

## APPENDIX A

### MEMBERSHIP MANAGEMENT AND COMPENSATION SCHEDULE 2022 PLAN YEAR

This Membership Management and Compensation Schedule (“**Compensation Schedule**”) supplements and is made part of the Agreement between Medica Health Plans, Medica Community Health Plan and Medica Insurance Company (collectively “Medica”), and Agency (the “Agreement”). Undefined capitalized terms in this Compensation Schedule have the same meaning as defined in the Agreement.

**SECTION 1. DEFINITIONS.** For purposes of this Compensation Schedule, “**Contract Charges**” means the total premium amount required of and collected from a Member enrolled through Agency in a Benefit Contract pursuant to the Agreement.

#### **SECTION 2. TERMS AND CONDITIONS.**

**2.1 Agency Compensation.** Agency agrees to look solely to Medica for compensation under this Compensation Schedule. Except as set forth in this Compensation Schedule, the Agreement and any addenda to the Agreement may provide otherwise, Compensation shall be calculated as set forth as stated in the following Sections.

**2.2 Payment of Compensation.** Unless specified otherwise in this Appendix, Compensation payable under this Compensation Schedule will be paid in prorated monthly installments calculated according to Medica’s standard method. The portion of Compensation due Agency for the first month of a Member’s first Contract Year will be paid to Agency, no later than ninety (90) days after the effective date of the Member’s enrollment. Compensation for the second and subsequent months will be paid to Agency on a monthly basis no later than sixty (60) days after Medica receives the Member’s monthly Contract Charges and monthly enrollment information from Agency. Agency acknowledges that Medica may at any time implement a new method of calculating or paying Compensation. Medica will provide Agency thirty (30) days’ notice of any such change. Agency may elect to terminate the Agreement upon written notice to Medica prior to the effective date of any such change, in accordance with Section 7.2 of the Agreement.

**2.3 Overpayments and Underpayments.** Agency will review the amounts of Compensation actually paid to Agency hereunder and reconcile them against Agency’s internal records and will notify Medica upon discovery of any overpayment or underpayment of Compensation. Medica will be entitled to make an appropriate adjustment in Compensation, as provided in this Compensation Schedule, upon discovery of a clerical error. Medica may, pursuant to this provision, collect reimbursement from Agency for any overpayment of Compensation. Medica may in its sole discretion collect from Agency reimbursement for collection agency and legal fees, if any, incurred by Medica to procure reimbursement. Medica also may reduce any current or future Compensation otherwise payable to Agency as Medica deems appropriate to offset amounts overpaid to Agency. Agency will notify Medica of an underpayment within one hundred eighty (180) days after the payment was made in order for

Medica to correct such underpayment. Failure by Agency to notify Medica of a discrepancy in compensation within one hundred eighty (180) days after payment will result in Agency forfeiting any and all rights to the adjusted compensation. The requirements of this Section 2.3 will survive termination of the Agreement.

**2.4 Amount Payable.** No amounts will be payable under this Compensation Schedule in excess of any maximum prescribed by any applicable federal or state law, regulation, or regulatory agency instructions. Upon written notice to Agency, Medica may adjust the level of Compensation as Medica deems necessary in its sole discretion to comply with this Section 2.4.

**2.5 Rapid Disenrollment.** Medica will audit each of Agency’s new policies sold. Any policy cancelled within the first ninety (90) days of the effective date will be considered a rapid disenrollment. Medica will, pursuant to this section and CMS guidelines, collect reimbursement of all applicable Compensation from Agency where applicable, for any rapid disenrollments occurring within the 0 – 90 day time period. Since Agency is solely responsible for paying Compensation to its Individual Agents, Agency is responsible for recovering Compensation it has paid to its Individual Agents for rapid disenrollments.

**2.6 Requirement of Completion of Medicare Certification, General Compliance, and Fraud, Waste & Abuse Training.** Agency will and will ensure that its Individual Agents comply with applicable laws, regulations and regulatory agency instructions. Agency and its Individual Agents will complete a Medica- approved certification course, general compliance course, and fraud, waste & abuse training. Failure to become Medica Medicare certified, and/or complete the general compliance course, and the fraud, waste & abuse training will result in non-payment of Compensation for those policies sold or in effect while Agency was non-compliant.

**2.7 Legacy Rates.** Compensation amounts are determined based on the effective year of the policy. Policies with effective dates prior to January 1, 2020, will follow the 2019 compensation schedule. All other policies will follow the compensation schedule of the year they were originally effectuated.

**SECTION 3. MEDICARE COST AND MEDICARE ADVANTAGE PRODUCT  
Membership Management and Compensation Schedule**

Tier	Initial Year	Agent BSF	Renewal year	Agent BSF
Street	\$573	N/A	\$287	N/A
Street +	\$573	N/A	\$287	N/A
Preferred	\$573	\$50	\$287	\$20
Preferred +	\$573	\$100	\$287	\$30

Initial year paid annually

Renewal year(s) paid per policy per month

Agent Broker Service Fee (“BSF”) is a one-time payment per policy

Agency/Agent Criteria:

Tier	Book Size	Quarterly Growth Rate	Quarterly Retention Rate
Street	0 – 100	N/A	N/A
Street +	101 – 250	2%	93%
Preferred	251 – 500	2%	93%
Preferred +	Greater than 500	2%	93%

*Book = Medical Membership in MAPD, COST, Medicare Supplement Products*

**SECTION 4. MEDICARE SUPPLEMENTAL PRODUCT**

Medicare Supplement – MN – Effective 4/1/2018 – 3/31/2021

Open Enrollment & Guaranteed Issue

Paid per policy per month

Tier	Year	Amount	Year	Amount
Agency	Year 1 – 5	\$17.00	Years 6 – beyond	\$8.50

Medicare Supplement – MN – Effective 4/01/2021

Open Enrollment (Turning 65) & Underwritten Policies

Paid per policy per month

Tier	Year	Amount	Year	Amount
Agency	Year 1 – 6	\$30.00	Years 7 – 10	\$8.50

Medicare Supplement – MN – Effective 4/01/2021

Guaranteed Issue / Disabled < Age 65

Paid per policy per month

Tier	Year	Amount	Year	Amount
Agency	Year 1 – 6	\$15.00	Years 7 – 10	\$8.50

Medicare Supplement – IA, ND, NE, SD – Effective 3/01/2021

Open Enrollment (Turning 65) & Underwritten Policies

Paid on 100% of original premium per policy per month

Plan Types: A, G, N

Tier	Year	Ages 65-80	Ages 81+	Year	Ages 65-80	Ages 81+
Agency	Year 1 – 6	25.0%	11.0%	Year 7 +	1.0%	0.5%

Plan Type: F

Annual Part B Deductible offset applies and is non-commissionable

(Example: For policies issued in 2021 this amount is \$203 and will be adjusted for policies issued in future years by multiplying \$203 by the ratio of the Medicare Part B deductible in effect for the current year to the 2021 Medicare Part B deductible)

Tier	Year	Ages 65-80	Ages 81+	Year	Ages 65-80	Ages 81+
Agency	Year 1 – 6	29.0%	13.0%	Year 7 +	1.0%	0.5%

Guaranteed Issue  
Paid once per year

Tier	Year	Ages 65-80	Ages 81+	Year	Ages 65-80	Ages 81+
Agency	Year 1 – 6	\$25	\$25	N/A	N/A	N/A

SD Attained Aged Commission Rates (<65 years old)  
Paid on 100% of original premium per policy per month  
Plan Types: A, G, F, N

Tier	Year	<Age 65	Ages 81+	Year	Ages 65-80	Ages 81+
Agency	Year 1 – 6	1%	N/A	N/A	N/A	N/A

Note:

- Commission rates shall be applied to the lesser of the policy premium at the time of policy issuance or the current premium, excluding any non-commissionable Medicare Part B deductible premium, if applicable.
- Internal Company Replacement: Commission on the new Internal Company replacement policy will be calculated using the premium and commission schedule of the new policy and the policy year of the original policy that is being replaced. If the agent of record changes from the original policy being replaced, the commissions on the new policy are payable to the original agent of record.

## SECTION 5. GROUP MEDICARE PRODUCT

Agent Comp amounts paid per policy per month  
Agent Broker Service Fee (“BSF”) is a one-time payment per policy  
Legacy rates do not apply for Group Medicare Products

Tier	Agent Comp	Agent BSF
Street	\$22	n/a
Street +	\$22	n/a
Preferred	\$22	\$50
Preferred +	\$22	\$100

## SECTION 6. INDIVIDUAL AND FAMILY BUSINESS

All amounts paid per policy per month for life of policy.

Tier	MN/ND/WI	IA/NE	AZ/KS/MO/OK
Street	\$15	\$18	\$21

