2028 Minimum Commission Rate Standards and Guidelines

For Plan Year 2028, QHP issuer commission payments must meet the following minimum standards for all policies effectuated on or after January 1, 2028:

1. Base Per Member Per Month (PMPM) Commission: $17 PMPM for all QHP products. Commission structures may include performance tiering, variation of new and renewal commissions, and bonuses, however, these must be additive to the minimum of $17 PMPM for base commission rates.

2. Percentage of Premium Commission: Commission arrangements based on a percentage of premium must equate to or exceed $17 PMPM when applied to the issuer's projected weighted average premium.

3. Per Subscriber Per Month: Commission plans structured to compensate at the subscriber level must equate to or exceed $17 PMPM by dividing the per subscriber amount by the projected average number of members per policy.

4. General Agents: If QHP issuers utilize the services of General Agents, the fees paid to General Agents must be sufficient to ensure that the commission paid to the producing agent meets the minimum $17 PMPM requirement.

Each QHP issuer shall submit plan year 2028 commission rates to Covered California in the QHP certification application. Commissions paid on a PMPM basis must meet the $17 PMPM minimum for plan year 2028. Commissions paid on a percentage of premium or per subscriber per month basis must be accompanied by an attestation that includes the data, assumptions, and math used to verify that the percentage of premium will equate to no less than $17 PMPM when applied to the issuer's projected average premium for PY 2028.

Example Scenarios

- **Percentage-Based Commission:** If a QHP issuer pays commissions based on premium percentages and the projected weighted average premium is $800, the commission rate must be set no less than 2.13% ($17 ÷ $800).
- **New vs. Renewal Rates:** An issuer offering $21 PMPM for new enrollments and $16 PMPM for renewals does not comply with the minimum commission standard, as both new and renewal commissions must meet or exceed the $17 PMPM standard.
- **Bonuses:** Bonuses, if offered, must be supplemental to the $17 PMPM base rate.