

# Issuer Oversight

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS for MEDICARE & MEDICAID SERVICES  
Center for Consumer Information and Insurance Oversight

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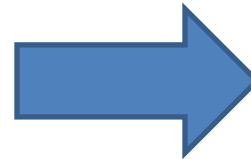
# FFE Issuer Oversight in CClO

- CClO has two main groups that will work to oversee and monitor QHP issuers in the FFE:
  1. The Division of Plan Management Policy & Operations in the Exchange Policy & Operations Group, and
  2. The Payment Policy and Financial Management Group

# Overview of Plan Management Functions For QHP Issuers in FFE

## QHP Certification/Data Collection

- Issuer application submission and evaluation
- Entering into QHP Agreements



QHP Data to Insurance  
Portal/Premium  
Calculator

## Issuer Account Management

- Day-to-day management of QHP issuer relationship
- Issuer support, troubleshooting
- Interactions with issuers related to quality

## QHP Oversight

- Oversight and enforcement of QHP standards and enrollment
- Complaints processing and tracking
- Compliance actions
- Appeals
- Use of quality data for oversight purposes

## QHP Recertification and Decertification

- Periodic recertification of QHP issuers
- Decertification of QHP issuers, or QHPs

# Plan Management: QHP Issuer Oversight and Monitoring Functions in FFE

- FFE oversight and certification processes will entail reviews and information collection that we expect to differ from traditional oversight by state departments of insurance (DOIs). Examples include: oversight and enforcement of QHP certification standards that are different than State law—such as discriminatory benefit design.
- Some FFE oversight and certification review and collection will be based on state law or build on state law requirements, such as licensure and marketing requirements. To the extent state law addresses network adequacy and essential community provider participation, or other QHP requirements, we expect to work with states.
- Close coordination with State DOIs and other agencies will be required.
- We intend to further specify these oversight processes in standard operating procedures and forthcoming Federal guidance.

# Plan Management: QHP Issuer Oversight and Monitoring Functions in FFE, Continued

- The Division of Plan Management will perform the following types of QHP issuer oversight activities in FFE, including but not limited to:
  - Targeted and periodic compliance audits, which may include any topics pertaining to QHP standards
  - Complaints tracking and resolution
  - Issuer performance reporting and analysis
  - Surveillance during open enrollment
  - Implement and enforce a progressive compliance model to address any relevant issues
- In the Partnership Model, a State Partner can lead many of the plan management oversight activities, subject to HHS ratification of the steps being taken.

# Plan Management's Progressive Compliance Model

- CCIO will implement a progressive compliance model to address compliance concerns about QHP issuers in the FFE.
- The progressive compliance model will include successive steps that increase in severity (e.g. levels of civil monetary penalties, decertification).
- The last step of the progressive compliance model is decertification—which will be used in the most extreme circumstances.

# Overview of Financial Management Functions

- The Payment Policy and Financial Management Group (PPFMG) is responsible for overseeing Federal payment programs that impact issuers (QHP and non-QHP).
  - Advanced Premium Tax Credits (APTC), Cost Sharing Reductions (CSR), and Risk Corridors
  - Risk Adjustment and Reinsurance when CMS is operating these programs on behalf of a State
- These programs are designed to make insurance and healthcare affordable and protect against adverse selection in the market while stabilizing premiums in the individual and small group markets as market reforms and Exchanges begin in 2014.

# Risk Adjustment

- Transfers funds from low risk to high risk plans
- Non-grandfathered individual and small group market plans participate, inside and outside the Exchange
- HHS functions when running risk adjustment on behalf of a State:
  - Identify all issuers required to participate in the program
  - Collaborate with State DOIs in collecting information necessary for payment and charge transfers for issuers who do not submit necessary data or insufficient data
  - Conduct data validation activities to substantiate payment and charge amounts



# Reinsurance

- Provides funding to non-grandfathered individual market plans that incur high claims costs for enrollees; temporary 3-year program
- All issuers and self-insured plans, and third party administrators on behalf of group health plans contribute funding
- HHS functions when running reinsurance on behalf of a State:
  - Collaborate with State DOIs to identify all issuers required to participate and to collect information necessary for payment and charges transfers for issuers who do not submit necessary data or insufficient data
  - Collect contributions from self-insured market; States have the option to have HHS also collect from the fully insured market
  - Oversee the payment of contributions into the General Fund
  - Conduct data validation/audit activities to substantiate contribution and payment amounts

# Financial Management Approach to Issuer Oversight

- Federal oversight of these programs includes ensuring the appropriate collection of funds into these programs and appropriate payments to issuers from these programs.
- It is PPFMG's responsibility to safeguard the integrity of the funds flowing through these programs and this is the goal of our oversight program.

# Financial Management Approach to Issuer Oversight

## Tools to conduct oversight activities

- Plan to use data analysis to oversee issuers
- Risk Adjustment Data Validation – for Federally-run Risk Adjustment program
- CSR reconciliation on an annual basis
- Compliance program to deal with systemic issues
- Audit program to validate data
- Engagement with State departments of insurance
  - Information sharing on State-run risk adjustment and reinsurance