National Association of Benefits and Insurance Professionals

NABIP

Shaping the *future* of healthcare

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Statement from NABIP CEO Jessica Brooks-Woods on Georgetown CHIR Report

Agent Compensation Is Not Why Regional Health Plans Are Struggling

(Washington, D.C.) — "The National Association of Benefits and Insurance Professionals (NABIP) strongly disagrees with recommendations highlighted in a recent Georgetown University Center on Health Insurance Reforms (CHIR) report and commentary from the community health plans association suggesting that cutting agent and broker compensation would address Medicare Advantage (MA) market challenges.

"Licensed agents and brokers help Medicare beneficiaries compare coverage, evaluate costs, and avoid disruptions. Weakening that support will not solve regional plan instability — it will reduce consumer access to trusted, licensed guidance.

"Claims that agents steer beneficiaries toward national insurers do not reflect the reality of the marketplace. In a nationwide survey of more than 10,000 licensed Medicare agents:

- 88% sell regional plans (including 29% who sell only regional plans)
- 10% sell national plans exclusively
- 94% work with a Field Marketing Organization (FMO), regulated partners that support compliance and accountability

"Protecting beneficiaries from misleading marketing is important, but reforms should begin with clearer definitions and better data. The current Third-Party Marketing Organization (TPMO) definition improperly groups licensed agents and brokers — who are regulated and provide ongoing service — with call centers, lead generators, and unregulated marketing firms. That lack of distinction leads to inaccurate analysis and misguided policy.

"Agent compensation is already regulated. The Centers for Medicare and Medicaid Services (CMS) sets maximum compensation for Medicare Advantage and Part D at Fair Market Value (FMV), but plans are not required to pay at that level. Many carriers pay below FMV, and some have eliminated commissions entirely.

"Cutting compensation can prevent agents from assisting beneficiaries with certain plans, particularly when carriers restrict access to enrollment materials or change compensation mid-year or during Medicare's Annual Enrollment Period. That shifts more seniors to taxpayer-funded resources like Medicare.gov and State Health Insurance Assistance Programs (SHIPs), which are not a substitute for licensed, year-round consumer support.

"Suggestions that agents earn large payments by switching beneficiaries between plans are also outdated. CMS changed compensation rules years ago, including proration and chargebacks, so switching a beneficiary often results in little to no additional pay — and can create financial risk for agents.

“Today, New-to-Medicare compensation is paid once at initial enrollment. Plan changes are reimbursed at a lower flat rate. On average, agents earn about $28.92 per month for ongoing service — not the $694-plus figures still cited in some analyses.

“Licensed agents are the human infrastructure of Medicare. When you remove them, you don’t eliminate bias — you eliminate guidance. Seniors are left with fewer resources, fewer safeguards, and more confusion.

“NABIP urges CMS and policymakers to focus on transparency, meaningful oversight of unregulated marketing entities, and reforms that remove barriers preventing licensed agents from serving Medicare beneficiaries and supporting regional plans. We stand ready to work with regulators, health plans, and policymakers to improve accountability while preserving seniors’ access to licensed, year-round guidance.”

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NABIP is the preeminent organization for health insurance and employee benefits professionals, working diligently to ensure all Americans have access to high-quality, affordable healthcare and related benefits. NABIP represents more than 100,000 licensed health insurance agents, brokers, general agents, consultants and benefit professionals through more than 150 chapters.