

# Medicare Sales Training and Certification Program Newsletter

July 2009

Volume 3, Issue 1

## Special points of interest:

- Secret Shopper Results!
- Lock-In Period Checklist and more!
- To Call or Not to Call—Clearing Up New Regulations
- Get the scoop! New MIPPA requirements called “Scope of Appointment”.

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## CMS is Serious About Compliance – Results of the Latest Surveillance Activities

CMS has announced in several communications and recent guidelines that there would be increased scrutiny and surveillance to assure compliance of CMS sales and marketing guidelines in the marketplace. At a recent conference CMS revealed the results of their 2008 Annual Election Periods (AEP) surveillance activities.

The areas found to be most often deficient will be great areas for you as an agent to tune up. The remainder of the newsletter will go into detail on a couple of these problem areas to help you make certain that you are properly following CMS guidelines.

CMS conducted extensive surveillance through the following methods:

- Secret shopping at sales seminars
- Clipping service (print advertising)
- Secret shopper customer service call centers
- Review of complaints

*The areas found to be most often deficient will be great areas for you as an agent to tune up.*

The following is a quick overview of the findings.

## Sales Seminar Secret Shopper Results

Over 1,000 secret shops were conducted across all states and all MA (Medicare Advantage) and PDP (Prescription Drug Plan) organizations. The most common deficiencies found were:

- Misunderstanding and/or misuse of the Scope of Appointment form
- In many cases the presenters from PFFS organizations did not clearly read the disclaimer: "enrollees can see any provider who agrees to accept the plans terms and conditions of payment"
- Sales representatives didn't provide clear instructions on plan's drug coverage benefits

Where CMS found at least one serious marketing violation the MAO (Medicare Advantage Organization) received warning letters and were asked to implement proactive measures such as targeted training and/or disciplinary action against the sales representative. In addition more focused surveillance initiatives were conducted for these MAOs.

## Clipping Service Results

In November 2008, CMS initiated a clipping service to review ads for marketing content and to assure marketing events were reported to CMS. Over 350 English and Spanish ads were reviewed. Initially the service concentrated in specific areas and has been expanded to all U.S. markets. The 2008 AEP did not uncover many instances of gross misrepresentation or serious marketing deficiencies. Organizations did receive violation warning letters where problems occurred.



**Q. Is the Scope of Appointment form required at sales events?**

**A.** No, sales events do not require a Scope of Appointment form to be signed because they are not an individual appointment. The products to be discussed in the sales event must be documented in the event advertising materials. If a Medicare beneficiary asks for a follow-up appointment, a Scope of Appointment should be acquired and the follow-up appointment does not have to be 48 hours later. It may be held at the sales event immediately following the sales presentation.



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## Customer Service Call Center Secret Shopper Results

Over 5,000 calls were made to 213 MA and PDP Organizations. The goal was to assess accuracy and assess whether the CSR (Customer Service Representative) understood basic plan information, enrollment requirements, how MA plans cover services, health screening questions, member costs, disenrollment rules and whether the CSR made any marketing misrepresentations or utilized pressure tactics.

The lowest scoring areas included:

- Clearly explaining what a MA plan pays instead of Medicare
- Clearly explaining Parts A entitlement requirements
- Clearly explaining Parts B entitlement requirements
- Providing clear instructions around the disenrollment rules
- Providing clear instructions about the plan's monthly premium
- Providing clear instructions about the plan's copay and coinsurance amounts

These are areas that plan representatives, especially agents must understand to represent MAOs and sell MA plans.



## Complaints Performance Results

CMS used complaints data to assess organizational performance during the AEP. Specific attention was paid to the marketing misrepresentation complaints category. Organizations that were outliers in performance were targeted for additional surveillance and secret shopping. Some organizations were required to submit recurring reports on investigation/response efforts into agent/broker complaints.

*These are areas that plan representatives, especially agents must understand to represent MAOs and sell MA plans.*



## CMS is Serious About Compliance (cont.)

The most common deficiencies from the additional secret shopping efforts were:

- Misuse of Scope of Appointment form
- Failure to mention that the plan had a provider network
- Failure to provide the PFFS disclaimer
- Marketing material issued did not have CMS approval number
- Missing no-obligation disclaimer related to prize giveaways
- Inappropriate statements about competing plans
- Inaccurate representation of Part D coverage gap details

It is important to understand all the rules when having sales functions.

A CMS approved script should be followed when conducting sales

functions to make sure all the CMS required information is covered.

Every time you start a sales seminar, talk to a prospect on the phone or begin an in home appointment remember the prospect could be a CMS secret shopper.

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### **Q. When is the Scope of Appointment necessary?**

- A.** The Scope of Appointment form is required for in-home sales appointments or appointments with a member or prospect in an office, coffee shop or other similar location.



### **Q. When during the sales process should the Scope of Appointment be completed?**

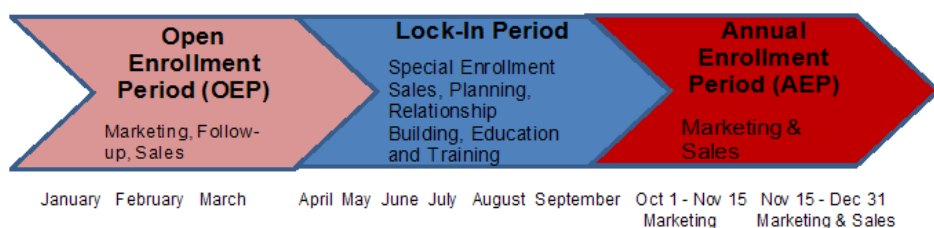
- A.** The scope of appointment must be agreed upon and documented *before* a sales appointment. If it is not feasible for the Scope of Appointment form to be executed prior to the appointment, an agent may have the prospect sign the form at the beginning of the appointment.

## Seller Beware: New Rules Signal Tough Penalties

### Maximizing Sales for Medicare Advantage Marketplace

This is the first of a series of articles geared to help you build your business successfully in this new world of increased scrutiny and compliance. With the latest Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) legislation that has rocked our world in the last year, many agents are just now having the opportunity to let the dust settle and try to figure out how to succeed in this new environment.

As you know there are three different sales periods in the Medicare Advantage sales cycle. The following is an overview of the sales cycle.



Now we are in the quietest time – or “the calm before the storm”. So let’s begin to look at we should accomplish during the lock-in period to take advantage of the prospects we can enroll and get ready for the next AEP.

### Lock-In Period (April 1 – September 31)

First, remember there are no enrollment period restrictions for the following:

- Dual-Eligible beneficiaries (Those with Medicaid and Medicare coverage)
- Beneficiaries in a Medicare Savings Program (Qualified Medicare Beneficiary (QMB), Special Low Income Medicare Beneficiary (SLMB), Qualified Individual (QIs))
- Institutionalized beneficiaries

These Medicare beneficiaries can enroll all year round.

*With the latest Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) legislation that has rocked our world in the last year, many agents are just now having the opportunity to let the dust settle and try to figure out how to succeed in this new environment.*

## Maximizing Sales for the Medicare Advantage Marketplace (Cont.)

Those newly eligible for Medicare Advantage qualify for the Initial Coverage Election Period (ICEP) and Medicare eligible who have recently moved qualify for a Special Enrollment Period (SEP). For more information about all those who qualify for the ICEP and SEP and the specific time periods they are allowed to enroll you should contact your Medicare Advantage Organization (MAO).

### The Lock-In Checklist

The following is a checklist to make sure you are ready for the next AEP. By organizing now and getting ready for the next big push, you will be able to spend your time selling to maximize your earnings potential. The following items should be on your To Do List:

- *Organize your customer and prospect files.* CMS is vigilant about compliance with data collection. Make sure you store all information such as the lead source data, scope-of- appointment, enrollment form and a record of all prospect and client communications in individual files (either paper or online) in case of an audit. CMS requires that records be stored for no less than 10-years.
- *Create goodwill in your community.* Make sure you are involved in your local community; whether it is coaching little league, joining local business associations or community groups explore all opportunities to build your reputation in the community and create your own grass roots goodwill.
- *Build awareness in the Medicare community.* During the AEP and OEP is not the time to be establishing contacts within your local senior centers and nursing homes. Now is the time to conduct educational seminars and build your reputation in the Medicare community. There are very strong educational tools at [www.medicare.gov](http://www.medicare.gov) to build educational seminars. An educational event is one that is informing a potential enrollee about MA or other Medicare Programs, but not steering, or attempting to steer, a potential enrollee towards a specific plan or limited number of plans. Remember you cannot distribute marketing materials at educational events.
- *Call your customers and make sure they are happy.* By now many of your customers have had an opportunity to utilize their health plan and have started to develop positive and negative feedback. This is a great time to call each of your customers. Make sure you follow-up with your customers if they experience problems. The best way to develop strong customer retention is to become the problem solver.
- *Assure your educational credits are up to date.* Now is the time to take classes and earn the necessary credits to keep your license current and in good standing.

**Following these guidelines and tips will help you be prepared throughout the year and increase success.**

*For more information about all those who qualify for the ICEP and SEP and the specific time periods they are allowed to enroll you should contact your Medicare Advantage Organization (MAO).*



## To Call or Not to Call- Clearing up the New Regulations on Cold Calling

CMS has made it clear that cold calling is no longer an acceptable form of marketing Medicare Advantage and/or Prescription Drug plans. The new MIPPA regulations state that you cannot conduct door-to-door solicitations or any other type of unsolicited contact such as:

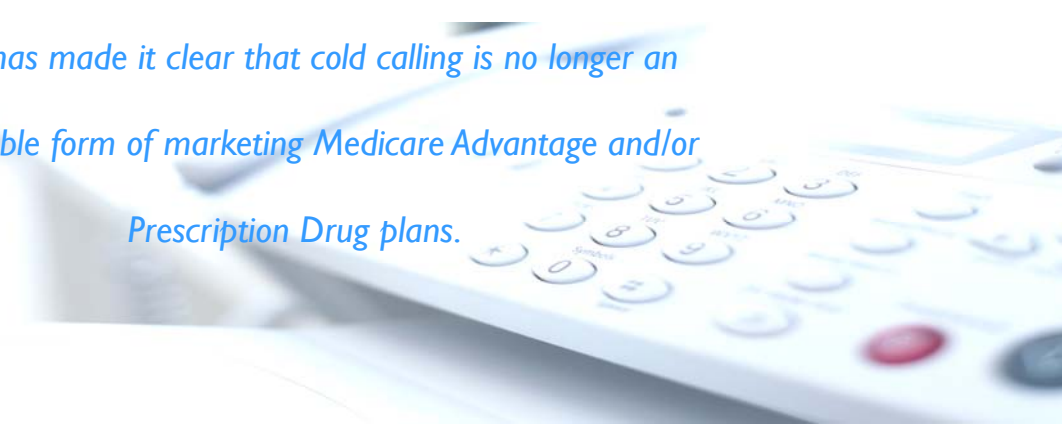
- Outbound marketing calls, unless the prospect requested the call
- Contacting existing members to market other Medicare products – if the member has not expressly requested the call
- Calls to former members who have disenrolled, or to current members that are in the process of voluntarily disenrolling, to market plans or products
- Calls to prospects to confirm receipt of mailed information without expressly agreeing to receive a follow-up call
- Calls to prospects to confirm acceptance of appointments made by third parties or independent agents
- Approaching prospects in common areas (i.e. parking lots, hallways, lobbies, etc.)
- Calls or visits to prospects who attended a sales event, unless the prospect gave express permission at the event for a follow-up call or visit



*Remember these  
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Remember these new regulations are not limited to agents. MAOs (Medicare Advantage Organizations), telemarketing firms or other third party organizations must follow these new guidelines also.

*CMS has made it clear that cold calling is no longer an  
acceptable form of marketing Medicare Advantage and/or  
Prescription Drug plans.*



## To Call or Not to Call-Clearing up the New Regulations on Cold Calling (cont.)

The following are acceptable forms of contact to prospects and members:

- Agents/brokers who enrolled a beneficiary in a plan may call that beneficiary while they are a member of that organization
- Call prospects and/or members who have expressly given permission for a plan or sales agent to contact them, for example by filling out a business reply card or asking a Customer Service Representative (CSR) to have an agent contact them

**Important Note:** Make sure you use a CMS approved outbound script when contacting prospects and members.



*Make sure you use a CMS approved outbound script when contacting prospects and members.*

### Cold Calling Scenarios

**Scenario 1:** You are at an in-home appointment and Mr. Mann tells you that his twin brother is also turning 65 and wants to sign up with the health plan and gives you a piece of paper with his name and phone number.

Can you call Mr. Mann's twin brother? NO. Ask Mr. Mann to give you his brother's name and address and send Mr. Mann's brother a sales packet. You may also leave a business card with Mr. Mann to share with his brother.

**Scenario 2:** You missed a call from a Mrs. Rose who called you after attending one of your seminars and has a couple of questions and has asked you to call her back.

Can you call Mrs. Rose? YES. Mrs. Rose has requested a telephone call from you. Remember to use a CMS approved telephone script when calling Mrs. Rose.



## Are You Scoping? Get the Scoop on Scoping!

NO! We are not talking about a new wave of Twitter or facebook. We are talking about one of the New MIPPA requirements called "Scope of Appointment". What does this mean to you? It means that you must clearly identify and obtain agreement from prospects regarding the products being discussed during an in-home appointment.

Here are a few more Q and A's and the latest guidance on Scope of Appointments from CMS.

**Q. How long does a Scope of Appointment need to be kept?**

**A.** 10 years. Yes, this is correct. In fact all interactions with prospects and members should be filed either in written or electronic format for 10 years.

**Q. How should the Scope of Appointment form be documented?**

**A.** The following are acceptable forms of documentation for the Scope of Appointment:

- CMS approved Scope of Appointment (Model or non-model) form
- An oral recording of the Scope of Appointment. Remember the script must be CMS approved
- CMS approved business reply card.

The above documentation can also be in the form of a fax, email, etc, where applicable.

**Q. If a prospect wants to discuss a different product (a PDP during a MA appointment) during their appointment, is the agent required to complete a new Scope of Appointment?**

**A.** Yes, a new Scope of Appointment is required if the prospect has requested to discuss another product type during the appointment. However, a new appointment is not required. The additional product can be discussed as soon as the new Scope of Appointment is documented.

The Scope of Appointment process can be very confusing! So let's take a look at a couple of scenarios to see how this process should be handled.



### Scope of Appointment Scenarios

**Scenario 1:** You have an appointment with Miss Sweet and when you sit down Miss Sweet introduces you to her neighbor who is also interested in a Medicare Advantage plan. Miss Sweet's neighbor has not signed a Scope of Appointment.

Can Miss Sweet stay and hear the presentation? YES. This is an instance where you can get the Scope of Appointment signed immediately before the in-home appointment. Just make sure to clearly document and file this Scope of Appointment.

**Scenario 2:** You are in the middle of discussing benefits with Mr. Spring who has a verbal Scope of Appointment to discuss Medicare Advantage products and during the presentation he decides that what he thinks he really would like to see is a Prescription Drug Plan.

Can you review the Prescription Drug Plan with Mr. Spring? Yes, but you will need to get a new Scope of Appointment signed (right there) before you can begin to discuss the Prescription Drug plans with Mr. Spring.



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to Medicare's Private Sector Partners

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## Questions?

If you have any questions about these newsletter topics, please e-mail us at [salesnewsletter@gormanhealthgroup.com](mailto:salesnewsletter@gormanhealthgroup.com).

## About Gorman Health Group

Gorman Health Group, LLC (GHG) provides counsel and business solutions to the broad spectrum of industries working to fulfill Medicare's mission. GHG is based in Washington, D.C. and deploys a broad network of senior healthcare consultants nationally.

If you have questions, please email us at [salesnewsletter@gormanhealthgroup.com](mailto:salesnewsletter@gormanhealthgroup.com)