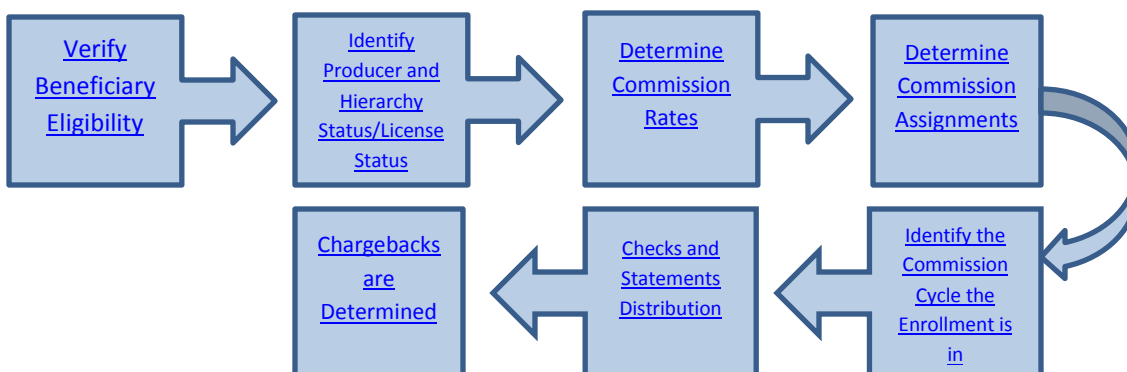


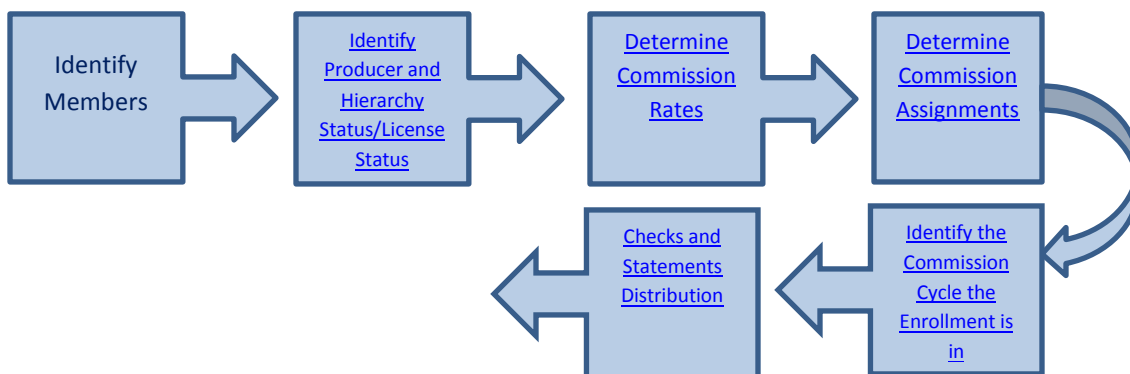
Producer Commissions Process and Frequently Asked Questions (FAQ)

Click on the appropriate link below to direct you to your question!

Commission Process for Initial Enrollments



Commission Process for Renewals



Click on the appropriate link below to direct you to your question!

1. [What are the requirements to receive any type of payment from WellCare?](#)
2. [What types of payments are being offered?](#)
3. [What is the frequency of commission payments?](#)
4. [What are the 2017 and 2018 Commission Rates?](#)
5. [What is the \\$0 non-commissionable plan?](#)
6. [Who will receive hierarchy payments?](#)
7. [How are the hierarchy payments distributed?](#)
8. [What is assigned commission?](#)
9. [What happens if an Producer assigns his/her payments](#)
10. [What happens if an Producer changes hierarchy?](#)
11. [How are chargebacks applied?](#)
12. [Will I receive a commission statement for my applications?](#)
13. [What is the payment/schedule timeline?](#)
14. [Who is Payspan and what action do I need to take?](#)
15. [What if I lose my Payspan registration letter, or delay setting up EFT?](#)
16. [What is the process for New to Medicare Advantage payments?](#)
17. [What is the process for Earned Member renewal payments?](#)
18. [What happens when two producers submit an application for one beneficiary?](#)
19. [When does the Agent of Record \(AOR\) change?](#)



What are the requirements to receive any type of payment from WellCare?

1. Producer must be active/certified and licensed during the time the application is written. This includes but not limited to:
 - a. Completion of all required training modules
 - b. Completion of appropriate forms (SRF, W9, etc.)
 - c. Background Check
2. Hierarchy (GA, SGA, MGA, FMO) must also be active/certified at the time the application is written in order to receive commission/overrides.
3. Producer must have a personal WellCare producer identification number (PID) (do not use national agency identification number).
4. Producer must have a telephonic appointment verification (AVL)
5. Producer must submit applications within 24 hours of receiving enrollee's signature
6. Enrollment has to be CMS approved
 - a. CMS will confirm beneficiary eligibility after enrollment application is submitted. Incomplete or inaccurate applications causing a Request for Information (RFI) from the beneficiary will be delayed in processing until the RFI is satisfied.

What types of payments are being offered?

WellCare provides four different commission payments

- 1) Advanced commission payments (new enrollments)
- 2) New to Medicare Advantage payments
- 3) Earned member renewal payments
- 4) Captive Producer stipend

Advanced Payment: there are two scenarios where an advanced payment will be made.

1. **Initial enrollments** will be prorated for the first calendar year for both the producer and hierarchy. The prorated payment is based on the number of months the member is expected to be on the plan from the effective date through the remainder of the calendar year.
2. **New to Medicare Advantage payment (true-up)** is a producer only payment that is based on the monthly CMS compensation report. If the member is determined to be within their initial year for Medicare Advantage, an additional true up payment will be made.



Earned member renewal payments are paid to Producers and hierarchies for continuing to service our members. This payment is for Producers and hierarchies who have retained membership from one calendar year to the next. Producers and hierarchies must complete required annual training each year to be eligible for payment.

Captive producer stipends are paid specifically to Producers who are contracted to exclusively market, sell and promote WellCare plans.

What is the frequency of these commission payments?

The table below outlines the payment cycle for each payment type:

Payment Type	Pay Cycle
Advanced Payment (Initial or New to MA)	Weekly (payment issued on Friday's)
True-Ups (New to WellCare)	Monthly (payment issued middle of the month)
Member Termination Chargebacks	Monthly (deducted during the month following the termination)
Renewals	Monthly (payment issued last week of the month)
Stipends	Monthly (payment issued first week of every month)

Statements are emailed to the producer's payment assignment at the same time WellCare sends payments to accounts payable. The statement will arrive around one week prior to payment.

Enrollments are paid in the effective year; i.e. January 1 effectives will be paid the first week of January.



What are the 2017 Commission Rates?

Reference the rate table below for 2017 commission rates for your state.

Commissions paid to the 1099 Producer		
WellCare/O'Hana/Easy Choice 2017 Contracted Producer Commission Schedule		
CCP States	New to MA Payment (2X)	Enrollment and Renewal Commissions (Lifetime)
California, New Jersey	\$553	\$277
Connecticut	\$498	\$249
Arkansas, Florida, Georgia, Hawaii, Illinois, Kentucky, Louisiana, Mississippi, New York, South Carolina, Tennessee, Texas	\$443	\$222
PDP States	\$71	\$36



What are 2018 Commission Rates?

Reference the rate table below for 2018 commission rates for your state.

Commissions paid to the 1099 Producer		
WellCare/Ohana		
2018 Contracted Producer Commission Schedule		
CCP States	New to MA Payment (2X)	Enrollment and Renewal Commissions (Lifetime)
California, New Jersey	\$567	\$284
Connecticut	\$511	\$256
Arkansas, Florida, Georgia, Hawaii, Illinois, Kentucky, Louisiana, Mississippi, New York, North Carolina, South Carolina, Tennessee, Texas	\$455	\$228
PDP States	\$72	\$36

What is the \$0 non-commissionable plan?

Plan types being discontinued (service area reduction), or plan types which do not align with our growth strategy, will not pay a commission. These applications will be indicated on commission statements as “non-payable.”

Who will receive hierarchy payments?

Hierarchies are earned at the GA, MGA, SGA and FMO levels.

However, if the writing producer has a FMO, then all hierarchy override payments will be paid to the FMO. It is the FMO's responsibility to pay his/her respective down lines.

If the writing producer reports to GA, MGA or SGA who is under a WellCare FMO, then each individual level will earn and receive payment.

All payments will be paid to the current assigned person or company that the producer has on file with us. (Refer to question “What is assigned commission” for further clarification.)



How are the hierarchy payments distributed?

If there is an FMO, the FMO will be paid for all hierarchy levels. WellCare will combine the rates for hierarchies that do not have a corresponding down line. For example, if you are an SGA for WellCare FMO and do not have a corresponding down line, you will earn the GA + MGA + SGA rates. To calculate your commissions, please refer to the chart below:

Hierarchy	Rates used for Calculations	Paid to
FMO	GA + MGA + SGA + FMO	All overrides paid to FMO
WellCare FMO – SGA with no down lines	GA + MGA + SGA	SGA
WellCare FMO – SGA with down line of MGA	SGA + MGA	SGA, MGA
WellCare FMO – SGA with down line of MGA and GA	SGA + MGA + GA	SGA, MGA, GA
WellCare FMO – MGA with no down lines	MGA	MGA
WellCare FMO – MGA with down line of GA	MGA + GA	MGA, GA
WellCare FMO – GA	GA only	GA

What is assigned commission?

Payment of earned commissions can be distributed to another producer agency. The producer can assign commissions in two ways:

1. Assigning commission within the producer contract
2. Requesting a commission assignment by filling out the Attestation of Assigned Compensation document (available on the [Secured Producer Portal](#)) and sending to either his/her local District Sales Manager or WellCare Producer Services at producerservices@wellcare.com.

What happens if a producer assigns his/her payments?

After a producer assigns his/her commission, all payments (*future and historical business*) will be paid to the producer's commission assignment. This includes, but is not limited, to advanced commissions, new to Medicare Advantage, earned member renewals and stipend payments.

NOTE: All assigned payees must have a producer identification number (PID).



What happens if a producer changes hierarchy?

Override commission is applied to the hierarchy at the time the application was written.

EX: A producer changes his/her hierarchy on June 16th. All applications written on or before June 15th will be paid to the original hierarchy. All applications written June 16th and forward will be paid to the new hierarchy.

Prohibition Period: Hierarchy change requests will not be approved during the period of August 1st through December 7th each year. Changes must be approved by submission of the Hierarchy Release Letter, Attestation of Hierarchy Assignment and Attestation of Assigned Compensation documents where applicable.

How are chargebacks applied?

Chargebacks will be applied under two scenarios:

- 1) Member has dis-enrolled from plan within the same calendar year as the enrollment.
 - a. Chargebacks will be applied the month following the member's disenrollment. For example, membership terms on June 30, the chargeback will be applied within the July commission processes.
 - b. If the member dis-enrolls **during** the rapid disenrollment period, then all commissions associated with that membership will be charged back. OR if the enrollment has not been paid out, it is determined to be "non-payable."
 - c. If the member dis-enrolls **after** the rapid disenrollment period but prior to the end of the calendar year, then a prorated chargeback will apply. CMS mandates that commission payments must correspond to the number of months the member is on a WellCare plan.
- 2) Payment correction. EX: An producer submitted an application with the incorrect producer ID (PID)
 - a. Once identified, chargebacks where amount and/or payee were found to be incorrect, or retroactive adjustment was requested, will be adjusted on the next available run.

NOTE: Chargebacks only apply to initial payment since renewals are "as earned."

Will I receive a commission statement for my applications?

New enrollment commission statements are emailed to the producer on a weekly basis. Please reference the Weekly Statements Guide on the WellCare Producer Portal for assistance interpreting the statement.



For information on payment eligible enrollments, producers should login to the WellCare Secured Producer Portal and search commissions by applicant name, ID number or date range.

In addition, producers or agencies that are receiving payment will receive an excel statement that will be emailed from our Producer Services team for advanced, new to Medicare Advantage and earned member renewal commission payments.

What is the payment schedule/timeline?

Typically, the first payment will be a paper check sent to the assigned person or company. Assuming the producer has met all requirements for payment, the first advanced payment will be paid within 30 days of WellCare receiving the first application.

New enrollments are paid within 15 business days of enrollment date. Amount paid is based on the assumption the member is new to WellCare. Fifteen days after the effective date, WellCare will verify with CMS New to Medicare Advantage (MA) status, and will pay the true-up amount to fair market value.

Application Date	Effective Month	1 st Payment: New to WellCare	2 nd Payment: New to MA (if applicable)
February 5	April	March 1-5	March 15-20
February 5	March	February 15-20	March 15-20

Who is Payspan and what action do I need to take?

Payspan is a third party vendor that coordinates Electronic Fund transfer (EFT) registration. The producer or agency that is expecting payment will receive a correspondence via US mail. Once this letter is received, the producer or agency must follow the instructions on the letter and register for EFT or payments will continue to be paid through a paper check via US mail.

The typical time frame for a producer or agency to receive this letter is 1 week after submitting their first member application.

NOTE: Producers or agencies will need to go to the site listed on the registration letter and enter the unique registration code, Vendor Identification Number (VIN) and the Tax ID Number (TIN) provided to begin account creation. Follow the instructions on the letter and have bank routing and account information ready.

What if I lose my Payspan registration letter, or delay setting up EFT?



If a producer who has received at least one paycheck from WellCare loses the registration information needed to setup EFT, producers should call Payspan customer service: 877-331-7154.

NOTE: Producers must have TAX ID and shipping address on file with WellCare in order to setup EFT.

What is the process for new to Medicare Advantage payments?

At the time an application is received, WellCare does not know the CMS classification of the potential enrollee. WellCare utilizes the monthly CMS compensation report to determine whether the enrollee is in the initial year or a renewal year.

WellCare assumes the enrollment should receive renewal payments until New to Medicare Advantage is confirmed by CMS. These payments will be paid weekly and prorated based off of the remaining active months.

If New to Medicare Advantage is confirmed by CMS, a true-up payment to the initial full amount will be paid.

There are two opportunities for a producer to receive new to Medicare Advantage commission:

1. From "Like Plan Type" (another MA carrier)

If an enrollee joins WellCare from a Like Plan Type within the initial year, an additional prorated advanced payment will be made.

2. From a "Non-Like Plan Type"

Per CMS, WellCare is required to pro-rate the true-up/2X payments for enrollments from "unlike" plans based on the month of the effective date.

2016 Example

4/1/2016 effective that pays \$429 in total commission for that market:

Initial Payment = \$161.25

True-up/2X Payment = \$161.25

Total = \$322.50 (based on the membership for 9 months).

8/1/2016 effective that pays \$429 in total commission for that market:



Initial Payment = \$89.58

True-up/2X Payment = \$89.58

Total = \$179.17 (based on the membership for 5 months).

NOTE: The rates provided in the examples above are aligned with CMS Fair Market Value (FMV) rates for 2016.

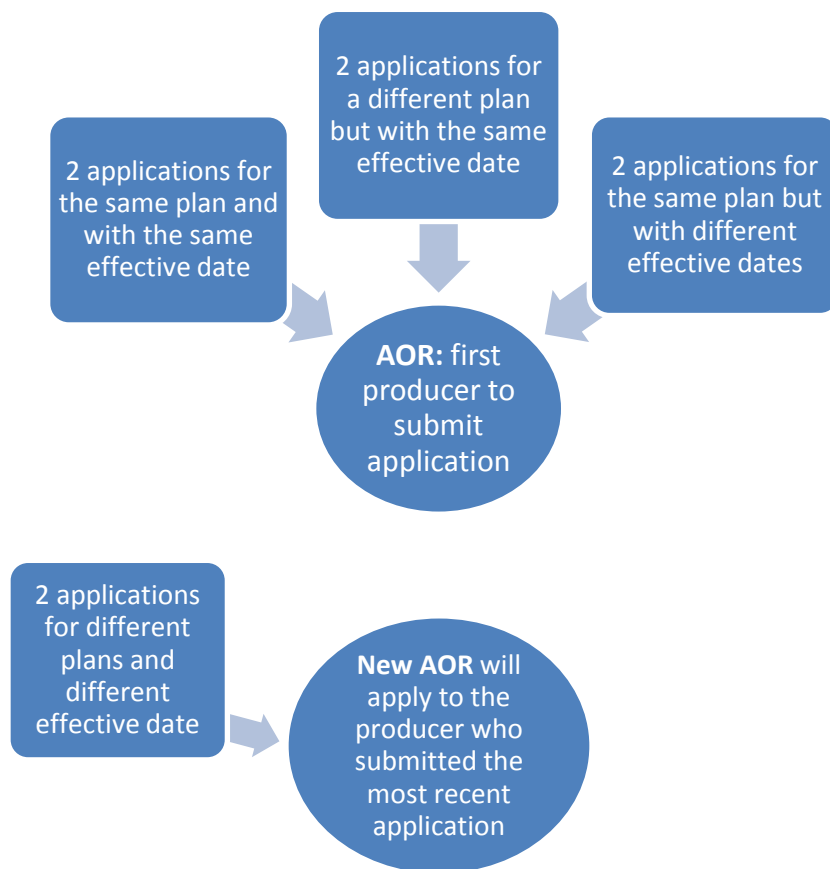
What is the process for earned member renewal payments?

Renewal payments will be paid on an as earned monthly basis (1/12 of the annual renewal rate) to the producer of record and hierarchy. Renewal payments will continue as long as the member remains active on the plan with no breaks in coverage, and the producer and hierarchy remain in active/certified status with WellCare.

The hierarchy will continue to receive payments for all producers that are associated to membership through the renewal policy for the first year as well as 5 years thereafter.

What happens when two producers submit an application for one beneficiary?

There are different outcomes that can occur when two producers submit an application for the same beneficiary. See below each scenario that will determine the Agent of Record (AOR).



NOTE: If a plan change is made after the effective date, the new producer will become the AOR.

When does the AOR change?

The only time the AOR can change is when the plan benefit package (Plan ID) changes. If a member contacts DTC and is enrolled in a new benefit, the original writing producer remains as the AOR.