



ACHP Frequently Asked Questions on Broker Compensation Reform CY 2025 MA and Part D Policy and Technical Changes Final Rule

On April 4, CMS released the CY 2025 MA and Part D Final Rule which included broker compensation reforms, championed by ACHP's *MA for Tomorrow* initiative. The rule finalizes three key broker compensation policies:

- Prohibits contract terms between MA organizations and agents, brokers and TPMOs/FMOs that directly or indirectly creates an incentive that would inhibit agent/broker objectivity.
- Revises the scope of "compensation" and sets a single agent/broker rate.
- Eliminates separate payments to agents/brokers for administrative services.

Q: How is CMS defining broker compensation?

A: CMS now considers broker compensation to include all payments:

- To agents/brokers tied to enrollment;
- Related to an enrollment in an MA plan/product;
- For services conducted as part of the relationship associated with enrollment; and
- All administrative payments, previously paid separately, not as part of the payment rate.

This new definition does not extend to paying for services related to referrals, lead generation or other non-enrollment related activities (e.g., marketing).

Q: Does CMS offer criteria for what is considered an "administrative" payment?

A: CMS does not specify the full universe of what qualifies as "administrative" fees or payment. However, the following items are referenced throughout the final rule as examples of administrative fees, payments, services: "override fees," licensing, training, testing, call recording, CRM tools and HRAs.

CMS specifies compensation to include the following: commission, bonuses, gifts, prizes/awards, certification, training, testing, mileage reimbursement, costs associated with sales appointments (such as venue rent, snacks and materials), and any other payments related to enrollment or conducted as a part of the relationship associated with enrollment.

Administrative overrides for any services related to enrollment or conducted as a part of the relationship with enrollment are no longer allowed as separate payments. These are considered part of the new FMV compensation rate.



Q: What is the additional \$100?

A: CMS finalized a one-time \$100 increase to the Fair Market Value compensation rate. This will form the new base compensation that CMS will update annually. In subsequent years, broker/agent compensation will be calculated as *Prior Year FMV + (Prior Year FMV * MA Growth Rate %)*. Renewal compensation will be capped at 50% of the initial enrollment compensation amount.

TABLE FC-1: AGENT BROKER COMPENSATION UPDATES CY 2024–2026

	2024	2025	2026
Initial Enrollment	\$611	(FMV TBD) + \$100	FMV TBD
Renewal	\$305	(FMV TBD +100)*0.5	FMV TBD*0.5

**TABLE FC-2: EXAMPLE AGENT BROKER COMPENSATION UPDATES
CY 2024-2026**

	2024	2025	2026
Initial Enrollment	\$611	\$726	\$744
Renewal	\$305	\$313 *should be \$363	\$372

Q: Is the new broker/agent compensation a cap or a rate?

A: Prior to this final rule, MA organizations could compensate agents/brokers/TPMOs/FMOs up to the CMS set FMV cap (\$611 for initial enrollment, \$205 for renewals) for commission and make additional payments for “overrides” that were not limited. CMS changed the compensation from a commission cap with no “override” limits to a single set rate (FMV + \$100). Compensation payment amount is now both a floor and ceiling as one set rate.

Q: Can MA plans reimburse agents/brokers for Health Risk Assessment (HRA) completion?

A: Health plans will not be able to reimburse for HRA completion outside of the compensation rate when its completion is tied to a broker enrollment. HRA completion would fall under any other payments related to enrollment or conducted as a part of the relationship associated with enrollment. However, CMS leaves open the potential for agents/brokers to help beneficiaries complete an HRA as part of a separate agreement that has no ties to enrollment.



Q: How does this rule impact marketing dollars?

A: These new requirements do not apply to services or payments made to TPMOs/FMOs for marketing services separate and distinct from enrollment.

Q: Does CMS define or differentiate TPMOs from FMOs?

A: CMS states that Field Marketing Organizations (FMOs) are a type of TPMO that employs or is affiliated with agents and brokers to complete MA enrollment activities.

Q: Why did CMS not directly regulate TPMOs/FMOs?

A: CMS does not have authority to directly regulate TPMOs/FMOs. Jurisdiction is over health plans and TPMOs/FMOs can be impacted by their arrangements with health plans.

Q: How does this affect salaried agents within a TPMO/FMO?

A: Salaried employees within a TPMO/FMO do not currently fall under the regulatory definition of “compensation.” CMS notes that these agents and brokers may not experience the same change in incentives. This regulation addresses the contractual relationship between MA organizations and TPMOs/FMOs for enrollment related services which is still a fixed FMV rate, regardless of whether a TPMO/FMO has salaried employees.

Q: How will CMS enforce this regulation?

A: CMS will review contracts as part of routine monitoring to ensure compliance with new requirements. CMS will also rely on complaints and other methods of investigation, and work conducted by the Office of the Inspector General, to enforce this regulation.