



Federal PHS Act Market Conduct Examinations

Center for Consumer Information & Insurance Oversight (CCIIO) – Oversight Group

Centers for Medicare & Medicaid Services (CMS)
Department of Health and Human Services (HHS)

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Market Conduct Exam Overview

- Exam process recommended by the NAIC and used by State DOIs
- Examine issuers in Direct Enforcement states or non-federal governmental plans to verify compliance with PHS Act requirements
- Authority: 45 C.F.R. § 150.313 Market Conduct Examinations
- Using a combination of CCIO contractors and Compliance & Enforcement Division resources
 - State regulators will have a direct contact at CCIO

Exam Timeline

- CCIO Compliance & Enforcement team will generate a list of examinees based on:
 - complaints,
 - information from interested parties,
 - recommendations/requests from regulators,
 - other sources
- State regulators will be notified in advance of intent to call an issuer exam in a Direct Enforcement state
 - State in which issuer markets product
 - State of domicile

Exam Timeline (cont)

- Exam Call letter
 - 30 days before exam begins
 - Requests designated contact
 - Indicates type of exam (targeted vs. comprehensive, desk vs. on-site)
- Data call letter
 - Identifies examiner-in-charge
 - Lists items needed for exam
- Pre-exam conference
 - Clarifies expectations
 - Allows issuers to ask questions and express concerns
 - Should include all parties involved with exam

Exam Timeline (cont)

- Conduct Exam
- Create preliminary report
 - Provided to entity for review
 - Provided to state regulators (for informational purposes)
- Exit Conference
 - Discuss findings in preliminary report, including possible CAP
 - State regulators encouraged to attend
- Issuer/Plan respond to preliminary report
 - Within 30 days of [exit conference or receipt of report?]
- Final report
 - Includes any necessary follow up, CAP and CMPs (if applicable)
 - State regulators will receive a copy
 - Issuer may respond (i.e., concur or dispute) to CMS's positions in the report
 - CMS will reply to the response form issuer

Post-exam work

- Reporting and compliance with CAP
- Final report posted on website

Questions

