Agents and Brokers

Last Revised: September 4, 2014

Contents

1.0 Introduction ............................................................................................................................. 1
2.0 2.0 Roles and Responsibilities ................................................................................................. 2
  2.1 2.1 Agent and Broker Roles and Responsibilities in the FFMs .............................................. 2
      2.1.1 2.1.1 FFM Registration Requirements ................................................................... 2
      2.1.2 2.1.2 Pathways for Assisting Qualified Individuals, Employers & Employees .............................................. 5
      2.1.3 2.1.3 Additional Requirements for Web-brokers ................................................... 7
      2.1.4 2.1.4 Agent and Broker Communication with Consumers .................................... 9
      2.1.5 2.1.5 Privacy and Security Standards ..................................................................... 9
  2.2 2.2 QHP Issuer Roles and Responsibilities with Regard to Affiliated Agents and Brokers ...................................................... 10
      2.2.1 2.2.1 FFM Registration and Training ................................................................... 10
      2.2.2 2.2.2 Licensure ..................................................................................................... 10
      2.2.3 2.2.3 Compliance of Delegated or Downstream Entities ..................................... 10
      2.2.4 2.2.4 Privacy and Security .................................................................................... 10
      2.2.5 2.2.5 Compensation .............................................................................................. 11
3.0 Appendix A: Acronyms ......................................................................................................... 12

List of Figures

Figure 1: Registration Activities for Agents and Brokers New to the FFM ...................... 4
Figure 2: Registration Activities for Agents and Brokers Renewing with the FFM ........... 4
Figure 3: FF-SHOP Enrollment Pathway ................................................................. 6
Figure 4: Direct Enrollment Pathway ................................................................................. 7
Figure 5: Marketplace Pathway ....................................................................................... 7
1.0 Introduction

The purpose of this chapter is to provide information and guidance to Qualified Health Plan (QHP) issuers regarding their relationships with and oversight obligations for their affiliated agents and brokers who will be assisting with enrollment in QHPs offered through the Federally-facilitated Marketplaces (FFMs), also referred to as Federally Facilitated Exchanges (FFEs). Unless noted otherwise, references in this document to the FFMs or FFEs include: (a) those Marketplaces where states are performing plan management functions; and (b) both Individual Market and Small Business Health Options Program (SHOP) coverage offered through the FFMs.

Section 1312(e) of the Affordable Care Act and 45 C.F.R. § 155.220 permit states to allow licensed agents and brokers to assist with enrollment of qualified individuals, employers, and employees in QHPs offered through Marketplaces, and to assist qualified individuals in applying for advance payments of the premium tax credit (APTCs) and cost-sharing reductions (CSRs). In addition, 45 C.F.R. § 155.260 provides privacy and security standards for non-Exchange entities, which includes agents and brokers participating in Marketplaces.

Pursuant to 45 C.F.R. § 156.340, a QHP issuer participating in the FFMs maintains responsibility for ensuring that its delegated and downstream entities, including affiliated agents and brokers, comply with applicable laws and regulations. This includes responsibility for monitoring agent and broker compliance with applicable state requirements for confidentiality, conflict of interest, licensing and marketing, and continuing education. It also includes verifying that affiliated agents and brokers fulfilled the applicable FFM registration and training requirements, including execution of the required Agreement(s) with the FFM.

While the Department of Health and Human Services (HHS) Centers for Medicare & Medicaid Services (CMS) expects QHP issuers participating in the FFMs to monitor and oversee the compliance of affiliated agents and brokers with applicable federal requirements, state regulators will remain the primary authority for overseeing agents and brokers in the health insurance market, including outside of the Marketplaces, under existing state laws and regulations. State regulators will maintain and conduct their own investigations, tracking of complaints received by states, and enforcement actions against noncompliant entities, including issuers, agents, and brokers. CMS will also be conducting ongoing oversight of agents and brokers registered with the FFMs to ensure compliance with FFM requirements. CMS will notify state regulators regarding specific agents or brokers about whom it has concerns so that the investigation and resolution can be coordinated appropriately with the licensing state(s).

It is important to note that the guidance set forth in this document is subject to change as policy, regulatory requirements, communication technology, and industry marketing practices continue to evolve. Any new rulemaking or interpretative guidance (e.g., annual issuer letter) may supersede the guidance provided in this document.

1 While this chapter is specific to agent/broker responsibilities related to participation in the FFMs, we note that the agent and broker requirements outlined under 45 C.F.R. § 155.220 and § 155.260 also generally extend to State-Based Marketplaces (SBMs).
Issuers may refer to the following link for additional resources from CMS related to agents and brokers: [http://www.cms.gov/cciio/programs-and-initiatives/health-insurance-marketplaces/a-b-resources.html](http://www.cms.gov/cciio/programs-and-initiatives/health-insurance-marketplaces/a-b-resources.html). Issuers may also find additional information published periodically through HIOS ([https://portal.cms.gov](https://portal.cms.gov)) or RegTAP ([https://www.regtap.info](https://www.regtap.info)).

### 2.0 Roles and Responsibilities

#### 2.1 Agent and Broker Roles and Responsibilities in the FFMs

This section describes the roles that agents and brokers will play in the FFMs, the pathways through which they may assist consumers in the FFMs, and their requirements to participate in the FFMs.

To the extent permitted by each state, licensed agents and brokers may assist qualified individuals, employers, and employees in comparing, selecting, and enrolling in QHPs through the Marketplaces. A qualified individual is an individual who has been determined eligible to enroll through the Marketplace in a QHP in the Individual Market. Agents and brokers may also assist qualified individuals in completing the eligibility verification and enrollment application, as well as applying for APTCs and CSRs. While agents and brokers may assist qualified individuals in completing eligibility applications, they cannot make eligibility determinations; only Marketplaces can verify eligibility and make insurance affordability program determinations.

The SHOP enables qualified employers in each state to offer enrollment in QHPs offered through the Marketplaces to their qualified employees. Agents and brokers may help employers determine if they are eligible for SHOP coverage and/or small business tax credits, and assist qualified employees with the QHP enrollment process through the Marketplace.

#### 2.1.1 FFM Registration Requirements

Pursuant to 45 C.F.R. § 155.220 and § 155.260, licensed agents and brokers that want to facilitate enrollment through the FFMs must complete registration.

The FFM registration process consists of two major parts:

- **Part I** occurs on the Medicare Learning Network (MLN) and consists of registering on the MLN, completing the required training[^2] and executing the applicable Agreement(s).[^3]

  Agents and brokers who complete Part I will receive curriculum completion certificates.

---

[^2]: While the FFM training and testing is not required for agents and brokers who only participate in the FF-SHOP, it is highly encouraged.

[^3]: There are two Agreements that must be executed to participate in the FFM for the Individual Market: (1) the Agent Broker General Agreement for the FFM Individual Market (“General Agreement”), and the Agreement between Agent or Broker and CMS for the FFM Individual Market (“Individual Market Privacy and Security Agreement”). There is one Agreement that must be executed to participate in the FF-SHOP: the Agreement Between Agent or Broker and CMS for the FF-SHOP (“the FF-SHOP Privacy and Security Agreement”).
Agents and brokers should provide a copy of their FFM User ID and training completion certificates (if applicable) to each of its affiliated QHP issuers.

Agents and brokers with multiple National Producer Numbers (NPNs) must create a unique MLN user ID for each NPN. For business entities that wish to register and participate in the FFM, the business entity must select an authorized official to complete the required training on MLN using the NPN of the corporate entity.

- Part II occurs on the CMS Enterprise Portal and consists of creating an FFM user account (i.e., an FFM user ID and password), and completing identity proofing through the Enterprise Identity Management (EIDM) system to add the agent/broker role to their FFM user account.

*Note:* Part II is a new requirement for agents and brokers wishing to participate only in SHOP for the 2015 plan year.


Agents and brokers participating in the FFMs who registered in the previous plan year must complete the FFM registration renewal. When completing Part I, renewing agents and brokers should use their existing MLN user ID from the previous plan year in order to complete the curriculum for the upcoming plan year. Part II is a one-time requirement and does not require re-completion in future registration years if it was already successfully completed.

The FFM registration requirements for agents and brokers are separate and distinct from any continuing education requirements required by the applicable state regulatory agency to maintain a valid state license. Some states require agents and brokers to undergo training and/or recertification on a periodic basis to maintain their licensure; these continuing education requirements may vary by state.

See Figure 1 for a table that provides an overview of the required initial registration activities for agents and brokers who are new to the FFMs and did not complete the registration process for the previous plan year. See Figure 2 for a table that provides an overview of the required annual registration activities for agents and brokers who are renewing their registration with the FFMs.
The FFM can terminate its Agreement(s) with an agent or broker, according to the standards and processes described under 45 C.F.R. § 155.220(g). An agent or broker whose Agreement(s) is terminated has the opportunity to request a reconsideration in accordance with the process.
outined under 45 C.F.R. § 155.220(h). Agents and brokers participating in the FFMs may also initiate termination of their Agreement(s) with the FFM with 30 days advance written notice.\footnote{45 C.F.R. § 155.220(f).}

Once a termination becomes effective, the agent or broker will no longer be registered with the FFMs, be able to exchange information with CMS, or otherwise assist with enrollment of qualified individuals, employers, or employees through the FFMs. However, the agent or broker must continue to protect any personally identifiable information (PII) that the agent or broker accessed during the term of his or her Agreement(s) with the FFM in accordance with the Individual Market or FF-SHOP Privacy/Security Agreement and the applicable requirements under 45 C.F.R. § 155.260.

### 2.1.2 Pathways for Assisting Qualified Individuals, Employers & Employees

In the FFMs, agents and brokers who have successfully completed the registration and training requirements can assist consumers with enrollment in QHPs through the Marketplace using the Direct Enrollment pathway (i.e., enrollment through the QHP issuer’s or Web-broker’s website) as well as the Marketplace pathway (i.e., enrollment through the FFM website, HealthCare.gov). Both pathways transmit the identifying information of agents and brokers to the appropriate QHP issuer to facilitate compensation.

#### Direct Enrollment Pathway

Through the Direct Enrollment pathway, agents and brokers log in to an issuer’s or the Web-broker’s site, and are then securely redirected from the QHP issuer’s website to the agent/broker landing page on HealthCare.gov. There, they can assist with the completion of an application for a qualified individual, as long as that agent or broker has been authorized to do so by a QHP issuer, as permissible under state law.

Pursuant to 45 C.F.R. § 155.220(i), for plan years beginning on or after January 1, 2015, in states that allow this activity under state law, a SHOP may also permit agents and brokers to use a website to assist qualified employers and facilitate enrollment of qualified employees in a QHP through the Marketplace in accordance with 45 C.F.R § 155.220 (c) (3), if the SHOP has the technical capability to make this possible. CMS does not currently anticipate that the FF-SHOP will make this functionality available in 2015.\footnote{Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2015; Final Rule, 79 FR 13744, 13792 (March 11, 2014) (45 CFR Parts 144, 147, 153, et al.).}

#### Marketplace Pathway

Alternatively, through the Marketplace pathway, qualified individuals can log in directly to their own Marketplace accounts to submit an application for coverage in the Individual Market FFM. Then, agents and brokers can help the consumer complete his or her application and the plan selection process using HealthCare.gov. In this scenario, agents and brokers would not log in with their own agent/broker FFM user ID; instead, the qualified individual would log in to HealthCare.gov directly using their personal FFM user ID.

**Note:** Agents and brokers should not log in to HealthCare.gov using consumers’ credentials.
**FF-SHOP Enrollment Pathway**

Beginning with 2015 plan year, the FF-SHOP Marketplace will launch online application and enrollment capabilities and a portal for agents and brokers to assist their FF-SHOP Marketplace clients on HealthCare.gov. Agents and brokers working with the FF-SHOP Marketplace will directly access the FF-SHOP Marketplace system by logging in to HealthCare.gov. Different than the Individual Market FFM, agents and brokers will have direct access through the FF-SHOP portal on HealthCare.gov to authorized employer and employee application information and, enrollment and case management functions. Agents and brokers must login to HealthCare.gov to assist with FF-SHOP enrollment through the FF-SHOP Enrollment Pathway.

See Figure 3 for a flow chart depiction of the FF-SHOP Enrollment Pathway, Figure 4 for a flow chart depiction of the Direct Enrollment pathway, and Figure 5 for a flow chart depiction of the Marketplace pathway.

---

6 An employer must create their own HealthCare.gov account and after logging in to its account, the employer can provide an authorization to an agent or broker to assist it and its qualified employee with the QHP enrollment process through the FFMs. An agent or broker cannot gain access to the employer’s account and its respective employees’ application information until such authorization is provided.
2.1.3 Additional Requirements for Web-brokers

CMS regulations establish additional requirements that apply when an agent or broker uses their own website, or that of another agent or broker, to facilitate enrollment in a QHP through the Marketplace. CMS refers to such agents or brokers who enroll qualified individuals, employers and employees through public-facing websites as “Web-brokers.”

---

7 45 C.F.R. § 155.220(c)(3),(c)(4), and (i).
Web-brokers provide an additional channel to reach consumers and help qualified individuals, employers and employees enroll in QHPs through the FFMs. Web-brokers are subject to additional federal regulatory requirements, including standards for disclosure and display of QHP information, as set forth at 45 C.F.R. § 155.220(c). Consumers must generally be able to view information for all QHPs offered through the FFM on the Web-broker’s website, not just those with which the Web-broker has a contract with the QHP issuer, and be allowed to withdraw from the Web-broker process and use HealthCare.gov instead at any time.8

When a Web-broker website is used to complete selection of a QHP through the FFMs, federal regulations mandate the prominent display of disclaimer language (as provided by HHS) on the Web-broker’s website informing consumers that it is not the official FFM website and providing a link to HealthCare.gov.9 There is a second disclaimer that must be used if the Web-broker website is used to complete the QHP selection and it doesn’t display all QHP information required under 45 C.F.R. § 155.220(b)(1) (e.g., fails to display all QHP premium rate information).10 This HHS-provided disclaimer must: (a) be prominently displayed, (b) inform the consumer that all of the required information is available on Marketplace website, and (c) provide a link to the Marketplace.

CMS also expects Web-brokers participating in FFMs to prominently display language explaining to consumers that the Web-broker has entered into an Agreement(s) with the FFM and has agreed to conform to the website display and security standards in 45 C.F.R. § 155.220(c)(3) and § 155.260. In addition, CMS strongly suggests that Web-brokers or other agents and brokers not use “Marketplace” or “Exchange” in the name of their business or websites.

CMS expects Web-brokers to display information for QHPs offered through the FFMs in a way that will not steer a consumer to a particular QHP based upon financial considerations alone, and CMS expressly prohibits financial incentives such as rebates or giveaways.11 CMS also expects that the Web-broker will disclose to the consumer the specific source and nature of Web-broker compensation and that compensation does not affect the display of QHP options or premiums charged. Consumers should not be charged a separate transaction or service fee for shopping or enrolling in a QHP through a Web-broker’s website.

A Web-broker can allow other agents and brokers to use its website to enroll qualified individuals, employers and employees in a QHP through the FFM by using a contract or other arrangement.12 The agent or broker accessing the Web-broker website pursuant to the arrangement should be listed as the agent of record on the enrollment. The Web-broker must verify that any other agent or broker accessing its website is licensed by the applicable state(s), has completed applicable training, has registered with the FFM, and has signed all required Agreements with the FFM.13 The Web-broker must display its name and identifier, such as the Web-broker’s NPN, on the website when it is made available to another agent or broker, even if

---

8 45 C.F.R. § 155.220(c)(3)(ii),(iv), and (vi).
10 45 C.F.R. § 155.220(c)(3)(i).
12 45 C.F.R. § 155.220(c)(4).
the agent or broker is able to customize the appearance of the website.\textsuperscript{14} The Web-broker must terminate the other agent’s or broker’s access to its website if CMS determines that the agent or broker is in violation of Marketplace requirements.\textsuperscript{15} In addition, Web-brokers must report to HHS and applicable state regulators any potential material breach of these requirements, including the privacy and security standards under 45 C.F.R. § 155.260(b) by the agent or broker accessing its website, should the Web-broker become aware of any such potential breach.\textsuperscript{16}

In the Individual Market, qualified individuals may initiate their shopping experience on a Web-broker’s website, connect to HealthCare.gov to complete the eligibility application, and return to the Web-broker’s website to compare plans and select a QHP. (See the Enrollment module for detailed guidance on QHP information display requirements.) Pursuant to 45 C.F.R. § 155.220(i), beginning January 1, 2015, SHOPs may permit agents and brokers, in states that permit such activity under state law, to use a website to provide assistance to qualified employers and facilitate enrollment of qualified employees in SHOP QHPs, subject to the requirements of 45 C.F.R. § 155.220(c)(3), if the SHOP has the technical capability to make this possible. CMS does not currently anticipate that the FF-SHOP will make this functionality available in 2015.\textsuperscript{17}

\section*{2.1.4 Agent and Broker Communication with Consumers}

Agents and brokers may continue to communicate with qualified individuals after they have enrolled in a QHP through the FFMs to the extent that such communications comply with applicable state laws and regulations. Communications must also comply with the privacy and security standards adopted by the Marketplace pursuant to 45 C.F.R. § 155.260, which limit how an agent or broker may use any information gained as part of providing assistance and services.

\section*{2.1.5 Privacy and Security Standards}

Agents or brokers must comply with all privacy and security standards established by HHS pursuant to 45 C.F.R. § 155.260, related to the use of handling of PII. Before assisting consumers in an FFM, agents and brokers must execute the Individual Market and/or FF-SHOP Privacy/Security Agreement (depending on whether the agent or broker is operating in the FFM for the Individual Market, the FF-SHOP or both), which includes further details on the privacy and security standards related to the use and disclosure of PII.

If an agent or broker’s Agreement(s) with the FFM is terminated (either by the agent or broker or by the FFM), the agent or broker must continue to protect any PII that the agent or broker accessed during the term of his or her relationship with the FFM in accordance with the Individual Market or FF-SHOP Privacy/Security Agreement and the applicable requirements under 45 C.F.R. § 155.260.

\textsuperscript{14} 45 C.F.R. § 155.220(c)(4)(i)(C).
\textsuperscript{15} 45 C.F.R. § 155.220(c)(4)(i)(D).
\textsuperscript{16} 45 C.F.R. § 155.220(c)(4)(i)(E).
\textsuperscript{17} Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2015; Final Rule, 79 FR 13744, 13792 (March 11, 2014) (45 CFR Parts 144, 147, 153, et al.).
2.2 QHP Issuer Roles and Responsibilities with Regard to Affiliated Agents and Brokers

This section explains the responsibilities and obligations of QHP issuers to their affiliated agents and brokers who facilitate enrollment in their QHPs through the FFMs. Pursuant to 45 C.F.R. § 156.340, a QHP issuer maintains responsibility for the compliance of its delegated and downstream entities, including affiliated agents and brokers.

2.2.1 FFM Registration and Training

CMS expects QHP issuers participating in the FFMs to verify that their affiliated agents and brokers fulfilled the required FFM registration and training requirements (including execution of the applicable Agreements) before allowing them access to the QHP issuer’s tools or permitting them to assist consumers with enrollment through the FFM. Agents and brokers should provide a copy of their FFM User ID and training completion certification (if applicable) to each of its affiliated QHP issuers.

2.2.2 Licensure

CMS expects QHP issuers participating in the FFMs to check the state licensure status of its affiliated agents and brokers before allowing them to access the QHP issuer’s tools and/or assist consumers with enrollment through the FFMs. In addition, the QHP issuer is responsible for confirming the agent’s or broker’s state license and NPN and CMS expects QHP issuers will do so before allowing an agent or broker to access the QHPs issuer’s connection to the FFM and before issuing compensation.\(^\text{18}\)

2.2.3 Compliance of Delegated or Downstream Entities

QHP issuers participating in the FFMs are responsible for ensuring any delegated or downstream entities, including affiliated agents and brokers, comply with all applicable federal standards and state requirements.\(^\text{19}\)

QHP issuers must ensure their delegated or downstream entities, including affiliated agents and brokers, comply with applicable state marketing laws and regulations, and do not use marketing methods that discourage individuals with significant health needs from enrolling in QHPs.\(^\text{20}\) CMS expects QHP issuers will monitor the marketing materials used by affiliated agents and brokers to represent their QHPs, ensuring that they conform to the requirements in the QHP issuer’s Agreement with the FFM.

2.2.4 Privacy and Security

QHP issuers participating in the FFMs must require their affiliated agents and brokers to comply with applicable state privacy and security standards, as well as the federal privacy and security

---

\(^{18}\) 45 C.F.R. § 156.340(a)(3).

\(^{19}\) 45 C.F.R. § 156.340(a).

\(^{20}\) 45 C.F.R. § 156.340(a)(1).
The Center for Consumer Information and Insurance
Oversight Exchanges and Related Programs Module

standards required by 45 C.F.R. § 155.260, which explain the FFM rules and restrictions for protecting the privacy and security of PII. This includes, but is not limited to, QHP issuer oversight to ensure that an affiliated agent or broker continues to protect PII after its Agreement(s) with the FFMs are terminated (either by the agent or broker or by the FFM) in accordance with the Individual Market or FF-SHOP Privacy/Security Agreement and the applicable requirements under 45 C.F.R. § 155.260.

2.2.5 Compensation

The FFMs do not set compensation levels or pay commissions directly to agents or brokers. In accordance with any applicable state law, the amount and terms of any compensation would be negotiated by the QHP issuer and the agent or broker. CMS does not require QHP issuers to offer contracts to agents and brokers, including offering compensation for enrollment in QHPs through the FFMs.

The FFMs transmit the identifying information of agents and brokers (e.g., NPNs) to QHP issuers, but they do not play a role in setting compensation levels or ensuring that compensation is paid to agents and brokers because the FFM is not a party to the contract between the QHP issuer and the agent or broker. However, federal regulations require QHP issuers to provide the same compensation to agents and brokers for QHPs offered through the FFM as they do for similar health plans offered in the state outside the Marketplace. This compensation approach is a required participation standard for QHP issuers offering coverage in the FFMs, including both the Individual Market and SHOP.

Note: Agents and brokers who are acting as Navigators may not receive compensation from QHP issuers.
Appendix A: Acronyms

APTC  Advanced Payments of the Premium Tax Credit
CCIIO  Center for Consumer Information & Insurance Oversight
CMS  Centers for Medicare & Medicaid Services
CSR  Cost-sharing Reductions
EIDM  Enterprise Identity Management
FFE  Federally-facilitated Exchange
FFM  Federally-facilitated Marketplace
FF-SHOP  Federally-facilitated Small Business Health Options Program
HHS  Department of Health and Human Services
MLN  Medicare Learning Network
NPN  National Producer Number
PII  Personally Identifiable Information
QHP  Qualified Health Plan
SBM  State-Based Marketplace
SHOP  Small Business Health Options Program