



December 3, 2024

Ms. Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
P.O. Box 8013
Baltimore, MD 21244

Dear Administrator Brooks-LaSure:

On behalf of the National Association of Insurance and Financial Advisors (“NAIFA”), I would like to express our strong concern with a troubling pattern that has recently emerged in which several Medicare Advantage organizations are eliminating agent and broker compensation for certain products and member assessments. These decisions, announced abruptly during the annual Open Enrollment Period, are extremely detrimental to the personalized services Medicare Advantage agents provide to millions of Medicare beneficiaries who rely on their expert advice. Additionally, we believe the announced compensation cuts may run afoul of existing federal regulations and should be addressed immediately.

As NAIFA previously stated, agents and brokers play a critical role within the Medicare Advantage marketplace to ensure millions of consumers are directed into the plans that best fit their healthcare needs. They educate consumers on how Medicare works both broadly and in conjunction with other coverage options; research physician networks and prescription drug formularies to ensure care and services are accessible; and provide ongoing advice throughout the year whenever inevitable concerns and questions arise. Without these essential services, some of our most vulnerable consumers would be left to navigate a complex and dynamic marketplace that could result in less access to care.

Moreover, the elimination of agent and broker compensation may not meet existing federal regulatory requirements. Under 42 CFR 422.2274(c)(5), Medicare Advantage organizations must report to CMS by the last Friday of July whether they intend “to use employed, captive, or independent agents or brokers in the upcoming plan year and the specific rates or range of rates the plan will pay independent agents and brokers. *Following the reporting deadline, MA organizations may not change their decisions related to agent or broker type, or their compensation rates and ranges, until the next plan year*” (emphasis added). The recent elimination of compensation for sales of products that fall under this plan year clearly represents a change in the rates that Medicare Advantage organizations pay their agents and brokers, regardless of the ranges that are provided to CMS prior to the reporting deadline, and therefore violates 42 CFR 422.2274(c)(5).

The Honorable Chiquita Brooks-LaSure

December 3, 2024

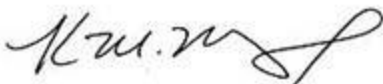
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NAIFA members are dedicated to ensuring that consumers have access to robust healthcare and prescription drug options that best meet their needs. The level of work and technical knowledge required to perform the job successfully, not just during enrollment periods but throughout the entire year, merit fair compensation. The recent, abrupt announcements by Medicare Advantage organizations to eliminate compensation undercut the agents' abilities to serve their clients and could have the unfortunate impact of reducing consumer access to personalized support.

NAIFA would like to continue the conversation with CMS to discuss the implications and legality of these actions. If Medicare Advantage organizations contemplated any level of commissions to agents and brokers as reported to CMS – a fair assumption given the organizations rely on a large network of agents and brokers to sell their products – we believe that the decision to suspend compensation entirely for certain products violates federal regulations.

If you should have any questions or require additional information, please do not hesitate to contact Michael Hedge, NAIFA's Senior Director of Government Relations at mhedge@naifa.org.

Very truly yours,

A handwritten signature in black ink, appearing to read "K.M. Mayeux", written in a cursive style.

Kevin M. Mayeux, CAE
Chief Executive Officer