CareValue™

MEDICARE **MARKETING**

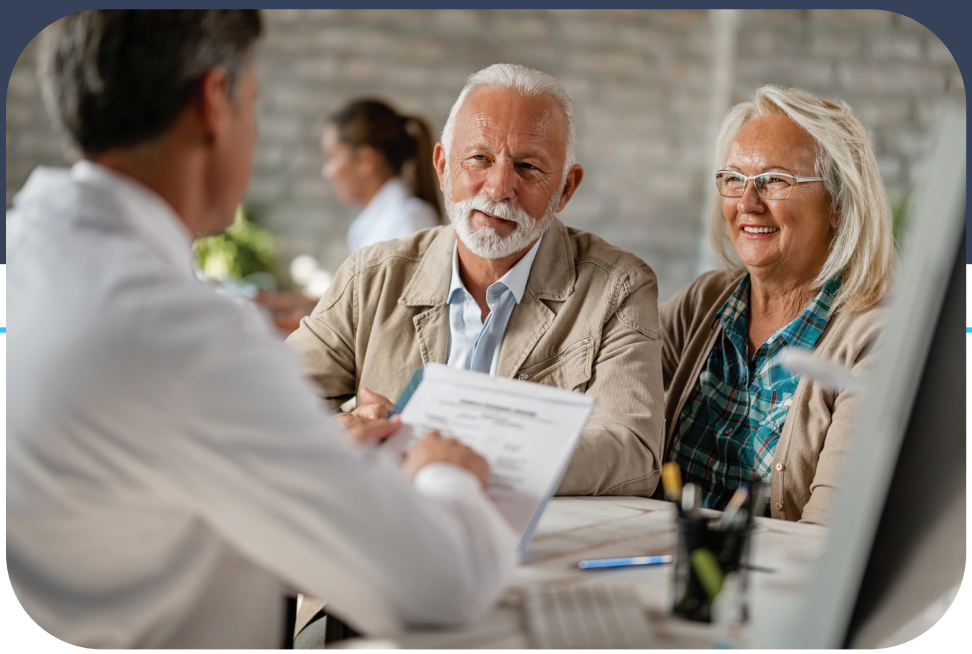
What You Need to Know
to Stay Compliant

INTRODUCTION

Medicare Compliance isn't something agents should just think about during the Annual Enrollment Period. It should be front and center in your everyday business practice. If you are not compliant, you can lose your commission, your future eligibility to sell Medicare products, and you can leave your members without a plan. As an agent, having your client's trust is fundamental to serving them.

Compliance can be complex, as rules change from year to year. We understand the challenges you face, and we're here to help you stay compliant before, during, and after each sale.

In this eBook, we'll cover some of the Centers for Medicare and Medicaid Service (CMS) marketing rules and regulations, including licenses, appointments, and certifications, how CMS defines marketing and communications, when to market your Medicare products, how to contact clients and potential enrollees, how to avoid complaints and rapid disenrollments, and your responsibility to protect your clients' personal information.



LET'S GET STARTED

PRE-SALES: LICENSED, APPOINTED, CERTIFIED

Before you can sell and market Medicare products, you'll need a health insurance state license for each state you plan to sell into, be appointed by and certified with every carrier you contract to sell with, and participate in annual trainings and tests. If you plan to sell Medicare Advantage or Part D prescription drug plans, you will also need your America's Health Insurance Plans (AHIP) certification.

TERMS:

Licensed. You have a health insurance license for each state you plan to market Medicare products.
Appointed. You have a contract with the carrier(s) to sell their products in the states you are licensed in.
Certified. You have completed the specific training requirements for each carrier for each product you sell.

Agents selling Medicare products must adhere to strict rules when marketing to and enrolling beneficiaries in Medicare plans. Non-compliance can mean losing your state licenses and termination with the contracted health or drug plans. That is why it is extremely important to avoid unqualified sales. There are two types of unqualified sales.

1. **Not certified to sell a product.** If you are not certified to sell a product, and you sell that product, you won't get paid for that product. You will also get a compliance violation, have to complete a coaching session, and receive a phone call from the carrier.
2. **Not licensed to sell a product.** If you are not licensed to sell in a state, and you sell a plan in that state, not only will you not get paid, but your contract could be terminated for 12 months or more.

Please remember, if you are not licensed to sell a product, the member you enrolled is left without a plan. It is your responsibility to check all licenses, appointments, and certifications. Here are 6 tips to avoid serious compliance issues.

- DO check the Department of Insurance (DOI) website to make sure that your resident state and any non-resident state licenses are up to date.
- DO check the carrier portals to make sure your certifications are up to date.
- DO complete all certification modules at once, even if you are not sure you will sell certain products like Medicare Supplements or Dual Special Needs. Keep in mind, uncertified sales almost always happen with dual special needs and Medicare supplement plans.
- DO call our sales support office or the Carrier's broker support line if you have any problems checking your carrier certifications.
- DO NOT rely on carrier portals to check your license status because the carrier will not know that a license has lapsed until they get the information from the state.
- DO use CareValue's AllRep tool! This easy to use one-stop shop tracking system keeps track of your state license number, expiration dates, carrier certifications, and writing numbers. It even includes contract information, policy numbers and policy coverage amounts.

THE DIFFERENCE BETWEEN MARKETING AND COMMUNICATIONS

Whether you are an independent agent or part of an agency, marketing should be a big part of your sales plan. For the greatest success, you want your efforts to be strategically focused, but compliant. The Centers for Medicare and Medicaid Service (CMS) provide a set of rules called Medicare Communications and Marketing Guidelines, or MCMG to give agents a roadmap for appropriately promoting products. CMS defines the two terms—communication and marketing—quite differently when it comes to the senior insurance market.

The intent and the content of an activity or piece of material is what differentiates communication from marketing. Communications provide general information to current and prospective beneficiaries. Marketing provides plan-specific information designed to influence a beneficiary's decision-making process when selecting a plan for enrollment or deciding to stay enrolled in a plan. Marketing can include information about benefits, benefit structure, information about premiums and cost sharing, comparisons to other Plans/Part D sponsors, rankings or measurements in reference to other Plans/Part D sponsors, and information about Star Ratings.

Let's take a look at what CMS means by intent and content.

- **Intent.** The purpose or intent of a marketing piece comes down to two things: providing information or selling a specific plan.
- **Content.** Marketing content that includes plan details or the intent is to influence a beneficiary's purchase does have to follow CMS' Medicare Marketing Guidelines.

As a general rule, marketing materials are subject to CMS review, and communication materials are not. See if you can identify which of these examples are marketing and which ones are communications.

1. A flyer reads: "A1-Health is now offering Medicare Advantage coverage in your County. Call us at 1-800-Get-A100 for more information." Marketing or Communication? Communication because the intent of the flyer is to draw an enrollee's attention to A1-Health, but the information does not contain marketing content.
2. An email sent to enrollees to remind them if they are in a high-risk category to get a diabetes screening reads: "A1-Health enrollees can get a diabetes screening for $0 copy at their network healthcare provider." Marketing or Communication? Communication because even though the email mentions cost sharing, the intent is to encourage enrollees to get their diabetes screening, not to sell them a specific plan.
3. A letter reads: "A-1 Health can help you find a $0 premium plan in your area." Marketing or Communication? Marketing because the letter is trying to draw an enrollee's attention to a plan and mentions a specific amount.

WHEN TO MARKET

CMS allows agents just 68 days to market Medicare products during the Annual Election Period (AEP). In a competitive industry, it can be a challenge to gain a competitive advantage with the short timeframe. That's why it's important to make the most of every marketing and communication outreach during the AEP.

During Fall Open Enrollment, from October 1 through December 7, you can contact and market your Medicare products for the coming year to beneficiaries. You can simultaneously market the current and prospective years starting on October 1, as long your marketing materials clearly indicate what plan year you are discussing.

However, don't wait until October 1 to get your marketing strategy in gear. Prior to the AEP kick-off date, you can:

Educate yourself. With the assistance of an FMO like CareValue, evaluate how much next year's plans will change. This will allow you to identify those clients who may be affected by any changes so you can help them adjust their plans for the coming year if necessary. Tip: Make those clients your priority as soon as AEP begins.

Encourage clients to do their homework. Current Medicare Plan beneficiaries will begin receiving their Annual Notice of Change (ANOC) in September, which will include any changes in coverage, costs, or service area that will take effect in January. This is a key opportunity for you to help your clients review any changes in the plan's costs, benefits and rules, and decide whether their plan will meet their needs in the next year. Tip: Urge your clients to take a look at other plans that are available so when AEP begins, they'll be prepared to make a decision.

Get your name out there. While agents cannot talk about upcoming plan year benefits or make any direct sales calls before October 1, you can communicate and highlight your presence in the marketplace, your commitment to the regions you serve, and if you are expanding to new areas. *Tip: Create awareness and enhance your value by offering educational materials to Medicare-eligible enrollees.*

Stay compliant. Following the rules and guidance set forth by CMS is critical—for both you and your clients. Just to reiterate, prior to AEP, agents CANNOT:

- Encourage completion of an enrollment
- Solicit an enrollment
- Accept an enrollment

You CAN, however, leave enrollment applications with a beneficiary during the first two weeks of October, but to avoid compliance issues, it is best for enrollees to wait until the start of AEP. But if you must leave an application before then, follow these rules:

1. Enrollees must complete the applications on their own, sign it with the current date (on or after October 15th), and mail in the envelope provided.
2. You cannot sign or date the application or mail the application for the beneficiary. Only put your Agent ID number where designated.

BE CAREFUL WITH ELECTRONIC APPLICATIONS!

- Use MedCareValue to enroll clients in face-to-face meetings.
- A client can use MedCareValue to enroll while you walk them through it over the phone.
- Pay attention to dates. We cannot stress this enough. The date on the application must be the date it was completed, or it will be rejected and counted as a non-certified sale.

INTERACTING WITH CLIENTS

Marketing your senior insurance business can seem confusing and complex with all the CMS rules and regulations in place that agents must follow. But CareValue is here to help you understand them and comply with them so you can be successful and profitable. Here are some requirements and best practices to keep in mind when communicating and marketing your business.

CONTACTING POTENTIAL CLIENTS

Agents may initiate unsolicited contact through communication and marketing for sales and retention, but there are restrictions. Here are some important Do's and Don'ts.

- ✗ Don't approach potential enrollees in common areas like parking lots, hallways, lobbies, etc.
- ✗ Don't make unsolicited phone calls.
- ✗ Don't send unsolicited text messages.
- ✓ Do send unsolicited emails to potential enrollees with an opt-out option.
- ✓ Do make sure the email only promotes your services and not specific plans.
- ✓ Do make unsolicited direct contact through conventional mail, ads, and direct mail.
- ✓ Do contact your current enrollees by phone to discuss plan business, after October 1.
- ✓ Do fill out a Scope of Appointment (SOA) in advance of every face-to-face meeting.
- ✓ Do fill out a SOA for one-on-one phone conversation meetings.

AVOIDING COMPLAINTS

As an agent, you want to avoid complaints from enrollees or potential enrollees. Here are the five most common complaints enrollees report:

1. **Cost information.** Enrollees believed the baseline benefits, deductibles, co-pays, co-insurance, and out-of-network costs were not appropriately explained.
2. **Network provider/access information.** Enrollees believed they were misinformed about their provider being in network, or they didn't have access to the provider they wanted.
3. **Agent service.** Enrollees believed the agent didn't respond to their needs, did not provide contact information, did not provide the required plan materials, or provided them with the wrong plan materials.
4. **Plan suitability.** Enrollees were enrolled in plans where they did not meet the eligibility requirements, the plan was not suitable for their coverage needs, or the plan did not cover the enrollees service area.
5. **Benefit/coverage information.** Enrollees believed the benefit or coverage information they received was not what they were signing up for.

INTERACTING WITH CLIENTS

Most complaints happen because there was some type of miscommunication between the agent and the beneficiary. Here are some tips for improving communication and avoiding complaints.

- Take your time through each appointment.
- Stop and ask questions.
- Take small breaks during an appointment.
- Be friendly! Make sure clients are comfortable during an appointment.
- Make sure clients are comfortable contacting you with questions after the appointment.
- Make eye contact at all times to spot confusion or misunderstanding of the material.
- Speak clearly and avoid using acronyms. Define all terms, especially these: deductible, premium, co-pay, and co-insurance.
- Explain the differences between Medicare Supplement and Medicare Advantage.
- Explain the differences between Medicare Parts A, B, C, and D.
- Introduce Medicare Supplement insurance, then refer to it as Medigap after that.
- Contact one of CareValue's sales directors for support at 855-888-8326 or the carrier's broker support line if you can't confidently answer an enrollee's question.
- Contact CareValue directly with questions about regional carriers.
- Touch base with a client a couple of days after the appointment to see if they have questions.

- Touch base with the client again closer to the effective date to make sure they still have your contact information.
- Exercise good phone etiquette with a professional speaking voice and a professional voicemail greeting. Check and return voice messages in a prompt manner.
- Never assume that the client lives in a state year-round, or that they are not going to move anytime soon.
- Never assume that dental or vision is a secondary priority for them.
- Follow-up, follow-up, follow-up.

INTERACTING WITH CLIENTS

PREVENTING RAPID DISENROLLMENTS

Avoiding Rapid Disenrollments goes hand-in-hand with avoiding complaints. Preventing Rapid Disenrollments is much easier than selling to a completely new client, so it should be part of your marketing strategy to retain customers. Keeping customers happy and enrolled is an important first step.

So what is Rapid Disenrollment (RDE)? It is when a beneficiary cancels a plan within 90 days of the effective date. During the Annual Enrollment Period, clients have the option to make changes to their health care. If you are not careful, your clients may enroll with someone else or make an uninformed decision to disenroll. RDEs result in an automatic full chargeback from the carrier. It will not be prorated.

There are two top reasons why a beneficiary might choose to disenroll.

1. PLAN NETWORK ISSUES

The beneficiary finds out that their preferred doctor is not a part of their plan's network.

How you can prevent this type of RDE:

- Always verify that the enrollee's doctors are in-network by using the appropriate online directory.
- If you are physically meeting with the enrollee, and they do not have internet access, call the carrier's broker support line.
- When in doubt, call the doctor's office to confirm if they are in-network.

2. MEMBERS DON'T UNDERSTAND THE PLAN BENEFITS

The beneficiary didn't fully understand the plan's benefits at the time of enrollment.

How you can prevent this type of RDE:

- When you are discussing plan benefits with an enrollee, make sure they are looking at the Summary of Benefits for Evidence of Coverage.
- **Ask these questions:** Do you have any questions about the benefits I described? Do you understand the different tiers of drug coverage? Do you feel comfortable in your understanding of the drug coverage gap? Do you understand the in-network vs out-of-network cost implications? Do you have any concerns about the plan's benefits?

GENERAL PRECAUTION TIPS:

- Conduct thorough fact-finding with clients.
- Review your Enrollment Checklist in detail to help eliminate confusion.
- Check all doctors, networks, and medications.
- Before you leave the appointment, confirm again that they understand their plan's benefits.
- Before you leave the appointment, make sure the client has your contact information and encourage them to call you if they have any questions at all.
- Check in with the client 2 days after the application has been submitted to make sure they don't have questions.

HOW TO MARKET

There are vast sources of compliant marketing strategies available to help agents find new clients and retain existing ones. Here are some suggestions you may find helpful in promoting your senior health insurance business.

Events
Medicare has rules for what agents can do at educational and marketing events, and there are differences between the two.

Educational events are held in public venues for the purpose of educating potential or current enrollees about Medicare in general and must be clearly advertised as educational.

At an educational event, you can:
- Include communication activities and distribute communication and educational materials.
- Hand out your business card.
- Collect Scopes of Appointment.
- Set up marketing appointments for a later date.

You cannot:
- Discuss or provide plan-specific materials; unless the event is ONLY for current enrollees.
- Distribute carrier-specific materials or plans.
- Distribute enrollments applications.

Marketing events may also be held in public venues and invitations must include the verbiage: "A salesperson will be present with information and applications." The purpose of a marketing event is to market a specific plan or set of plans. All sales talking points and presentations must be submitted and approved by Medicare prior to use.

At a marketing event, you can:
- Discuss plan-specific information.
- Distribute carrier-approved materials.
- Hand out and collect enrollment applications.

You cannot:
- Offer health screenings or give the impression you only want healthy enrollees.
- Discuss non-health care related products.
- Require an individual to provide contact information to attend the event.

This is not an all-inclusive list of CMS event rules. Make sure you are familiar with the rest of their regulations and best practices by contacting CareValue's Compliance Department at 855-888-8326 or via email at compliance@carevalue.com.

HOW TO MARKET

Website
Having an online presence can be a great way to help you grow your business and your income. However, as an agent, you have to balance the line between marketing and communication as set forth by CMS. Any website CMS considers marketing must be submitted for review and approval through the Health Plan Management System (HPMS). Some carriers have specific policies regarding agent websites and website reviews as well. Contact your carrier's broker support line for more information.

Social Media
Certain carriers require that agents register their social media platforms for use prior to publishing marketing content. For more information, contact CareValue's compliance department 855-888-8326 or via email at compliance@carevalue.com.

Direct Mail
You can make direct contact with potential enrollees through direct mail, advertisements, and other print media. Unsolicited contact may also be made by email, but to retain compliance, emails must have an opt-out option and contain communications, not marketing as defined by CMS.

Business Reply Cards
BRCs are used as a direct marketing piece for the purpose of gathering permission to call a potential lead. They can be mailed or distributed at marketing and educational events.

HOW TO MARKET

GENERIC MARKETING MATERIALS CHECKLIST

We have already included some of these do's and don'ts elsewhere in this ebook, but as a recap, here is a checklist of some important tips to help you stay compliant as you market your senior health insurance business.
This checklist applies to flyers, postcards, newspaper or magazine advertisements, business reply cards (BRCs), signage, social media posts, email marketing newsletters, events, web banner advertisements, etc. Remember, this is not an all-inclusive list of CMS rules. For more information, contact CareValue's Compliance Department at 855-888-8326 or via email at compliance@carevalue.com.

Regulations

- Generic materials cannot contain: carrier logos or brands, plan or product specifics, benefit information, or star ratings.
- You must not market for the upcoming plan year prior to October 1
- Your name or the agency name and address must appear on mailing envelopes or direct mail.
- You must not use high-pressure statements, e.g. 'do not delay,' reply immediately,' 'response time is limited,' 'required,' or 'needed to ensure delivery'.

Terminology

- Do not use the word free to describe a premium or benefit.
- Do not include the word 'Medicare' or 'Senior' (referring to people age 65+) in your title.
- Do not make reference to CMS, DHHS, or any other federal agency.
- Do not use superlatives such as 'the best/one of the best'.
- Do not use the word 'entitled,' unless it is accurately used as it relates to Part A for Federal Medicare Products.
- Product types must be referred to in their full, unabbreviated format when first mentioned, i.e. Medicare Advantage Plans, Part D Prescription Drug Plans, Medicare Supplement Insurance.
- Medicare Supplement Insurance must first be referred to as 'Medicare Supplement Insurance' (verbatim) before it is referred to as 'Medigap'.

Events

- Generic marketing materials may be used to advertise marketing/sales events only AFTER the events have been properly reported and you have received confirmation from the carrier(s). Note: certain carriers do not allow agents to advertise events with generic materials. For questions, email compliance@carevalue.com.
- Advertisements and/or invitations for sales/marketing events must contain the following two disclaimers:
  (1) "A sales person will be present with information and applications;"
  (2) "For accommodation of persons with special needs at sales meetings, call [your phone #]"
- Educational events must be explicitly advertised as Educational.
- If an advertisement/invitation for an event references promotional items/gifts, there must be a disclaimer stating that there is no obligation to enroll (promo items/gifts must not exceed a combined value of $15 retail).

HOW TO MARKET

Business Reply Cards (BRC)

- Business Reply Cards (BRCs) must clearly document the products the agent intends to market.
- Generic BRCs and lead cards must include the disclaimer “This is a solicitation for insurance”.
- Do not REQUIRE consumers to provide contact information on a Business Reply Card.
- BRCs must include the disclaimer “This is an advertisement” in 12-pt font in Times New Roman or equivalent, on the outside of the piece.

Style and Content

- Do not use misleading or inaccurate content.
- For mailers, the disclaimer “This is an advertisement” must be displayed in 12-pt font in Times New Roman or equivalent, on the outside of the piece.
- If a phone number is included, there must be a statement indicating that by calling the number provided, the consumer will be directed to a licensed insurance agent.

OTHER IMPORTANT COMPLIANCE CONSIDERATIONS

A large part of Medicare compliance is safely and securely protecting your client's Protected Health Information (PHI) and their Personally Identifiable Information (PII). And the fact that an individual is applying for coverage and/or enrolled in a particular plan is considered Health Information. PII includes the enrollees first, last or both names in combination with one or more of the following:

- Social Security Number
- Driver's license number
- State ID card number
- Account number or credit/debit card number in combination with any accompanying security code, access code, or password.

HIPAA, or the Health Insurance Portability and Accountability Act dictates the use and sharing of PHI and PII and how PHI should be maintained, used, transmitted and disclosed electronically. Keep in mind, PHI and PII can be oral, written, or electronic.

Inappropriately disclosing of PHI or PII comes in many forms, including:

- Leaving hard copy documents behind at a marketing or sales event.
- Faxing documents with PHI to an incorrect fax number.
- Mailing documents with PHI to an incorrect address.
- Texting identifying or confidential information.
- Sending PHI information to an incorrect email address.
- Lost/stolen hard copy documents like enrollment applications.
- Stolen unencrypted computers.

OTHER IMPORTANT COMPLIANCE CONSIDERATIONS

BE PROACTIVE IN PREVENTING ACCIDENTAL DISCLOSURES OF PHI AND PII

- Make sure you have the correct address on all your enrollment applications.
- Keep all enrollment applications on you, or better yet, use MedCareValue.
- Carry only the minimum number of necessary documents.
- Never leave enrollment apps in your car.
- Encrypt your laptop at 256-bit Advanced Encryption Standard.
- Encrypt all emails that contain sensitive PHI and PII information. All CareValue email addresses are encrypted.
- Do not use flash drives to store sensitive information.
- Store documents with PHI or PII information in a locked file cabinet or go fully digital with MedCareValue and AllRep.
- Shred any document containing PHI or PII information prior to disposing.
- Check printing stations at the end of the day for any documents that may remain.
- Use a fax cover sheet with the HIPAA privacy statement.
- Do not put passwords on sticky notes next to your computer.
- Never discuss PHI in public places.
- Do not confirm an appointment address over the phone without first checking your surroundings.
- Keep all electronic devices, notebooks and documents with you at all times.
- Protect your laptop screen from being viewed by others around you.
- Triple check every phone, fax number, and email address to make sure you are sending information to the correct place.

CareValue's **AllRep** tool has a password vault to help ensure the protection of passwords, but they are also easily accessible when you need them.

What should you do if a client's PHI or PII has been disclosed?
If a theft occurred, notify local law enforcement agencies, and immediately notify the carrier's Privacy Office and CareValue's Compliance Department.