2017 RULES OF ENGAGEMENT HANDBOOK
This Rules of Engagement Handbook (the “Amendment”) hereby amends the agreement between Cigna-HealthSpring and Agent/Agency (the “Agreement”) and shall be a part of the Agreement as if fully restated therein. In the event of any conflicting terms between this Amendment and the Agreement, this Amendment shall supersede and control.

This overview is for Agencies and Agents who are certified, licensed and appointed to sell Cigna-HealthSpring Medicare Advantage/Prescription Drug Plan products. Due to the high degree of compliance required and Medicare Advantage/Prescription Drug Plan products are governed by state and federal regulations, the Agency or Broker must fully comply with all applicable Cigna-HealthSpring policies and procedures, including but not limited to those set forth below.

Agencies and Agents agree to comply with all state and federal rules and regulations, as well as all Cigna-HealthSpring policies and regulations as set forth and shall require each individual subordinate Agent affiliated with the Agency to likewise comply.
SECTION I
SALES DISTRIBUTION MANAGEMENT

Levels of Agreements
There are five different levels of Agreements within the hierarchy structure at Cigna-HealthSpring (“CHS”):

- Agent
- General Agency (GA)
- Managing General Agency (MGA)
- Supervising General Agency (SGA)
- Field Marketing Organization (FMO)

Definitions
Agent/Broker - An individual who is using his/her personal credentials (SSN, NPN, and Licenses) to contract as a writing Agent for Cigna-HealthSpring.

Agency - An organization (GA, MGA, SGA, or FMO) that is using its own unique credentials (Tax ID# - TIN, NPN, License) to contract as an Agency for Cigna-HealthSpring. Agencies are required to use their own credentials and will not be allowed to contract with Cigna-HealthSpring using an individual person’s/Agent’s credentials.

All other capitalized terms shall have the meaning given to them in the Agreement.

GA/MGA/SGA Production Criteria
To enter into a GA/MGA/SGA-Level agreement, the Agency must have a minimum number of active Agents. In order to maintain a GA-Level agreement, a minimum of 3 active Agents producing a minimum annual total of 150 MA Enrollment Applications is required. In order to maintain an MGA level agreement, a minimum of 5 active Agents and a minimum annual total of 300 MA Enrollment Applications are required. In order to maintain an SGA-Level agreement, a minimum of 5 active Agents and a minimum annual total of 500 MA Enrollment Applications are required. Expansion market Agency targets may vary based on network and other factors at market launch.

Agencies should work with their upline if there are questions or concerns related to meeting or maintaining the minimum Agent requirement. Cigna-HealthSpring reserves the right to review all Agency-level contracts from time to time to ensure the specific requirements are being met.

FMO’s, Agencies, and Cigna-HealthSpring leadership will monitor production once annually and on a pro-rated basis, and will address hierarchy changes accordingly. Brand new Agencies have 60 days to contract and certify the required number of Agents, or the contract will be downgraded to the Agent level and the remaining Agents will be automatically tied to the FMO or next immediate upline.
FMO Production Criteria

FMO’s are required to adhere to and comply with all aspects of the “Cigna-HealthSpring Rules of Engagement”. Criteria may be amended by Cigna-HealthSpring, at its sole discretion, upon thirty (30) days advance written notice to the FMO. An FMO must be national in scope and therefore must write business in at least two states or more to maintain FMO status. To comply with the Cigna-HealthSpring Engagement Criteria, an FMO must produce at least 3,200 effective enrollments on an annual basis. The monthly production of an FMO will be tracked and Cigna-HealthSpring shall have the sole discretion to determine whether an FMO is on target to achieve the annual production requirement related to effective enrollments. During the calendar year in which this Agreement becomes effective, the production levels will be pro-rated for effective dates which do not coincide with a January 1st effective date. For example:

“XYZ” FMO Production

<table>
<thead>
<tr>
<th>Annual Target</th>
<th>3200 Enrollments</th>
</tr>
</thead>
<tbody>
<tr>
<td>“XYZ’s” January effective production</td>
<td>2100 enrollments</td>
</tr>
<tr>
<td>“XYZ’s” required production for the 11 months</td>
<td>1100 enrollments</td>
</tr>
<tr>
<td>“XYZ’s” pre-rated monthly production</td>
<td>100 enrollments</td>
</tr>
</tbody>
</table>

Individual Leads

Cigna-HealthSpring is not responsible for supporting the Agency with leads or financial support in their prospecting efforts. During a visit with the prospect, Agency or Subordinate Agency, Broker or Agent can present the Cigna-HealthSpring Medicare Advantage products with full disclosure and enroll the prospect. Referrals may only be sought in accordance with Cigna-HealthSpring policy and CMS guidelines. Agency or subordinate Agency, Brokers or Agents must follow all guidelines and regulations that govern the proper procedure for prospecting, and selling, Cigna-HealthSpring products including all requirements set forth under MIPPA and the CMS Medicare Marketing Guidelines.
SECTION II
CHANNEL DISTRIBUTION ALIGNMENT

Agent Qualifications
To be an authorized Cigna-HealthSpring Agent/Broker, you must:

› Complete Agent/Broker credentialing administered by Cigna-HealthSpring or its designee.
› Complete the Cigna-HealthSpring Agent/Broker certification training and pass the required certification examination.
› New or returning Agents (if previously terminated) are recommended to complete face-to-face Agent orientation training conducted by Cigna-HealthSpring sales management in the market(s) where the Agent intends to sell.
› Be a licensed health agent in the Cigna-HealthSpring state(s) in which you intend to sell and submit applications to Cigna-HealthSpring, be in good standing, and supply Cigna-HealthSpring with a copy of the license upon request.
› Be appointed by Cigna-HealthSpring as an Agent, where applicable.
› Have an executed agreement with FMO, SGA, MGA, GA or Cigna-HealthSpring, as applicable.
› Comply with all legal, compliance and regulatory guidance in accordance with applicable state, federal law and Cigna-HealthSpring policies.
› Receive continuing education relative to the current Medicare Advantage/Prescription Drug Plan products and comply with any changes that occur relative to this program.
› Attend sales staff informational meetings in order to stay informed of compliance and regulatory changes, procedural changes, network changes, etc.
› Pass the annual recertification examination administered by Cigna-HealthSpring or its designee.
› Participate in integrity oversight evaluations and the Cigna-HealthSpring Sales Development Action Program as required by CMS and Cigna-HealthSpring.
› Have reasonable accessibility for receiving communications concerning immediate regulatory or network changes (i.e., phone, email, fax, pager, voicemail, etc.).
› Maintain a proficiency in, and knowledge of, Cigna-HealthSpring’s Medicare Advantage/Prescription Drug Plan products as well as all necessary compliance requirements.
› Comply with Cigna-HealthSpring sales performance and disciplinary standards as set forth in Cigna-HealthSpring policies and procedures, herein incorporated by reference.
› Have an executed HIPAA Agreement for Agents affiliated with an Agency, or have a Business Associate Agreement for Agents directly contracted with Cigna-HealthSpring.
Errors and Omissions

Agency shall, at all times during the term of this Agreement, maintain Errors and Omissions Insurance in amounts consistent with industry standards, but at no time less than $1,000,000 per occurrence and $1,000,000 aggregate limit, with a reasonable deductible. Agency shall request that notice be provided to Cigna-HealthSpring by the insurer of any reduction, modification, cancellation or termination thereof. Agency shall promptly provide evidence to Cigna-HealthSpring such coverage is in force from time to time upon Cigna-HealthSpring’s request. Agency shall notify Cigna-HealthSpring immediately if such insurance is or will be reduced, modified, canceled or terminated. Further, the Agency shall ensure all individuals employed by or contracted with Agency, including Subordinate Brokers or Agents, shall maintain Errors and Omissions Insurance in amounts consistent with industry standards, but at no time less than $250,000 per occurrence and $250,000 aggregate limit, with a reasonable deductible, or the applicable state required coverage amounts, and to provide evidence of such coverage upon request by Cigna-HealthSpring. Failure to maintain adequate Errors and Omissions insurance in accordance with this Agreement is considered a breach of the Agreement and may be cause for termination of the Agreement. Failure to maintain Errors and Omissions insurance will lead to disciplinary actions up to and including immediate termination in accordance with Cigna-HealthSpring policies and procedures.

Contracting and Changing Hierarchies

Most contracted Agents who are appointed to sell for Cigna-HealthSpring, align under a company-approved and contracted General Agency or FMO. When an Agency/Agent changes hierarchies, residual override commissions are retained by the hierarchy structure and are subject to the contract terms in place at the time of the original sale.

Agency/Agent Request to Change Hierarchies with a New General Agency or FMO

- The Agent/Agency must be in good standing with Cigna-HealthSpring. The Agent/Agency cannot be under investigation internally or externally, must have acceptable compliance metrics, sufficient sales, not be in debt to Cigna-HealthSpring, not have third party paper prohibiting a move in hierarchy, and must possess an active writing number with Cigna-HealthSpring.

- An Agent/Agency must transfer to the same or lower contract level with the new FMO/topline Agency. The Agent/Agency may only upgrade to a higher contract level after six months from the change date and if production requirements are met.

- The Agent/Agency must be successfully released from the current FMO/topline Agency before any move can be made to a new FMO/topline Agency. A successful release can be accomplished in one of three ways:
  1. Obtain a release letter signed by the current FMO/topline Agency.
  2. If the Agent has been continuously active under the same FMO/topline Agency for at least the previous six months but has not produced any business during that time, no release is required to change hierarchies.
3. If the FMO/topline Agency is unwilling to grant a release, and the Agent/Agency has produced business in that previous six months, the Agent/Agency can submit a signed and dated “Request for Release from FMO/Topline Form” to the Contracting Department via email (contracting.mailbox@healthspring.com). This will serve as the Agent’s/Agency’s intent to make a change to a new FMO/topline Agency and will start the six-month waiting period to be eligible to switch hierarchies without a release. After the initial acknowledgement of the change request, no additional notices or reminders will be sent from Cigna-HealthSpring regarding the eligibility date. At the end of that six-month period the Agent/Agency would be free to re-contract under another FMO/topline Agency regardless of any business written. The accepting FMO/topline Agency is responsible for collecting the required paperwork and onboarding the Agent/Agency in Producer Express (Sircon).

Agents and other entities in the FMO Hierarchy are permitted to change sales hierarchies no more than once per calendar year under the six-month notice scenario.

Agency/Agent Request to Change Hierarchies within the Same Field Marketing Organization (FMO)

The FMO/topline Agency has discretion to move and change the level of Agents and solicitors within their hierarchy structure at a reasonable frequency.

The FMO/topline Agency does not need the consent of the Agent or Agency to complete a move or downgrade within its own hierarchy. The FMO/topline does, however, need to notify the Agent/Agency of the move or downgrade. The FMO/topline Agency will initiate/submit any move or downgrade requests to Cigna-HealthSpring Contracting. Residual override commissions are retained by the hierarchy structure and are subject to the contract terms in place at the time of the original sale.

When an Agent/Agency is moved, the contracted downline will move along with the Agent/Agency, unless other arrangements are requested by the FMO/topline Agency and approved by Cigna-HealthSpring.
SECTION III

SUSPENSION AND TERMINATION

Suspension of Sales and Marketing

Cigna-HealthSpring expects you to comply with all Centers for Medicare & Medicaid Services (CMS) regulations, state and federal laws, guidelines, and Cigna-HealthSpring rules, policies, and procedures.

- If at any time your performance or action damages or threatens to damage any Medicare beneficiary or the reputation of Cigna-HealthSpring or does not meet the Cigna-HealthSpring’s standards, Cigna-HealthSpring can, at its discretion, initiate suspension of your sales and marketing activities.

- A determination to suspend can also be based on the severity of an allegation(s), the number of pending complaints or investigations, the nature and credibility of information initially provided, and/or the number of members or consumers affected, and can be based on other oversight criteria. In such cases, suspension is effective until the investigation is completed and a final disciplinary recommendation has been made.

- Cigna-HealthSpring may be required to report the suspension to the applicable state or government agency.

Suspension Process

- When a recommendation to suspend your sales and marketing activities is made, you will be mailed a suspension notification via certified mail from Cigna-HealthSpring Contracting with a copy, sent via email, to your FMO or upline.

- You are not to solicit or sell Cigna-HealthSpring products while on a suspension status.

- New business written during the suspension period will not be eligible for commission and would be a significant violation.

- Cigna-HealthSpring will satisfy state department of Agency suspension reporting requirements with notification to the appropriate state Agencies.

Temporary Hold Status

Depending on the circumstances, an Agent may be placed on “temporary hold”. The status of “temporary hold” means:

- You are not to solicit or sell Cigna-HealthSpring products while on a temporary hold status.

- Any outstanding commissions will continue to be paid during this period.

- We are not obligated to report your status to a government agency unless further action is required.
Agent Termination: Not-For-Cause and For-Cause

All contract and appointment terminations are classified Not-for-Cause or For-Cause. Termination of appointment may be recommended by Cigna-HealthSpring, the Field Marketing Organization (FMO), the General Agency (GA), a regulatory agency, state Department of Insurance, or an Agent may request a voluntary termination or an alteration to the FMO hierarchy.

Not-for-Cause Termination (Agent/Agency)

A Not-for-Cause termination can be initiated by your FMO, GA, Cigna-HealthSpring, or you, for any reason including but not limited to relocation, expired license, expired errors and omissions insurance coverage. The following process is followed when a Not-for-Cause termination is requested.

- Termination requests may be submitted to Contracting at contracting.mailbox@HealthSpring.com, with subject line: “Termination.”
- The terminated Agent/Agency will be mailed a termination notification via certified mail which will identify the effective termination date.
- State level appointments will be terminated in conjunction with Federal and State requirements.
- When an Agency is terminated: Any downline Agents/Agencies will be moved under the next highest entity in the hierarchy.
- Termination will cease payment of commissions.

Agent

If you are terminated by your FMO/topline Agency and are in good standing with Cigna-HealthSpring, (i.e., not under investigation internally or externally, have acceptable compliance metrics, sufficient sales, not in debt to Cigna-HealthSpring and/or current upline, do not have third party paper prohibiting a move in hierarchy,), you may re-contract under a new hierarchy or direct to Cigna-HealthSpring. If re-contracting, onboarding, certification, and activation are complete within 30 days of the termination date, commissions and renewals may be restored. Certification after termination will include a face to face workshop requirement if this has not been done within the prior 12 months.

Agency

If an Agency is terminated by its FMO and is in good standing with Cigna-HealthSpring, the Agency may re-contract under a new hierarchy or direct to Cigna-HealthSpring.
For-Cause Termination

A For-Cause termination can be initiated by Cigna-HealthSpring or by an external regulatory agency.

› A For-Cause termination notification letter, detailing the offense, termination effective date, and the appeal process, is sent to you via certified mail.

› Your FMO or upline is emailed a copy of your notification letter.

› State level appointments will be terminated in conjunction with Federal and State requirements. Communication to any state in which the Agent/Agency is appointed will be made in accordance with all Federal and State requirements.

› When an Agency is terminated, any active downline Agents/Agencies will be moved under the next highest entity in the hierarchy.

› Termination will result in the Agent/Agency being ineligible to receive any further commission payments.

› In some cases, as directed by the Cigna-HealthSpring Sales Development Action Committee, your profile in the contracting systems could also be marked as “Do Not Re-Contract”.

› If you are termed for cause due to compliance and/or other disciplinary reasons, per our policy, you must wait at least one year before applying for reinstatement.

“Do Not Re-Contract” Reconsideration Process

If you are flagged “Do Not Re-Contract”, you may not contract with any Cigna company or its affiliates, including but not limited to all Cigna-HealthSpring and commercial products.

The following is the process by which you may request reconsideration of your “Do Not Re-Contract” status:

› When you receive your termination letter, you have ten (10) business days to appeal by submitting the Request for Reconsideration of Appointment to the Contracting inbox. Please send it via email to contracting.mailbox@HealthSpring.com.

› If there are no open violations against you, the request will be considered at the next Sales Development Action Committee (SDAC) meeting. If there are open violations, the appropriate sales leader and you will be notified via email or telephone that the reconsideration request will not go to the committee until the open violation(s) have been closed.

› The reconsideration request, along with any pertinent new information, is reviewed by the SDAC. When the committee has made a determination, the outcome will be documented in your Agent file and you will be notified in writing with an electronic copy to your FMO.

› If you are approved for reinstatement, you will be required to re-contract by submitting a new contracting packet.

› If you are not approved for reinstatement, you must wait at least one year before submitting any additional request for reconsideration.
SECTION IV

RECRUITMENT ETHICS

A Request to Our Partners

When recruiting new Agents as you build your Agency, it is often common to come across existing Cigna-HealthSpring Agents and Agencies. As a rule, we request you respectfully walk away from any current Cigna-HealthSpring Agent or Agency, if the Agent or Agency is writing under an existing hierarchy or is direct with Cigna-HealthSpring.

In an effort to minimize running into existing Cigna-HealthSpring Agents, each local market has the capacity to scrub your recruiting lists against active Cigna-HealthSpring Agents. Please submit to your local market manager before starting your mail or call campaign.

We at Cigna-HealthSpring look forward to partnering with you as you grow your organization. We encourage all of our selling partners to maintain the highest levels of professionalism, courtesy and respect toward others.
SECTION V

COMMISSIONS

Commissions - Individual Sales

Enrollments must be a result of the direct contact between the Agency or Subordinate Agency, Broker or Agent and the individual prospect. Cigna-HealthSpring will pay a commission for each individual whom Agency or Subordinate Agency, Brokers or Agents enroll in a Cigna-HealthSpring Medicare Advantage/Prescription Drug Plan. Commissions are paid per the current commission schedule set forth annually, located on Cigna-HealthSpring Sales Learning Management System. The allocated portion of the commission payments will be paid directly to the Agency and Agent of Record during the normal commission payment schedule as set forth by Cigna-HealthSpring policy unless otherwise agreed between the parties.

Assignments of Commissions (AOC)

Definition: A document which defines how an Agent commission is paid at the time a member is enrolled, and for all future payments on that enrollee, should the member remain on the books with Cigna-HealthSpring. The AOC simply directs current and renewal Agent commissions related to the specific member to the direct upline Agency. The AOC only pertains to business written as of the day the agreement is signed forward.

Agreement to Service the Member (ASM)

Definition: An executed document between the Assignee Agency and Cigna-HealthSpring which allows Cigna-HealthSpring to continue to pass through the Agent portion of renewals once the Agent has been terminated from the FMO hierarchy or from Cigna-HealthSpring.

CMS only allows Cigna-HealthSpring to pass through Agent level commission payments if the Agent is actively licensed, appointed and certified. In the case of an AOC, the ASM was developed to allow for Cigna-HealthSpring to demonstrate to CMS there is a new Agent within the Assignee’s organization dedicated to the service of that orphaned member (Agent of Record or AOR).

ASM Policy

If something happens to the Assignee Agency’s ASM Agent of Record on file with Cigna-HealthSpring, (e.g., termination, death, resignation, etc.), the Agency is accountable for initiating notification to Cigna-HealthSpring and appointing a new ASM. The Assignee Agency will have 10 business days to notify Cigna-HealthSpring of an AOR change through submission of a new ASM in order to receive commission for that membership.
New Application Commission Payments

In order to be eligible to receive a commission payment from Cigna-HealthSpring, both the Agent and Agency should be properly contracted, licensed, trained and appointed (based on each state regulations) prior to making a sale. Should these criteria not be met, a commission payment will not be administered to any and all parties, including hierarchy, related to the enrollment when the writing Agent is non-compliant. In the event an Agency is non-compliant the specific Agency will not receive commission payment but all other compliant entities in hierarchy will receive payment. Cigna-HealthSpring commission payments on new applications are made per the schedule provided and located on Cigna-HealthSpring Sales Learning Management System. Payment schedules may be changed annually.

Commission Department Services

The Commission Department exists to process new application, chargeback, CMS reconciliation and renewal commission payments, as well as to provide service to the Agent and Agency partners surrounding these payments. Any inquiries to the Commission Department should be sent from the broker partner through secure messaging via Cigna-HealthSpring’s secure web portal or another secure portal utilized by the broker partner. Inquiries are very important to the Commission Department and all inquiries will receive a response within two business days of receipt, except during high volume periods such as following the January renewal payment and the 1/1 new sales cycles. All commission inquiries should be made to commissions@HealthSpring.com.

Commission Statements

During pay periods in which an Agent or Agency has transactions (new application, chargeback, CMS reconciliation or renewal records), a commission statement will be generated. Statements are emailed to all producers via secure email from the Commission Department and registration to this site (log-in and password) is required to access the statements. For Arizona agents/agencies on a legacy Cigna AZ contract, the commission statements are accessible within the Evolve portal and are not emailed unless requested from Cigna Producer Commissions.

Currently, Cigna-HealthSpring uses Zix as the secure email site. Agents or Agencies who have trouble opening their statements through the secured Zix system, should contact Cigna-HealthSpring Customer Service at 800-284-8346.

All commission statements outline the activity which has occurred within the given pay period for each producer.
Selling an Active Commissionable Book of Business

Subject to CMS rules and regulations, as amended from time to time, and when approved by Cigna-HealthSpring management, Agents and Agencies may be permitted to transfer their active commissionable book of business (book) to another Agent or Agency in good standing with Cigna-HealthSpring if the transfer is the result of an acquisition, merger, sale, consolidation, or other legal transaction. In order to qualify, the transferring Agent/Agency must provide the following in writing to the Cigna-HealthSpring account manager at least ninety (90) days prior to the effective date of the transfer:

› Current Owner name and writing number
› New Owner name and writing number
› Documentation that demonstrates the legal transfer of the commissionable book of business
› Proposed effective date of transfer
› An attestation from the new owner that the new owner shall continue servicing the transferred book of business

Upon receipt of the request, Cigna-HealthSpring management will review the information provided, confirm that both the transferring Agent/Agency and the accepting Agent/Agency are in agreement and make a determination after any additional documentation requested by Cigna-HealthSpring is received and reviewed. If approved, the effective date of the transfer can be no earlier than the date of initial notification indicated above. Completion time varies depending upon the book size. Cigna-HealthSpring shall not be responsible for any payments made to the wrong Agent/Agency if Cigna-HealthSpring does not receive at least ninety (90) days prior advance notice of the proposed transfer’s effective date.

In order for the new Agent or Agency to receive on-going commissions, all regular commissionable criteria must be met, including, but not limited to, an active agreement, appropriate state licensure and appointment and plan year certification.
SECTION VI

OVERSIGHT

Compliance/Oversight Responsibility

The Agency agrees to regularly review the performance of its data, as well as its Agent’s data and, if applicable, any subcontractor Agency and Agent data as part of its normal operations to confirm ongoing compliance and to ensure any identified corrective actions are undertaken and effective. While Cigna-HealthSpring is ultimately responsible to CMS for the sales and marketing activities of Agency, Agency acknowledges and agrees that Cigna-HealthSpring will oversee and hold Agency accountable for the functions and responsibilities described in the Medicare Advantage and Medicare Part D regulatory standards and the performance of all services. The Agency must maintain an effective Compliance Program and Standards of Conduct, and require its employees, agents and all subcontractors to act in accordance with the requirements. The Agency will provide a copy of its current Compliance Program and Standards of Conduct annually or when revised.

Agents must actively participate in the Cigna-HealthSpring oversight program, the thresholds and standards of which may be changed or enforced in the sole discretion of Cigna-HealthSpring, and which may include, but is not limited to:

a. Periodic review of Agent’s contractual obligations to ensure Agent is meeting requirements;

b. Participation in Cigna-HealthSpring’s Ride Along Program which consists of a Cigna-HealthSpring representative attending sales presentation(s) with the agent to meet a potential customer, performing a mock review whereby no potential customer is present, or reviewing a telephonic recording. Agents are evaluated to ensure their presentation meets Cigna-HealthSpring and CMS requirements and must receive a passing score;

c. Participation in Cigna-HealthSpring’s Secret Shopper Program which consists of a trained individual, with an outside vendor, actively approaching a sales event and/or scheduling a meeting with an Agent to ensure the Agent’s presentation meets CHS and CMS requirements. Agent must receive a passing score;

d. Review of applications to ensure they are completed per Cigna-HealthSpring and CMS standards;

e. Review of Scope of Appointments to ensure they are obtained and completed per Cigna-HealthSpring and CMS standards;

f. As applicable, ensure sales events are approved by Cigna-HealthSpring prior to event and within the CMS timeframe for submission;

g. Regularly review Agent’s rapid disenrollment rate to ensure it does not exceed acceptable thresholds;

h. Ensure applications are submitted timely per Cigna-HealthSpring and CMS Policy;

i. Regularly review Agent’s complaint rate to ensure it does not exceed acceptable thresholds;

j. Regularly review Agent’s void rate to ensure it does not exceed acceptable thresholds;

k. Periodic review of other Cigna-HealthSpring policies and procedures to ensure compliance.
Cigna-HealthSpring has implemented a disciplinary action program which is managed by the Sales Development Action Committee (SDAC). The SDAC is comprised of senior leadership within Cigna-HealthSpring and meets regularly to review potential Cigna-HealthSpring and CMS policy violations by the Agent. Policy violations may trigger a remediation/corrective action plan which the Agent must complete. Remediation/corrective action plans may include, but are not limited to:

a. Retraining;
b. Meeting w/a CHS representative to review the violation(s) and discuss policy requirement(s);
c. Ride Alongs;
d. Secret Shops;
e. Formal Audit;
f. Financial Penalty;
g. Suspension of selling activity which must be reported to state and federal agencies;
h. Temporary hold of selling activities;
i. Termination of contract.

Reporting of Identified Compliance Issues

Agent will report all identified issues which are violations of CMS or plan policy requirements affecting his or her selling privileges to Cigna-HealthSpring upon discovery. Upon identification of issues which are violations of CMS or plan policy requirements, Agent agrees to cooperate with Cigna-HealthSpring by providing any and all documentation required to evaluate, correct and monitor the identified issue.

Marketing Materials

Any branded marketing materials, or materials which disclose Cigna-HealthSpring benefits, including but not limited to letters, brochures, and advertisements mailed or distributed to Cigna-HealthSpring customers and potential enrollees, telemarketing scripts, and packaging prepared or produced by Agent must be submitted to Cigna-HealthSpring for review and approval prior to use to ensure compliance with federal and state laws, rules, regulations, CMS guidance, and Cigna-HealthSpring requirements.

Prohibition of Payment/Gifts/Incentives to Beneficiaries

The Agency shall not provide or offer gifts or payments to a Medicare Advantage and/or Part D beneficiary as an inducement to enroll in a Medicare Advantage and/or Part D Product. The Agency may provide an individual eligible for Medicare Advantage and/or Part D a gift of nominal value, so long as the gift is provided whether or not the individual enrolls in the plan. For purposes of this Agreement, nominal value is defined as an item having little or no resale value and which cannot be readily converted into cash. Generally nominal value gifts are worth less than fifteen dollars ($15.00). Cash gifts or gifts readily converted into cash are prohibited in any amount, as are charitable contributions in the name of potential enrollees. In addition, while the Agency may describe legitimate benefits the individual eligible for Medicare Advantage and/or Part D may receive, the Agency is prohibited from offering or giving rebates, dividends or any other incentives, especially those that in any way compensate for lowered utilization of health services by such eligible individuals. Please refer to the CHS policy for additional guidance, as changes in federal and state laws, rules, regulations, and CMS guidance may occur from time to time.
Unsolicited Contacts

The Agency, its agents or subcontractors may not do any of the following:

1. Place any outbound marketing calls to customers or to beneficiaries unless the beneficiary requested the call;
2. Place calls to former customers who have disenrolled or to current customers who are in the process of voluntarily disenrolling, to market plans or products. Customers who are voluntarily disenrolling from a plan should not be contacted for sales purposes or be asked to consent in any format to further sales contacts;
3. Place calls to customers or beneficiaries to confirm receipt of mailed information;
4. Place calls to customers or beneficiaries to confirm acceptance of appointments made by third parties or independent agents;
5. Approach customers or beneficiaries in common areas (i.e. parking lots, hallways, lobbies, etc.);
6. Place calls or visit customers or beneficiaries who attended a sales event, unless the customer or beneficiary gave express permission at the event for a follow-up visit or call. Any such permission must be event specific and shall not be treated as open-ended permission for future calls. Any such permission must be documented;
7. Place calls based on referrals. If an individual would like to refer a friend or relative to an agent or plan sponsor, the agent or plan sponsor may provide contact information such as a business card that the individual may give to the friend or family member. In all cases, a referred individual needs to contact the plan or agent/broker directly.

The Agency, its agents, and/or subcontractors may do the following:

1. Place a call to a customer or beneficiary that the Agency enrolled into a CHS Medicare Advantage and/or Part D plan as long as the customer remains enrolled with the CHS plan; or
2. Place a call to a beneficiary who has expressly given permission for the Agency, agent or subcontractor to contact them, for example by filling out a business reply card or asking a customer service representative of CHS to have an agent contact them;
3. Return phone calls and messages, so long as they were unsolicited;
4. Please refer to CHS policy for additional guidance.

Inbound and Outbound Scripts

Any and all outbound scripts utilized by the Agency, its agents and/or subcontractors, to contact beneficiaries on behalf of CHS, must be submitted to CHS prior to use. Scripts will ultimately be submitted to CMS for review and approval prior to use in the marketplace. In addition, when conducting outbound calls, the Agency, its agents and/or subcontractors must ensure the scripts include a privacy statement clarifying the beneficiary is not required to provide any health related information to CHS or agent and that the information provided will in no way affect the beneficiary’s membership in the Medicare Advantage and/or Part D Plan. Please refer to CHS policy for additional guidance.
Cross Selling Prohibited

The Agency understands and agrees that marketing non-health care related products (such as annuities and life insurance) to prospective enrollees during any Medicare Advantage and/or Part D sales activity or presentation is considered cross selling and is strictly prohibited. Please refer to CHS Policy for additional guidance.

Scope of Appointments

All Agents conducting one-on-one appointments with beneficiaries, regardless of the venue (e.g., in home, telephonic, or library), must follow the scope of appointment guidance.

The Agency, its agents and/or subcontractors must clearly identify the types of products which will be discussed before marketing to a potential enrollee beneficiary and the beneficiary must agree to the scope of the appointment (48-hours in advance when practicable) and such agreement must be documented by the Agent. For example, if a beneficiary attends a sales presentation and schedules an appointment, the Agent must obtain written documentation signed by the beneficiary agreeing to the products which will be discussed during the appointment.

In addition, appointments which are made by Agent over the phone must be recorded in order to provide adequate documentation. The Agent will submit evidence of the required Scope of Appointment along with the sales application, or if no sale is made, maintain the required documentation, providing the Scope of Appointment upon request.

The Agency, its agents and/or subcontractors further agree additional products may not be discussed unless the beneficiary requests the information and any additional lines of business which are not identified prior to the in-home appointment will require a separate Scope of Appointment. Separate appointments cannot be re-scheduled until forty-eight (48) hours after the initial appointment. The Agent may, however, leave the customer materials during the initial appointment so long as enrollment applications are not left with potential enrollees. Please refer to CHS policy for additional guidance.

We require Agents to submit applications within two (2) calendar days which includes Saturday and Sunday. All applications submitted must be accompanied by a Scope of Appointment unless our CHS telescope line was utilized in which case the confirmation number should be written on the application or the sale was made via a recorded telephonic presentation whereby the required Scope of Appointment language is included in the script.

Marketing in Health Care Settings

The Agency, its agents and/or subcontractors are prohibited from conducting sales presentations and distributing and/or accepting enrollment applications in areas where patients primarily intend to receive health care services. These restricted areas generally include, but are not limited to, waiting rooms, exam rooms, hospital patient rooms, dialysis centers, and pharmacy counter areas (where patients wait for services or interact with pharmacy providers and obtain medication). The Agency, its agents and/or subcontractors may, however, conduct sales and marketing activities in common areas of health care settings. Common areas include areas such as hospital or nursing home cafeterias, community or recreational rooms, conference rooms and space in a pharmacy outside of the area where patients wait for services or interact with pharmacy providers and obtain medication. For beneficiaries residing in long term care facilities, you may only schedule an appointment if the beneficiary requested it.
Sales/Marketing Prohibited at Educational Events

The Agency, its agents and/or subcontractors may not include sales activities, including but not limited to distribution of marketing materials or distribution or collection of Medicare Advantage and/or Part D enrollment applications at educational events. Additionally, the following disclaimer must be included on all advertising materials at an educational event: “For educational purposes only and information regarding a Medicare Advantage and/or Part D plan will not be available.” Materials distributed or made available at an educational event must be free of plan-specific information, (including plan-specific premiums, co-payments, or contact information), and any bias toward one plan type over another. An educational event is one that is sponsored by a health insurance plan or by outside entities and are promoted to be educational in nature such as health information fairs, conference expositions, state-or community-sponsored events. Please refer to CHS policy for additional guidance.

The Agency, its agents and/or subcontractors may not:

1. Discuss plan-specific premiums and/or benefits;
2. Distribute plan specific materials;
3. Distribute or display business reply cards, Scope of Appointment forms, enrollment forms, or sign-up sheets;
4. Set up individual sales appointments or get permission for an outbound call to the beneficiary;
5. Attach business cards or plan/agent contact information to educational materials, unless requested by the beneficiary;
6. Advertise an educational event and then have a marketing/sales event immediately following in the same general location, (e.g., same hotel).

Prohibition on the Provision of Meals

The Agency, its agents and/or subcontractors may not provide meals or subsidize meals for any prospective enrollee of a Medicare Advantage or Part D plan at any event or meeting at which plan benefits are being discussed and/or plan materials are being distributed. You may provide refreshments and light snacks so long as the items provided could not be reasonably considered a meal and/or that multiple items are not being bundled and provided as if a meal. The following light snacks could generally be considered acceptable: fruit, raw vegetables, pastries, cookies or other small dessert items, crackers, muffins, cheese, chips, yogurt or nuts. Please refer to CHS policy for additional guidance.

Required Disclosure

The Agency, its agents and/or subcontractors must provide the following disclosure or a substantially similar disclosure, prior to enrollment or at the time of enrollment, in writing, to a potential enrollee:

“The person that is discussing plan options with you is either employed by or contracted with Cigna-HealthSpring, and its applicable affiliates offering Medicare Advantage and/or Medicare Part D plans. The person may be compensated based on your enrollment in a plan.”

License

The Agent warrants and represents that it is properly licensed, certified, and/or registered under applicable state laws to sell and/or market Medicare Advantage and/or Medicare Part D products in the state(s) where there is intent to sell and/or market CHS products. The Agency further warrants and represents that all of their individual agents and downline subcontractors are also properly licensed, certified, and/or registered under applicable state laws to sell and/or market Medicare Advantage and/or Medicare Part D products in the state(s) where there is intent to sell and/or market CHS products.