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 CCIIO contractors and Compliance & Enforcement Division resources
  – State regulators will have a direct contact at CCIIO
Exam Timeline

• CCIIO 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