COMPLIANCE –*ALERT*

New CMS Regulations

SCOPE OF THE APPOINTMENT

October 27, 2008

HUMANA MarketPOINT

- Protect Our Members
- Notify Your Agents
- Be Informed

"The Beneficiary must agree to the "scope of the appointment: and the agreement must be documented in writing using the Sales Appointment Confirmation Form…"

In compliance with the newly passed federal law entitled "Medicare Improvement for Patient and Provider Act" or "MIPPA", sales agents are required to obtain agreement from the beneficiary on the "scope of the appointment" of all Medicare products that will be discussed prior to the face-to-face personal appointment with a beneficiary.

For all face to face appointments that are scheduled by the agent the process outlined below must be followed to maintain compliance with CMS guidelines. ***Please be aware that appointments set by Call Centers that have digital recording capability and can store and retrieve records for at least 10 years comply with the requirements of documenting the agreed upon scope of the appointment. No additional documentation is required.*** Agents must ensure that any leads they accept from a Call center will comply with the requirement to store and maintain the records appropriately in compliance with CMS regulation.

The process outlined below addresses appointments set by the agent. **<u>Agent use of this process and form is effective immediately</u>** for any appointment the agent may currently have.

<u>Process</u>

- The beneficiary must agree to the "scope of the appointment" and the agreement must be documented in writing using the Sales Appointment Confirmation Form and returned to the agent **prior to the appointment taking place.**
- The beneficiary can **NOT** sign the documentation at the beginning of the sales appointment with few exceptions; the confirmation must be signed and returned to the agent ***prior to*** the in-home appointment.

  <u>EXCEPTION #1</u> - Beneficiary walk-ins to a plan or agent/broker office or similar beneficiary initiated face-to-face sales event. The agent should complete a Sales Appointment Confirmation form and the beneficiary must sign the form BEFORE discussing Medicare Advantage or Part D plan. Agent must note on the form that the beneficiary was a walk-in.

  <u>EXCEPTION #2</u> - If an agent has a properly solicited appointment with a Sales Appointment Confirmation form in hand and unexpectedly finds that there are additional

beneficiaries present that were not anticipated, the agent must have each additional beneficiary complete the scope of appointment form ***prior to*** conducting the sales presentation. If any of the additional beneficiaries wish to learn about plans other than what was originally agreed to, the agent must make a separate appointment with that person to discuss their desired plans.

- Agents may call the beneficiary to follow-up if the Sales Appointment Confirmation form has not been received, but <u>the appointment can not take place until the form is received</u>.
- Non-health products, e.g. life and annuities may not be discussed during any MA and/or PDP appointment.
- Any additional lines of Medicare plan business that the beneficiary wishes to discuss, that are not identified on the confirmation form, will require that a separate appointment be set no sooner than 48 hours after the initial appointment. For example, if the Scope was for MAPD but the prospect changes their mind and wishes to consider a Med Supp + PDP combination a subsequent appointment is required. It is permissible for the sales representative to leave plan materials regarding these additional plans (not including enrollment applications) but the plans can not be discussed until the follow-up appointment.
- Follow-up appointments will require an additional Sales Appointment Confirmation form. Agents are advised to have the beneficiary complete and sign the form during the original appointment

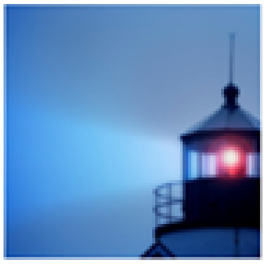
Plan lines would include MA/MAPD, PDP only and other health related products, e.g. Medicare Supplement, Dental, Vision. At no time should a Medicare appointment be conducted in conjunction with a non-health related insurance product (i.e. life, annuity, auto). This is considered cross-selling and is prohibited by federal law.

<u>Sales Appointment Confirmation Form</u>

As a result of these new regulations, Humana will be using the CMS model Sales Appointment Confirmation Form to document acknowledgement. The form is attached below for your use. <u>Please print it double sided so that all information appears on one piece of paper.</u>

The process for documentation will be as follows:

1. Agent and beneficiary decide what products will be discussed at the appointment (usually over the phone or face-to-face at a walk-up)
2. If appointment made over the telephone, then the Agent mails Sales Appointment Confirmation Form to beneficiary for their signature prior to the appointment. (It is advisable to include a postage paid self-addressed envelope to facilitate return)



CMS Guidance

3. If appointment is made during face-to-face interaction, for example a "walk-in", then the agent should complete the Sales Appointment Confirmation Form at that time, indicating the products agreed to discuss and have the beneficiary sign the form.
4. If the form was mailed to the Beneficiary, then the Beneficiary mails or faxes the Sales Appointment Confirmation form back to Agent or as directed by agent
5. Agent sends forms to MGA in conjunction with normal application or T-sig processing or directly to the address printed on the form (Kentucky address) - see your Managing General Agency for direction
6. Completed Sales Appointment Confirmation forms must be sent in for processing **at least on a weekly basis**

<u>Situational Examples:</u>

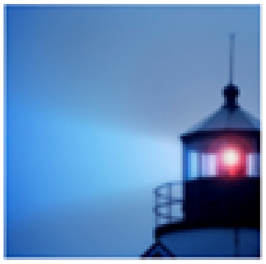
Example 1: While at a seminar, a prospect requests to set a follow up in-home appointment - Agent should complete the Sales Appointment Confirmation Form and have the beneficiary sign it.

Example 2: Setting an appointment over the phone - Agent should document the call via your specific appointment tool and mail the completed Sales Appointment Confirmation form to beneficiary for their signature. **Beneficiary must return form to agent prior to appointment**

Example 3: A neighbor or friend of the beneficiary attends your scheduled appointment unexpectedly- explain the "scope of appointment" regulation to them, complete the Sales Appointment Confirmation form, have friend/neighbor sign the Sales Appointment Confirmation Form. Indicate on the form "Unexpected additional attendee" on the Initial Method of Contact line and allow them to listen to the presentation.

Example 4 : You have completed a presentation of the previously agreed upon plan and the prospect would like to discuss a different MA product that was not included on the Confirmation form - inform the prospect that you are only prepared to discuss the agreed upon plan, explain the 48 hour "cooling off period" regulation, schedule a follow-up appointment no earlier than 48 hours later, complete the Sales Appointment Confirmation form and have beneficiary sign.

Example 5: You have completed a presentation of the previously agreed upon PPO plan and the prospect wants to discuss another plan type in the same plan line (any MAPD plan) - the agent may present an additional MAPD product without a "48 hour cooling off" period or new Confirmation form



Example 6: A beneficiary walks into the MGA/Broker office and asks you to tell them more about the Humana ___ plan - explain the "scope of appointment" regulation to them, complete the Sales Appointment Confirmation form, indicate on the form that the Beneficiary is a walk-in, have the walk-in beneficiary sign the Sales Appointment Confirmation Form, - present the information to the beneficiary.

The Sales Appointment Confirmation forms will be scanned and maintained for purposes of retention for future CMS auditing. CMS requires all documentation related to Scope of Appointment to be maintained for 10 years.

Please take care to PRINT legibly and fill out the forms completely and accurately. Please be sure to note how the initial contact came about in the "Initial Method of Contact" portion of the form - this should always be completed; examples would include:

- Beneficiary contacted agent by phone
- Beneficiary returned a "please contact me" card
- Beneficiary already a member, appointment made during a follow-up call
- Unexpected additional attendee
- Walk-in

Please keep in mind that this requirement is part of federal law and as such, compliance with it is a requirement for all agents selling MA and PDP plans. We recognize this process is somewhat inconvenient; however, Humana is exploring other more streamlined alternatives to the process.

Sales Appointment Confirmation Form - English (GHA03BXRR)

Sales Appointment Confirmation Form – Spanish (GHA03BXRS)

Sample Form

If you have questions regarding the use of the new form, please feel free to contact your dedicated Agent Support Team at 1(800) 309-3163.

“Thank you for your cooperation” – Sales Administration & Compliance Team