

2024 Broker Compensation Program

Massachusetts



Being a strategic partner to our brokers is about being a good listener and delivering the products, tools and resources you and your clients need. It's also about providing you with fair, competitive compensation designed to support our mutual success.

2024 Group Commissions

Small & Mid Group Commissions (Less than 51 enrolled)

For Massachusetts-based accounts, we will pay commissions to qualified brokers based on a per subscriber per month (PSPM) schedule. Commissions are paid each month based on the number of subscribers enrolled as of the last day of the prior month.

ENROLLED SUBSCRIBERS	MONTHLY COMMISSION
2-4	\$10 per enrolled subscriber
5-9	\$25 per enrolled subscriber
10-50	\$29 per enrolled subscriber

- Applies to accounts sold directly through Harvard Pilgrim and/or Tufts Health Plan.

Large Group Commissions (51+ Enrolled)

Commissions will be paid each month based on the number of subscribers enrolled as of the last day of the prior month. Commissions are calculated using a graded PSPM schedule. For example, commissions on a new group of 250 subscribers would be paid \$40 for the first 50 subscribers, \$22 for the next 50, and \$11 for the remaining 150. The new sales PSPM rate will be paid until the account renews.

New Sales

ENROLLED SUBSCRIBERS	SUBSCRIBER BAND	PSPM RATE
51-99 enrolled	51-99 subs	\$40
100+ enrolled	First 50 Next 50 Remaining	\$40 \$22 \$11

Renewals

ENROLLED SUBSCRIBERS	SUBSCRIBER BAND	PSPM RATE
51+ enrolled	First 50 Next 50 Remaining	\$29 \$22 \$11

- Applies to fully insured and Medicare Enhance accounts only.
- Commission schedules are assigned to accounts based on the number of enrolled subscribers, not the rating class.



Medicare Enhance Commissions (Group)

- Commissions will be paid to qualified brokers based on the standard group commission schedules.
- Please note that Medicare Enhance is not commissionable when associated with a self-insured account.

Tufts Medicare Preferred Commissions (Group)

All fully-insured Tufts Medicare Preferred Supplement and fully-insured Tufts Medicare Preferred Prescription Drug plans follow the new business and renewal of existing business monthly commission schedule detailed below. Medicare premium is not combined with commercial premium.

PREMIUMS RECEIVED	COMMISSION RATE
First \$500,000	3% of premium
Next \$500,000	2% of premium
Over \$1 million	1% of premium

- Commission schedule effective 1/1/2024 – 12/31/2024, regardless of account renewal date.
- Paid monthly based on the group's premium received for the period covered.
- Premium received for each group is accumulated on a calendar-year basis, regardless of the group's renewal date.
- Commissions for Tufts Medicare Preferred HMO plans are one-time payments of \$100 for each new member who enrolls within the first 90 days immediately following the initial product sale.

2024 Bonus Programs

Retention Bonus

Retention business includes your current Tufts Health Plan subscribers migrating to Harvard Pilgrim. Retention bonuses are calculated annually based on the number of subscribers on 12/31/2024 compared to the number of subscribers on 12/31/2023. Bonus payouts below are applied to your entire book of retained subscribers.

LEVEL	FULLY INSURED RETAINED SUBSCRIBERS	80%	85%	90%	95%
Tier 1	5000	\$34	\$42	\$73	\$85
Tier 2	2000-4999	\$31	\$39	\$66	\$77
Tier 3	1000-1999	\$22	\$28	\$55	\$66
Tier 4	250-999	\$9	\$11	\$22	\$33

New Business Bonus

The New Business Bonus provides an opportunity to receive a per subscriber payout on your entire book of new sales in 2024. Only 100 new subscribers needed to qualify, with no retention requirement.

LEVEL	FULLY INSURED NEW SUBSCRIBERS	BONUS
Tier 1	750+	\$123
Tier 2	500-749	\$111
Tier 3	250-499	\$100
Tier 4	100-249	\$90

Self-Funded Bonus

Any broker that qualifies for either the Standard New Business Bonus or Retention Bonus would also receive an additional bonus payout on any ASO business they have with Harvard Pilgrim or HPI. The payout will be .5% of the administrative fees for any Harvard Pilgrim or HPI business – Accounts with Harvard Pilgrim Stop Loss insurance will receive a higher payout of .75%

SELF-FUNDED BOOK OF BUSINESS	PAYOUT PERCENT
Admin Fees	0.50%
Stop Loss	0.75%

Commissions

- On an annual basis, we verify the number of enrolled subscribers in order to assign to the small or large group structure accordingly.
- If there are disputes regarding the interpretation of any of the details of this Broker Compensation Program, we reserve the right to final interpretations.
- The commission plan described herein applies to fully-insured groups with up to 1,000 eligible employees. For groups with 1,000 or more eligible employees, we reserve the right to negotiate a client specific schedule with the broker.

Broker of Record Changes

- Upon receipt of a valid and dated letter on the account's letterhead and signed by an officer of the account changing the Broker of Record, we will make the change effective the first day of the month following receipt of the letter.
- Broker of Record letters will be honored up to 90 days from the date of the letter.
- The named broker must be credentialed with Harvard Pilgrim and/or Tufts Health Plan.
- Commission for newly written business will be paid to the original broker for the first 90 days, regardless of whether a new Broker of Record letter is received during this time period.
- If an account on which commissions are not being paid names a credentialed broker as its Broker of Record, we will pay commissions to that broker based on the commission schedule described in this brochure.
 - A valid and dated Broker of Record letter on the account's letterhead and signed by an officer of the account must be presented.
 - Commission payments will be payable beginning on the next anniversary date after Harvard Pilgrim or Tufts Health Plan receives the Broker of Record letter.
 - Applies to accounts sold directly through Harvard Pilgrim and/or Tufts Health Plan only.
- If we receive multiple Broker of Record letters on the same account, the most current letter will be honored.

Bonus

- Subscribers acquired via agency acquisition will be added to both the current year and historical year for retention calculation purposes and assessed as of the aggregation date.
- Aggregation requests must be communicated to us by 7/1 in order to be considered for current year bonus calculations.
- Bonuses apply only to accounts sold directly through Tufts Health Plan, Harvard Pilgrim or the Massachusetts Health Connector.
- Bonuses will be based on subscribers represented in 2024 and paid no later than March 31, 2025.
- Broker of Record Takeover accounts do not qualify as new business for bonus programs.
- A returning group will be considered "new" if there has been a minimum of 12 months since their last effective date.
- Subscribers represented by accounts lost due to a Broker of Record Letter but remain active with Tufts Health Plan and/or Harvard Pilgrim will be removed from the current and historical subscriber base to avoid the negative effect on retention calculations.
- Medicare Enhance membership is not eligible for bonus compensation.

General

- The commission plans described in this brochure are available only to qualified brokers who are licensed by the Massachusetts Division of Insurance and who have signed the Harvard Pilgrim Health Care and/or Tufts Health Plan Broker Agreement and Business Associate Agreement.
- We reserve the right to change or modify this plan without prior notice.
- If there are disputes regarding the interpretation of any of the details of this Broker Compensation Program, we reserve the right to final interpretations.
- Subscriber total is counted across all states and bonus payment will be applied to the state in which each account is located.
- Error in Payment: The broker will reimburse us for any commissions erroneously paid to the broker for any reason and we also have the right to offset any overpayments from future payments. We will adjust payments to the broker for a period not to exceed the 12 months immediately preceding the date upon which we receive notice of any error. We may pay commissions retroactively if a Broker of Record is not processed correctly.
- We may also offer brokers the opportunity to participate in contests and special programs, which shall be deemed to be included in the Broker Compensation Program.
- Broker has the legal obligation to disclose to accounts any compensation paid or payable under this Program, including the disclosure obligations under the Consolidated Appropriations Act of 2021.