



Attention HealthSpring Sales Agents/Brokers:

Please be advised on Fri. June 26, 2009, CMS announced a suspension of implementation of the June 5, 2009 HPMS memo on agent/broker compensation, impending guidance on criteria for paying initial compensation fees in 2009. CMS has received feedback about confusion on whether agents and brokers should be paid an initial compensation fee for 2009 enrollments from a PDP to an MA plan. CMS is reconsidering its guidance for 2009 enrollments and expects to release additional guidance shortly. As you may already know, per CMS guidance and directive, HealthSpring was in the process of auditing and ensuring that compensation for 2009 enrollments from a PDP to an MA plan was paid as renewal compensation and not initial compensation. However, while any recovery of overpayment compensation may ultimately be required by CMS, please rest assured that HealthSpring will certainly make every effort to ensure any recovery schedule is fair but fully compliant with CMS regulations. However, in the meantime, like you, we are waiting for CMS final guidance and we will take no action on this issue until CMS releases additional guidance on this subject.