

Agent/Broker Certification and Contracting

Policy Statement:

Health Net is committed to ensuring that only agents who are appropriately licensed, appointed and properly trained may market or sell Health Net products. Agents may not sell or market any Health Net Medicare products until all certification requirements have been satisfied and the necessary documentation has been verified by Health Net's Broker Contracting (non Health Net employed agents) or Sales Administration (Health Net employed agents) departments.

Scope/Limitations:

This policy applies to all Health Net Internal Sales Associates, seasonal contracted Sales Agents as well as contracted Agents/Brokers. Hereafter, in this document, all selling individuals will be referred to as "Agents." The term "Sales Entity" refers to any Health Net contracted sales organization, including Agencies, General Agencies, Managing Agencies, and Field Marketing Organizations.

Related Policies:

NC102-145815 Medicare Sales Agent Activities and Oversight

References:

- Medicare Managed Care Manual (MMCM) – Chapter 3 – Medicare Marketing Guidelines
- Title 42 Code of Federal Regulations (CFR) – Sections 422 (Part C) and 423 (Part D)

Policy/Procedure:

Health Net requires all agents to provide evidence of current licensing, submit required agent agreement documentation and complete all required compliance and product trainings in order to be certified to sell or market any Health Net products. Agents must be certified for the plan year in which they are selling prior to conducting any sales or marketing activities. Certification must be renewed annually prior to selling or marketing Health Net's Medicare products during the Annual Enrollment Period.

Licensing and Certification

Agents must not be censured, restricted or otherwise sanctioned by any regulatory body within the most recent two years and must maintain an active insurance license in each state that they intend to sell Health Net products. In addition, agents who sell in California or Washington must be appointed pursuant with state laws (appointment is not required for Oregon or Arizona).

Training

Medicare beneficiaries should be able to understand the benefits of the Medicare plans they are presented and be able to select the plan with the health care coverage that best meets their personal needs. Health Net recognizes that agents and brokers play a significant role in helping Medicare beneficiaries with their coverage choices. Accordingly, any agent or broker selling Health Net plans must be properly trained on Medicare regulations and Health Net product specific details. Sales agents must be trained, tested and certified annually on Medicare rules and regulations and on details specific to the Health Net products they intend to market. Health Net updates its training and testing content annually prior to the Annual Enrollment Period based on reviews of revised guidance and specifications issued by CMS. Health Net contracts with America's Health Insurance Plans (AHIP) to provide access to training documentation and administer on-line testing for all agents intending to sell Health Net products. Agents who have already taken and passed the AHIP training test will not be

required to retake the AHIP Medicare Training exam, however all agents must still register on the Health Net AHIP site and successfully complete all other Health Net training and testing requirements. The following training modules and exams are updated annually and require successful completion with passing exam scores each year prior to selling any Health Net products.

- **AHIP Medicare Training**
- **Health Net Product Specific Training(s)**
- **Health Net Medicare Compliance Training**
- **Health Net Medicare Fraud, Waste and Abuse (FWA) Training**

Health Net will also provide ad-hoc training and/or communications to Agents to advise them of any new or revised requirements based upon off-cycle guidance provided by CMS. Health Net may require re-training and/or re-certification of any agent, at any time due to sales allegations, high volumes of rapid disenrollments or late applications.

External Agent/Broker Contracting Documentation

External Agents can contract with Health Net Net to sell MAPDs/MAs as either an Independent Broker or a Selling Agent but not both. To assist you with your application submission, Health Net has created a Broker Self Service Web Tool.

Once Agent/Broker has logged into the Broker Self Service Tool, they would need to determine which agent/broker type applies to them. Health Net identifies agents/brokers as either Independent or as a Selling Agent. Here are the definitions of each:

- Independent Broker is an individual who contracts with Health Net directly.
- Selling Agent is an authorized broker who is affiliated with a Health Net contracted Sales Entity ("Agency").

The following documents would need to be completed by the Agent/Broker using the Broker Self Service Web Tool. All completed documents are transmitted electronically and sent to Broker Contracting for processing:

- Submit Agreement Cover Page (either Independent Producer Agreement or Appendix A)
- Complete Preliminary Agent Information Form
- Submit W-9 (Note: The name on your W-9 must match the name on your State Insurance License).
- Complete Electronic Funds Transfer (EFT) Form

Health Net certifications are transmitted electronically for verification and processing; you are not required to fax or email certification documents. At the completion of both courses below you will be able to print the completion certificates to retain for your records.

External Agents will receive an email from Health Net's Broker Contracting department confirming authorization to sell Health Net products within 7 to 10 business days following successful completion of required trainings and receipt of a completed contracting package.

Health Net Employed Sales Agents and Seasonal Contractors

The following certification documentation must be submitted by all sales agents directly employed by, or seasonally contracted by Health Net.

- Copy of current state insurance license(s)
- Confirmation page(s) of successful completion of required agent trainings and examinations

- Signed compensation plan

Internal and seasonal agents should submit certification paperwork to their supervisor or manager for submission to Health Net's Sales Administration team for processing and retention.

Upon validation, Sales Administration will issue an email confirming that the agent is certified to sell Health Net Medicare products.

Record Keeping

Licensing, Certification and Training records are maintained by Health Net in either hard copy or electronic format for a minimum of 10 years and are subject to audit as required by Medicare Regulations.

Unlicensed Agents

Unlicensed agents and customer service representatives may discuss plan benefits; however they are prohibited from comparing plan benefits for the beneficiary and advising or counseling the beneficiary on plan selections. All agent types, including licensed and unlicensed, must follow applicable state laws. Health Net's Agent Broker Oversight team investigates incidences of submission of applications by unqualified agents and implements corrective actions as appropriate. Health Net will recover all Initial and/or renewal sales commissions paid to agents who are not appropriately certified.

Sales Entity Responsibilities

Sales entities are responsible for providing ongoing communication to their agents as required or requested by Health Net ensuring that that all educational and informational content developed by Health Net is distributed in the manner and timeframes communicated by Health Net.

Sales entities must provide (annually or upon request) a list of all individual agents affiliated with the Sales Entity who solicit and/or sell Health Net Medicare products.

Sales Entities that have a call center (in-house or sub-contracted) to field prospect calls must be approved by Health Net and must ensure that authorized producers are not acting as a customer service representative and sales agent simultaneously. There should be a clear distinction within the organization as to the type of representative that will be answering calls, their precise roles and level of knowledge and training.

Medicare Advantage Broker Exclusions Monitoring

The Centers for Medicare and Medicaid Services (CMS) require contractors and their First Tier Downstream and Related entities (FDRs) to monitor federal exclusions lists. The parties/entities on these lists are excluded from various activities, including rendering services to Medicare enrollees (unless in the case of an emergency, 42 CFR § 1001.1901) and from being employed or contracted to render services to Medicare enrollees. Health Net requires that its participating physician groups (PPGs), hospitals, ancillary providers, and physicians continuously monitor federal exclusion lists. The information below provides the names of each federal exclusion list, governing regulations and CMS guidance, including links to publically available exclusion lists.

Health Net And FDR Hiring And Contracting Responsibilities

Health Net and their First Tier Downstream and Related entities (FDRs) are required to monitor federal exclusion lists to ensure that Health Net and their First Tier Downstream and Related entities (FDRs) are not hiring, contracting or paying excluded parties or entities for services rendered to enrollees in Health Net's MA and MA-PD plans. MAOs and their FDRs must check the *List of Excluded Individuals and Entities (LEIE)* and *Exclusions Extract Data Package (EEDP)* federal exclusion lists prior to hiring or contracting with any new employee, temporary employee, volunteer, consultant, governing body member, or FDR for Part C- and Part D related activities. MAOs and their FDRs must continuously monitor these lists at least

monthly to ensure parties or entities that were previously screened have not become excluded later.

List of Excluded Individuals and Entities (LEIE)

The Office of the Inspector General -- Health and Human Services, (OIG-HHS) imposes exclusions under the authority of sections 1128 and 1156 of the Social Security Act. · A list of all exclusions and their statutory authority are available on the Exclusion Authority website at:

<https://oig.hhs.gov/exclusions/authorities.asp>. · The current LEIE is available on the OIG-HHS website at: https://oig.hhs.gov/exclusions/exclusions_list.asp. · Frequently asked questions (FAQs) and additional information on the LEIE is available at: <https://oig.hhs.gov/faqs/exclusions-faq.asp>.

Exclusions Extract Data Package (EEDP)

The General Services Administration (GSA's) EEDP is a government-wide compilation of various federal agency exclusions, and replaces the Excluded Parties List System (EPLS). Exclusions contained in the EEDP are governed by each agency's regulatory or legal authority. The EEDP also includes parties and entities from other federal exclusion databases. All parties or entities listed on the EEDP are subject to exclusion from Medicare participation. · The current EEDP is available on the SAM website at:

www.sam.gov, with additional information located under Help > User Guides > Quick User Guides > Helpful Hints for Public Users.

Governing Regulation and CMS Guidance

The names of parties that have been excluded from Medicare participation are published in the Office of the Inspector General U.S. Department of Health and Human Services (OIGHHS) List of Excluded Individuals and Entities (LEIE), and on the General Services Administration's (GSA) Exclusions Extract Data Package (EEDP) (or Excluded Parties List System (EPLS), which was replaced by the EEDP), as referenced through the System for Award Management (SAM) website at ww.sam.gov. Medicare Advantage organizations (MAOs) and their FDRs must abide by the regulations documented in the Social Security Act 1862(e)(1)(B), 42 CFR §422.503(b)(4)(vi)(F), 422.752(a)(8), 423.504(b)(4)(vi)(F), 423.752(a)(6), and 1001.1901. These federal exclusion requirements are further interpreted and communicated as guidance by CMS in Medicare Manual, Volume 100-16, Chapters 9 and 21 §50.6.8. Additional regulations that require sponsors to include CMS requirements in their contracts, as well as monitor their FDRs, are available in 42 CFR §422.504(i)(4)(B)(v) and 423.505(i)(3)(v)