

Guide to broker and service provider compensation changes.

Checklist for brokers, service providers and customers.



For groups in the 51+* employer market

Step 1

(producers & customers)

Discuss Service Fee Agreement

Discuss the need for a Service Fee Agreement.

Definition: An agreement between the customer and the producer outlining the services that the producer will provide to the customer and the fee that the customer has agreed to pay for such services (what we call the Service Fee).

How to obtain a Service Fee Agreement: Although UnitedHealthcare is not a party to the Service Fee Agreement, we have created a sample agreement that may be used. Contact your UnitedHealthcare sales representative to obtain a copy of the available sample agreement. The sample agreement is only an example of one of many options available for documenting the relationship between the producer and the customer. Producers and customers may develop their own agreement form, but a written agreement is required if UnitedHealthcare is administering the fee, and may be required in certain states for all relationships of this nature.

Step 2

(producers & customers)

Discuss Billing and Collection Agreement/ Exhibit

Discuss the need for a Billing and Collection Agreement.

Definition: An agreement between the customer, producer and UnitedHealthcare that outlines the terms and conditions under which UnitedHealthcare will perform billing and collection services with respect to the Service Fee. The Billing and Collection Agreement presumes the existence of a Service Fee Agreement between the customer and producer. The Billing and Collection Agreement is signed by an authorized representative of the customer, either the producer on the case or someone from the brokerage who has binding authority as well as a representative from UnitedHealthcare. UnitedHealthcare does not collect a separate fee for this billing service, but may retain the nominal amount of interest earned on the Service Fee while in our possession.

Discuss the required Billing and Collection Agreement Exhibit.

Definition: Part of the Billing and Collection Agreement that summarizes the specifics of the service provider (producer) and Service Fees agreed upon between the customer and producer. This exhibit is signed by an authorized representative of the customer.

How to obtain a Billing and Collection Agreement:

Producers may request the UnitedHealthcare Billing and Collection Agreement from their UnitedHealthcare representative.

What to do if the customer/producer chooses not to use UnitedHealthcare's optional billing and collection service.

The customer and producer can establish their own process for handling the fee calculation and payment. If you decide not to have UnitedHealthcare administer the Service Fee, please advise your UnitedHealthcare representative as soon as possible so that there is no delay in processing of your paperwork.

An Acknowledgment of Producer/Client Relationship Letter (on customer letterhead) is needed if UnitedHealthcare is not administering the Service Fee, but the customer wants the producer to represent them. Request a sample Acknowledgment of Producer/Client Relationship Letter from your UnitedHealthcare representative.

Continued on next side.

*Customer must have 51+ eligibles and 51+ using state-specific counting methodology (average total number of employees, full-time equivalents or eligible employees)



Step 3

(producers & customers)

Determine payment method

Determine the method of calculating the Service Fee.

Payment methods available include:

- Percent of Premium (POP) per month (not available for Ohio-sitused policies); or
- a set amount Per Employee Per Month (PEPM)

The Service Fee amount and type is determined by the customer and service provider. Speak with your local sales or service representative if you have any questions.

Step 4

(producers only)

Submit paperwork 30 days prior to your customer's effective date

Service Fee Agreement:

There is no need to submit the Service Fee Agreement to UnitedHealthcare as this agreement is between you and your customer.

If the customer would like the producer to represent the group and for the case to be bonus-eligible, the customer must submit a signed letter acknowledging the producer/customer relationship. This letter must be on company letterhead for the customer and be submitted to your UnitedHealthcare representative. We have created a sample letter for use.

Billing and Collection Agreement:

If administered by UnitedHealthcare, submit the Billing and Collection Agreement to your UnitedHealthcare representative 30 days* prior to your customer's effective date.

*Implementation will vary based on plan design complexity.