



Maryland Health Benefit Exchange Board of Trustees Statement of Policy Regarding Producer Compensation and Incentives

The Maryland Health Benefit Exchange Board of Trustees looks forward to Marylanders being able to choose from a broad array of health plans offered through Maryland Health Connection. Critical to Maryland Health Connection's success is guaranteeing consumers' access to qualified plans through traditional routes of commerce as well as through the marketplace created by the Health Connection.

Maryland's Producers are essential participants in the health insurance marketplace. Carriers commonly use Producers as an important part of their marketing and distribution system, and ordinarily compensate them by paying commissions on the coverage they sell. Likewise, many consumers receive assistance from Producers in selecting health plans.

The Board encourages carriers to support enrollment in qualified plans offered inside and outside of Maryland Health Connection by supporting robust marketing and distribution channels through licensed Producers. Carrier models for compensating Producers must not result in the disruption of consumers' access to qualified plans, steering of consumers away from appropriate insurance offerings, or threaten the viability of Maryland Health Connection. To that end, the Board expects carriers to develop equivalent compensation and incentives for sales inside and outside of the state-based exchange.

The Maryland Health Benefit Exchange is requiring that carriers agree to retain information on the policies and procedures used to determine producer compensation inside and outside the state-based exchange. The Maryland Insurance Administration will have access to this information for review. In coordination with the Maryland Insurance Administration, the Maryland Health Benefit Exchange will assess whether further action is needed to protect the integrity of the market and Marylanders' access to coverage.