



MYTH: MEDICARE ADMINISTRATIVE FEES LINE THE POCKETS OF MEDICARE AGENTS

In fact, administrative fees go directly toward critical, invaluable services that make Medicare enrollment a comfortable and reassuring experience for more than 65 million Medicare Beneficiaries.

So, Where Do Medicare Administrative Fees Go?



COST CONTAINMENT

Medicare agent commissions are currently capped at \$611 per enrollee and the government is poised to eliminate administrative fees that provide critical services to seniors. But without them, insurance carriers must absorb this cost and will likely raise premiums to compensate — hurting already financially burdened Medicare enrollees.

REGULATORY COMPLIANCE

Most Medicare agents are small business owners who must pay for Medicare's regulatory and compliance costs. For example, each Medicare coverage phone call must be recorded and stored for at least 10 years. FMOs help them meet this requirement.



PLAN SELECTION

Medicare agents can offer Medicare-eligible individuals more coverage options thanks to connections made between FMOs and local and regional health plans — giving enrollees much more choice in their health insurance coverage beyond one-size-fits-all national plans.

POLICYHOLDER SERVICE

Medicare agents are there to help Medicare participants throughout the entire plan year. FMOs help to make this possible by supporting Medicare agents with significant human resource and technology assistance.



CONSUMER PROTECTION

Through FMOs, Medicare agents conduct carrier contracting, continuing education, regulatory requirements, and much more. These vital services protect Medicare enrollees by ensuring the benefit specialists they trust are up to date on insurance plans and in compliance with state and federal regulations.

In stark contrast to churn-and-burn TPMOs, Medicare agents, supported by FMO partners, assist Medicare enrollees throughout the plan year. Allowing Medicare agents to continue receiving administrative fees beyond the current commission cap will ensure these expenses are not passed down to Medicare enrollees, and Medicare agents can continue serving America's seniors at the highest level.

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Who's Who in the Medicare Enrollment Process

The following chart helps to delineate typically outsourced functions, and the interrelated role of both the Medicare agents and the FMOs that support them:

FUNCTION	MEDICARE AGENT	ROLE OF THE FMOs
 Contracting and Licensing	Agents must be licensed in every state in which they do business and, in most states, appointed with every carrier with which they do business. This is a time-consuming and expensive process.	Send recruiting links to interested agents and communicate the value proposition of the carrier. Assist in ensuring all contracts submitted are complete and in good order for carrier processing
 Continuing Education	Agents have to meet significant and ongoing continuing education requirements, and typically accessing approved continuing education content is an expensive endeavor.	Provides/sponsors continuing education courses and course content for servicing agents. Many FMOs sponsor annual in-person forums for training and education.
 Certifications	Agents must obtain national certifications and certification from each applicable carrier annually, which is both expensive and time-consuming.	Provides access to/sponsorship of various certifications, including carrier certifications.
 Enrollment Support	Agents need resources to process their enrollments and serve the vulnerable senior population effectively.	Provides state-of-the-art technology and tools to support agents with enrollment, including online enrollment platforms, compliant phone and Zoom-based enrollment technology, plan comparison data, Rx directories, and so much more.
 Call Recording	Agents were required to record all Medicare Advantage calls starting in 2023 and store them which requires access to expensive technology.	Provides technology to allow independent agents to record calls, to store them for 10 years and to be able to retrieve their recordings.
 Lead Generation and Sales Support	Agents need access to potential clients and sales training resources.	FMOs provide lead generation resources and sales, including resources for agents to purchase leads from vetted and reputable vendors, direct mail sources and lists, referrals and more.
 Marketing Materials and Support	Independent agents need resources to develop and maintain compliant marketing materials.	Provide access to compliant and CMS-approved designs, agent website development and maintenance services, social media and electronic mail marketing tools and support.
 Client Escalations	Servicing agents work with their clients year-round to address and resolve plan-based issues.	Serve as a direct link to affiliated carriers, providing escalation resources and client issue resolution support.
 Compliance Resources	Medicare sales and service is subject to both federal and state-level regulation. Independent agencies need help to always stay on the right side of constantly evolving rules and requirements.	Provide 24/7 access to compliance officers, resources, training, industry overviews and guidance, and more.

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