

Schedule B: 2025 Producer compensation schedule

MEDICARE ADVANTAGE PLANS

This Compensation Schedule applies to independent producers (“producers”) appointed for 2025 PacificSource Medicare Advantage plans, for enrollments into Medicare Advantage (MA) or Medicare Advantage prescription drug (MAPD) plans with an effective date in 2025 submitted with the appointed producer’s name on the application. Commission is paid to appointed producers for the months a member is enrolled in a plan.

Initial Compensation: \$626.00

Renewal Compensation: \$26.08 per month

Compensation payment type, (Initial or Renewal compensation) as described by CMS regulations CFR 42 2274(d)(5)(iii)(B), is determined by the enrollee’s health plan coverage in the month immediately prior to their effective date in a PacificSource Medicare Advantage plan.

1.0 Initial Compensation Scenarios:

Appointed producers shall be paid the initial compensation described above under the following scenarios:

- 1.1 2025 is the beneficiary’s first year of enrollment in an MA plan or an MAPD plan, or the beneficiary was not enrolled in a MA/MAPD or PDP plan in the month immediately preceding their initial effective date in a PacificSource Medicare plan, or
- 1.2 The beneficiary moves from an employer group MA plan to a non-employer group MA plan, or
- 1.3 The beneficiary was enrolled in a PDP plan in the month immediately preceding their enrollment in a PacificSource MA/MAPD plan, or
- 1.4 The beneficiary was enrolled in an MA/MAPD plan in the month immediately preceding their effective date with PacificSource, and the beneficiary was in the initial enrollment year in that MA/MAPD plan.

The initial compensation amount described above will be paid in a one-time lump-sum payment for the first calendar year, regardless of the effective date in 2025. For scenarios 1.1 and 1.2 above, the full initial compensation amount will be paid. For scenarios 1.3 and 1.4 (as required by CMS regulations CFR 42 2274(d)(5)(iii)(B)) a pro-rated initial comp amount will be paid in a lump sum.

2.0 Renewal Compensation Scenarios:

Appointed producers shall be paid the renewal compensation described above and for the life of the contract, for those months the beneficiary is enrolled in the plan under the following scenarios:

- 2.1 For existing PacificSource members, following their initial year of enrollment. For Medicare beneficiaries who enroll in a 2025 MA/MAPD Plan, and who were enrolled in a “like plan type” (within the same carrier or with a different carrier) in the month immediately preceding their effective date with PacificSource and were not in their initial enrollment year in that prior plan. “Like plan type” enrollments include moving from: An MA, MAPD, or Medicare-Medicaid plan (MMP) to another MA, MAPD, or MMP plan.

3.0 When compensation is paid:

- 3.1 Compensation payments begin in the first effective month of coverage.

4.0 Commission payment with a Producer of Record (POR) change form:

- 4.1 For Producer of Record (POR) change form(s) received before the first effective month of coverage:
Original writing producer receives commission due to be paid out the first effective month of coverage.
The new POR receives commission due to pay out starting with the second month of coverage.

If two producers submit applications for the same beneficiary, same plan, and the same effective date, the second application received is considered a duplicate application. Duplicate applications are treated as a POR change request and commission will be paid as described above.

4.2 For POR change forms received after the first effective month of coverage:

The new POR will receive the commission scheduled to be paid out beginning the month after the month PacificSource receives a POR Change Request form.

5.0 Charge Backs (Compensation recovery):

As required by Medicare regulations (CFR 42 2274(d)(5)(iii)(B)), PacificSource will charge back commissions paid to the producer if the member disenrolls under the following circumstances:

- 5.1 Within the first three months of enrollment: If a member disenrolls or moves from one plan to another plan (within the same parent organization or between different parent organizations) within the first three months of enrollment ("rapid disenrollment"), 100% of the compensation paid to the producer must be returned to PacificSource.

PacificSource will not recover commissions paid if the rapid disenrollment was due to one of the exceptions as allowed by CMS regulations (CFR 42 2274(d)(5)(iii)(B)).

- 5.2 After the third month of enrollment: If a producer was paid an initial compensation and the member disenrolls after the third month of enrollment, with an effective date of disenrollment in the first calendar year on the plan, a prorated charge back of the initial compensation will be applied. The prorated charge-back amount is 1/12 of the initial compensation (\$52.17 in 2025) times the total number of months the beneficiary was not enrolled in the plan during the first calendar year.

6.0 General Provisions:

Compensation described above will be paid to appointed producers for valid PacificSource enrollments and/or plan changes received with the Producer's name in the appropriate box on the Enrollment Form.

Compensation will be paid as long as the member remains enrolled in a PacificSource Medicare Advantage plan, the producer remains appointed with PacificSource, is the producer of record for the member, and continues to meet the PacificSource annual compliance training and testing requirements, as well as applicable CMS requirements.

Compensation paid in error must be returned to PacificSource within 60 days of notification to the Producer by PacificSource.

Failure to return compensations paid in error back to PacificSource may result in termination of the Producer's appointment.

This 2025 Producer Compensation Schedule provides a summary of the compensation rates and rules. For a complete description of the compensation regulations, please see:

Medicare Managed Care Manual, Medicare Communications and Marketing Guidelines for Medicare Advantage Plans, Medicare Advantage Prescription Drug Plans, Prescription Drug Plans, and Section 1876 Cost Plans

PacificSource reserves the right to amend its compensation rates and its compensation policy, including the rules and restrictions, in order to comply with CMS requirements.