



Certain Reporting Requirements for Third-Party Marketing Organizations (TPMOs)

This compliance bulletin focuses on two specific reporting requirements for TPMOs:

- Subcontracted TPMO Relationship Disclosure, and
- Monthly Disciplinary Action Reporting Requirements

What is a TPMO?

A TPMO is an organization or individual, including an independent agent or broker, that is compensated to perform lead generation, marketing, sales, or enrollment-related functions as part of the chain of an MA/PDP plan enrollment (the steps taken by a beneficiary from becoming aware of an MA/PDP plan or plans to making an enrollment decision). A TPMO may be a first tier, downstream or related entity (FDR), as defined in CMS regulations, but may also be an entity that is not an FDR but provides services to an MAO/PDP or an MAO/PDP's FDR.

Subcontracted TPMO Relationship Disclosure – 42 CFR § 422.2274(g)(2)(i), § 423.2274(g)(2)(i)

TPMOs are required to disclose any subcontracted relationship it has that is used to perform Medicare Advantage and Part D marketing, lead generation, or enrollment activities. This includes, but is not limited to, any entity that is compensated to perform these functions for your organization and/or your downlines, such as downline agencies, marketing vendors, lead-generation vendors, call centers, and enrollment services. You must report subcontracted relationships (including any new or terminated relationships) to each carrier you are contracted with and you are responsible for ensuring that your downlines and affiliated agents adhere to this requirement.

This reporting requirement is a transparency mechanism within the broader TPMP oversight framework, allowing Carriers to maintain visibility into their complete marketing vendor chain. Carriers may require the following information:

- Your organization's name (for example, top of hierarchy name, downline agency/agent name, etc.)
- Your organization's NPN
- The subcontracted entity's name
- What TPMP functions the subcontractor performs (marketing, lead generation, enrollment activities)
- Effective date for the subcontractor's contract
- Date the subcontractor's contract ended, if applicable
- Any use of offshore functions, if applicable

If you or your downlines and/or affiliated agents currently engage any subcontracted entities and have not yet disclosed this information to your carriers, you must submit this information to them as soon as possible.

Monthly Disciplinary Action Reporting Requirements for TPMPs – 42 CFR § 422.2274(g)(2)(iii); § 423.2274(g)(2)(iii)

TPMPs are required to submit a monthly report to carriers detailing any agent or staff disciplinary action, as well as any violation of CMS requirements that occur during Medicare beneficiary interactions.

- The reporting frequency is specifically monthly, creating a regular cadence for information flow from TPMOs.
- The scope encompasses both staff disciplinary actions taken by the TPMO and violations of any requirement that applies to the MA plan or Part D sponsor.
- Reported incidents must be "associated with beneficiary interaction," limiting the scope to actions that directly impact beneficiaries.

How to Report to Carriers

- Refer to each carrier's guidelines for reporting TPMO subcontracted relationships and disciplinary actions.
- Maintain accurate and timely records for reporting and keep information current on an ongoing basis.
- Carriers may establish designated due dates or deadlines for reporting requirements; refer to each carrier's specific guidelines.
- Failure to meet CMS requirements for carrier reporting may constitute a breach of contract and may result in disciplinary action from the Carrier and/or CMS.

Please be sure to distribute this compliance bulletin to all agents in your hierarchy.

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