

**2021 AGENT EXHIBIT A
MEDICARE ADVANTAGE PRODUCTS
SCHEDULE OF COMMISIONS**

I. Definitions

- a. **Field Marketing Organization (FMO)** – Organization that meets or exceeds the SCAN Engagement Criteria for FMO’s and meets all eligibility requirements for an FMO as established by SCAN and State and Federal law.
- b. **General Agency (GA)** – Agency that represents a group of Agents that produce an agency minimum number of effective enrollments per year and that may be directly contracted with SCAN, a Managing General Agency (MGA), Supervising General Agency (SGA), and/or a Field Marketing Organization (FMO).
- c. **Exclusive Agent/Agency** – Agency/Agent who is only licensed and appointed with SCAN and represents only SCAN Medicare Advantage products within a SCAN geographic area. Agency/Agent agrees not to represent or sell other entities’ Medicare Advantage products including, but not limited to, HMO, PPO, Regional PPO, and PFFS plans. Exclusive Agencies/Agents must achieve a monthly minimum number of 10 verifiable and documented sales presentations, one of which may be to a SCAN approved monitor.
- d. **Independent Agency/Agent** – Non-employee sales Agency/Agent who is either directly contracted with SCAN or is contracted with a General Agency, MGA, SGA or FMO.
- e. **Initial Compensation** – Compensation that is paid only when the beneficiary is a new enrollee to Medicare or to an MA/MAPD plan, validated by the CMS MARx reports.
- f. **Renewal Compensation** – Compensation that is paid when the beneficiary is not new to Medicare or to an MA/MAPD plan, validated by the CMS MARx reports. Renewal compensations can also be referred to as the monthly renewal payment which is divided by twelve (12).
- g. **Lifetime Renewals** – For any new business written for SCAN, the Agent will receive monthly renewal payments as long as the member remains active with SCAN. Renewal payments will no longer be capped at six years and applies to all existing membership. Please note, in order to continue to receive renewal payments the Agent must maintain certification and valid California Insurance License.

II. Compensation Schedule

- a. Per CMS, Initial Compensation is paid only when the beneficiary is a new enrollee to Medicare or MA/MAPD, as validated by the CMS MARx

reports. All compensation will be paid as Renewal Compensation unless CMS MARX reports indicate the compensation should be Initial Compensation. All Agents will be compensated by SCAN at the rates indicated herein unless an alternative CMS compliant compensation plan is submitted with documented approval from SCAN. For enrollments with effective dates in the 2021 calendar year and prior years, the following compensation schedule will be in effect.

Compensation Schedule (Beginning with 1/1/2021 Effectives)

Sales Entity	Initial Compensation	Renewal Compensation Years 2 and Beyond*
CA Independent Agents	\$672	\$336

*Per CMS, Initial compensation is paid only when the beneficiary is a new enrollee to Medicare or MA/MAPD, as validated by the CMS MARx reports. All compensation will be paid as renewal compensation unless CMS MARx compensation reports indicate the compensation should be Initial Compensation. Note: SCAN renewal compensation continues as long as the Member remains continuously effective with SCAN and the agent maintains certification with SCAN.

III. Market

SCAN approved service areas.

IV. Requirements

- a. All compensation will be paid as Renewal Compensation (Prorated) unless CMS compensation reports indicate the compensation should be Initial Compensation. All Agents will be paid the compensation indicated unless an alternative CMS compliant compensation plan is submitted with documented approval from SCAN.
- b. The directly contracted Agent that is paid their portion of Initial Compensation or the Renewal Compensation will continue to receive their portion of Renewal Compensation as set forth in Exhibit A, provided the member remains continuously enrolled with SCAN, an agreement with the Agent remains in place, and the Agent maintains certification with SCAN. Compensation payments are subject to ongoing CMS guidance and policy changes.
- c. SCAN will pay the Agent the applicable Initial or Renewal Compensation consistent with CMS regulations, provided the Agent remains in good standing with SCAN.
- d. The Agent's National Producer Number indicated on the enrollment application identifies

the Agent of Record and is used to determine whom to pay for the enrollment.

If an enrollee leaves the plan prior to month four (4), no compensation is earned and a one hundred percent (100%) chargeback will be made to compensation calculations (90-day chargeback period). If Member leaves in months 4-12, compensation will be prorated. Compensation will only be paid to an Agent, as per CMS requirements, for the number of months that a Member is enrolled with SCAN.

- e. In accordance with CMS guidelines, as amended from time to time, if a Member changes from one SCAN product to another SCAN product, no additional compensation will be paid. The original Agent will continue to receive renewal compensation based on the original effective date, as long as there has been no break in coverage.
- f. Compensation disputes must be submitted in writing by mail or email to SalesCompensation@scanhealthplan.com; SCAN will research the issue and respond in writing as promptly as possible. The dispute must be submitted one hundred and twenty (120) days from the effective date of the member for consideration. Any compensation dispute received past the deadline will be rejected.
- g. SCAN reserves the right to alter the commission schedule and guidelines at any time. SCAN will also alter this schedule at any time to remain compliant with CMS, state or federal guidelines.

V. Miscellaneous

Both parties agree that SCAN has a vested interest in its Members' ongoing participation with SCAN. In recognition of this fact, Agency/Agent agrees to not attempt to move the Members between Medicare Advantage Plans without the approval of the health plan. A pattern of violation of this provision by Agency/Agent is subject to termination by SCAN pursuant to the termination provisions of this Agreement.

This **Exhibit A** may be amended at any time at SCAN's discretion and with proper notice to the Agency/Agent.

In the event of any conflicting terms between this **Exhibit A** and the main body of the Agreement, this **Exhibit A** shall supersede as applicable.