

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

MEMORANDUM

DATE: May 28, 2021

TO: Medicare Advantage Organizations, Prescription Drug Plan Sponsors, Section 1876 Cost Plans, and Medicare-Medicaid Plans

FROM: Kathryn A. Coleman
Director

SUBJECT: Contract Year 2022 Agent and Broker Compensation Rate, Referral/Finder's Fees, Submissions, and Training and Testing Requirements

This memorandum provides contract year (CY) 2022 compensation and referral/finder's fee limits for agents and brokers, directions for submitting amounts into the Health Plan Management System (HPMS), as well as training and testing requirements.

Compensation Rates and Referral/Finder's Fees for CY 2022

As provided in 42 C.F.R. §§ 422.2274(d)(2) and 423.2274(d)(2), the compensation amount an organization pays to an independent agent or broker for an initial enrollment must be at or below the fair market value (FMV). 42 C.F.R. §§ 422.2274(d)(3) and 423.2274(d)(3) limit renewal compensation to a maximum of 50% of the FMV. 42 C.F.R. §§ 422.2274(f) and 423.2274(f) limit the amount an organization may pay for referrals.

Each year, CMS publishes the FMV amounts for initial and renewal compensation as well as referral fees. The amounts are as follows:

MA and Section 1876 Cost Plans				
Compensation Type	National	Connecticut, Pennsylvania, District of Columbia	California New Jersey	Puerto Rico, U.S. Virgin Islands
Initial Year	\$573	\$646	\$715	\$394
Renewal Years	\$287	\$323	\$358	\$197
PDPs				
Initial Year	\$87			
Renewal Years	\$44			
Referral Fees				
MA Plans	\$100			
PDP Plans	\$25			

NOTE: CMS rounds the FMV amounts for CY 2022 up to the nearest dollar. The Initial Year amount is the maximum allowable amount that organizations may pay for enrollments during