apply for any member whose coverage is no longer effective on the first day of the fourth month following their enrollment. For example, if a member is effective on May 1st, and disenrolls effective August 1st, the 100% chargeback would apply. If a member disenrolls after month three, compensation will be pro-rated, and an appropriate chargeback will be made.

Q. How are commissions paid for current Aetna members sold into a like type product (PDP to PDP, MAPD to MAPD, etc.) and/or within the same calendar year?

A. No commission is payable for the sale of an Aetna product to an individual who is in the same type of Aetna product, and if a Selling Agent sells an Aetna MA Plan to a individual whose coverage takes effect during a certain calendar year, and the individual had previously enrolled in an Aetna PDP that took effect in the same calendar year, the compensation is limited to the difference between the respective commission rates in effect for MA Plans and PDPs at the time of the sales.

Q. Who do I call if I have a commission issue?

A. Aetna's National Broker Liaison Unit can be reached at 888-247-1050, Option 3. The Unit is equipped to assist in responding to all commission questions and/or issues.

Q. What is Aetna's "Paid as Presented" policy?

A. Aetna's "Paid as Presented" policy was implemented to ensure prospects are processed quickly and accurately, and to ensure accurate and timely compensation.

Under some of our General Agent/FMO arrangements, Aetna generally pays the General Agent/FMO, and the General Agent/FMO is responsible for paying the Selling Agent. However, if an enrollment application only includes a designation of Selling Agent as Agent of Record, and fails to include a designation of General Agent/FMO as General Agent of Record, Aetna will only pay the Selling Agent (in accordance with our commission schedule for individual producers). This payment will fully discharge Aetna's payment obligations with respect to the enrollment.

We also require the following:

- All enrollments must be received by Aetna within 48 hours of the signature date.
- The agent must be licensed and appointed to sell in the state in which the member resides, currently certified under Aetna's Producer Certification Program, and approved to sell Aetna Medicare Advantage and PDP products.

Q: Can a GA or FMO provide brokers and agents with commissions, bonuses, gifts, prizes, and other financial and non-financial remuneration related to the sale or renewal of a policy?

A: The remuneration paid to a selling agent, whether by Aetna and/or a GA/FMO, and whether in cash or in kind, must comply with CMS guidelines and other applicable legal requirements. Aetna will be including specific provisions in our 2009 GA Marketing Agreement to ensure compliance with the new producer compensation requirements. We will be sending out amendments to our existing agreements in the near future to address this and other requirements in the new CMS rules. Our agreements for new GAs/FMOs will also include these provisions.