

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information & Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



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**VIA U.S. AND ELECTRONIC MAIL**

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**Re: Notice of Final Determination of Noncompliance and Denial of Right to Enter into  
Future Exchange Agreements**

Dear Ashwini Deshpande, Girish Panicker, Sarika Balakrishnan, Manal Mehta, and Tamara White:

The Centers for Medicare & Medicaid Services (CMS) is in receipt of HWG's June 12, 2025, letter, *Response to CMS's Notice of Determination of Noncompliance and Proposed Denial of Right to Enter into Future Exchange Agreements* (hereafter the Speridian Response or Response) on behalf of TrueCoverage LLC and Benefitalign LLC (referred to collectively as Speridian, or

individually as TrueCoverage or Benefitalign where appropriate). CMS has determined that Speridian has failed to resolve CMS’s findings to our satisfaction. CMS has determined that TrueCoverage and Benefitalign’s violations identified in CMS’s May 13, 2025, letter reflect a specific finding of noncompliance and a pattern of noncompliance that is sufficiently severe to support the termination of their EDE and Web-broker Agreements had they not already expired by their own terms. These findings are detailed in the *Notice of Determination of Noncompliance and Proposed Denial of Right to Enter into Future Exchange Agreements* (NOD). Accordingly, CMS is now finalizing its proposal to deny Speridian the right to enter into new Exchange Agreements for five (5) years, through Plan Year 2030. Speridian may apply to enter into new Exchange Agreements for Plan Year 2031.<sup>1</sup>

## **I. BACKGROUND**

In July 2024, CMS received an allegation that overseas Speridian Technologies’ technical teams were able to access the IT platforms of Speridian subsidiaries’—specifically, those of TrueCoverage and Benefitalign—in the United States, and could access Exchange consumers’ personally identifiable information (PII) on those platforms. CMS’s Office of Information Technology (OIT) conducted a risk analysis of TrueCoverage and Benefitalign’s security postures and determined them to be poor. OIT determined that it was possible that consumer information obtained through the Exchange, including consumer PII, was being accessed by those overseas technical teams.<sup>2</sup> To prevent bad actors from accessing this information, CMS immediately suspended TrueCoverage and Benefitalign’s access to CMS systems on August 8, 2024, and began to request technical information from Speridian, including information regarding who could access Benefitalign and TrueCoverage’s shared IT platform and from which geographic locations. CMS’s concerns were not resolved by the technical information that Speridian and/or its subsidiaries provided. Instead, that information raised additional security

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<sup>1</sup> Presently, CMS generally provides agents, brokers, and web-brokers training and the opportunity to enter new Exchange Agreements in mid-to-late summer of each calendar year. The completion of training and the execution of an Exchange Agreement authorizes agents, brokers, and web-brokers to assist Exchange consumers during the next-coming plan year. For example, agents, brokers, and web-brokers will take training and sign Exchange Agreements to assist consumers with enrollment in qualified health plans (QHPs) and insurance affordability programs on Exchanges that use the federal platform with coverage for Plan Year 2031 in mid-to-late summer 2030.

<sup>2</sup> CMS NOD, Appendix A, *Supply Chain Risk Assessment: Speridian Technologies LLC*.

concerns. Accordingly, CMS sent TrueCoverage LLC, TrueCoverage LLC dba Inshura, and Benefitalign LLC a *Notice of Suspensions of Web-broker and Enhanced Direct Enrollment Entity Activities and Notice of Compliance Audit* on September 2, 2024.<sup>3</sup> The September 2 Notice informed Speridian that CMS had identified credible allegations of misconduct and reasonably suspected that Speridian’s technical teams may have illegally shared PII; that the ability of TrueCoverage and Benefitalign to conduct Exchange transactions would continue to be suspended; and that CMS would initiate a compliance review and audit to expand the scope of the initial review to include business and IT relationships, practices, and records.<sup>4</sup>

Following completion of the audit, on May 13, 2025, CMS issued to TrueCoverage LLC, TrueCoverage LLC dba Inshura, and Benefitalign LLC a *Notice of Determination of Noncompliance and Proposed Denial of Right to Enter into Future Exchange Agreements* (NOD or CMS NOD) in which CMS determined that TrueCoverage and Benefitalign’s specific acts and pattern of noncompliance before and during the audit are sufficiently severe to support the termination of their EDE and Web-broker Agreements had they not already expired by their own terms, as well as the denial of the right to enter into new Exchange Agreements through Plan Year 2030.

On June 12, 2025, HWG, on behalf of TrueCoverage LLC and Benefitalign LLC, responded to the CMS NOD, identifying “the steps that the companies have taken, and remain willing to take, to address CMS’s concerns,” and asserting that a sit-out period through Plan Year 2030 is unwarranted.<sup>5</sup>

The NOD was issued to multiple entities under common ownership and control, collectively referred to as “Speridian” for the purposes of this action.<sup>6</sup> While these entities are registered as distinct businesses, their Enhanced Direct Enrollment (EDE) and Web-broker Agreements with CMS were signed by the same individuals.

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<sup>3</sup> CMS NOD Appendix C, *Notice of Suspensions of Web-broker and Enhanced Direct Enrollment Entity Activities and Notice of Compliance Audit*. CMS requested information relevant to its concerns, including information regarding who could access Speridian’s platforms and from what geographic locations. CMS sent the first of seven requests for data to Speridian on August 13, 2024. Speridian’s responses to each request either raised new questions or were incomplete. For example, the August 16, 2024, response omitted some of the requested virtual private network (VPN) access logs.

<sup>4</sup> CMS NOD Appendix D, *Notice of Compliance Audit*.

<sup>5</sup> Appendix A, *Response to CMS’s Notice of Determination of Noncompliance and Proposed Denial of Right to Enter into Future Exchange Agreements*, dated June 12, 2025.

<sup>6</sup> See 45 C.F.R. 155.220(m)(1) and (m)(2).

The Response submitted by HWG is insufficient for several reasons. First, it fails to rebut CMS's findings of noncompliance. Second, it fails to acknowledge Benefitalign and TrueCoverage's failures and violations of CMS regulatory, and Web-broker and Exchange Agreement requirements. And third, it does not adequately mitigate the violations found nor provide sufficient assurances to protect consumers in the future based on the gravity of the violations found.

More specifically, TrueCoverage LLC, TrueCoverage LLC dba Inshura, and Benefitalign LLC were afforded the opportunity to respond to the NOD by submitting information to rebut CMS's findings. CMS has considered the Response and its remediation and cure proposals. However, the proposals are insufficient, and fail to recognize or remediate the intentional, serious, long-term, and repeated violations by the Speridian subsidiaries, especially when taking into account prior instances of non-compliance, which included a termination of Benefitalign's agreements in 2018 and a Notice of Noncompliance in 2023.<sup>7</sup> In light of this history and the severity of the violations, the offer of remediation and cure are insufficient and altogether too late. CMS is particularly struck by TrueCoverage and Benefitalign's failure to admit in their Response their collective violations of CMS regulations and requirements, even now. Pursuant to the plain text of 45 C.F.R. § 155.220(g)(3)(i), a cure must resolve a specific finding of noncompliance or pattern of noncompliance that is sufficiently severe to the satisfaction of HHS.<sup>8</sup> The severity of the violations at issue—specifically those implicating data integrity, consumer privacy, and security—places them beyond the scope of what can reasonably be remediated: data once transmitted outside U.S. jurisdiction cannot be clawed back (in other words, CMS loses the ability to ensure deletion, recovery, or continued protection of that information once it resides in a system subject to foreign jurisdiction or outside CMS's enforcement authority); consumer consent not contemporaneously obtained cannot be given retroactively (45 C.F.R. § 155.220(j)(2)(iii) states that consumer consent must be obtained and documented before assistance is provided); and audit trails altered mid-investigation cannot be restored. An attempted partial remediation does not satisfy the regulatory standard, as such efforts cannot erase the underlying risk or restore CMS's confidence in the entity's ability to

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<sup>7</sup> Appendix B, *Notice of Immediate Termination of 2018 Exchange Agreements and Denial of Right to Enter in Exchange Agreements* dated April 19 2018; Appendix C, *Notice Upholding Termination of 2018 Marketplace Agreements and Related Actions*, dated June 17 2018; Appendix D, *Notice of Non-compliance*, dated April 6 2023.

<sup>8</sup> HHS Notice of Benefit and Payment Parameters for 2023 Final Rule, 87 Fed. Reg. 27208, 27245 (May 6, 2022).

comply prospectively. Accordingly, CMS declines to re-enter into agreements with the entity until plan year 2031.

Furthermore, proposals that CMS provide additional “oversight” as a remedy misconstrue the regulatory framework. CMS’s oversight authority is exercised through compliance reviews, operational readiness reviews, and technical assistance applicable to all entities. A requirement that CMS act as the de facto compliance manager for a single entity is inconsistent with both program design and CMS’s regulatory enforcement obligations. CMS is not equipped to provide individual oversight to agents and brokers; CMS relies upon agents and brokers to follow regulations and that agencies, brokerages, and EDE partners ensure their employees’ compliance with CMS’s regulations.

To the extent that Speridian argues that CMS’s determination is arbitrary or capricious, the record demonstrates otherwise: the violations are well-documented, and the partial fixes attempted have been insufficient to resolve the findings of severe noncompliance. CMS’s decision rests squarely within its discretion under the regulation and is fully supported by the administrative record.

CMS identified violations of 45 C.F.R. § 155.220(d), the Interconnection Security Agreements (ISA), and the EDE Agreements. The Response claims Speridian’s IT practices were reasonable and compliant, and that no harm resulted from any alleged violations. But, it does not dispute that consumer information, including PII, was accessible to foreign actors via its use of AuthSMTP, described in more detail below. It is unclear how Speridian determined that “no harm” occurred, but even if that were the case it does not mitigate the serious security lapse that CMS found.

In addition, CMS found that TrueCoverage engaged in misleading marketing practices, in violation of 45 C.F.R. § 155.220(j)(2)(i), by relying upon deceptive cash card promotions. The Response denies these allegations, claiming that it was unaware of the marketing content produced by lead generators. CMS rejects this defense. CMS notes that web-brokers are required to have full knowledge of and responsibility for marketing content created on their behalf. Under 45 C.F.R. § 155.220(m)(1) and the governing Web-broker Agreement,<sup>9</sup> web-brokers are strictly responsible for the conduct of their agents, officers, contractors, and employees, including those who are downstream marketing partners. Content created by lead generators for the purpose of

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<sup>9</sup> *Web-broker Agreement*, section X.b.

driving consumer traffic and enrollments is deemed created “on behalf” of the web-broker—that is, it is attributable to the Web-broker as its own conduct under 45 C.F.R. § 155.220(m)(1)—regardless of whether the web broker expressly approved or even reviewed it. Accordingly, professed ignorance of the marketing content does not excuse the use of misleading cash card incentives in advertising.

Moreover, CMS determined that TrueCoverage failed to comply with the requirements for obtaining and documenting consumer consent and confirming the accuracy of eligibility application information, as mandated by 45 C.F.R. § 155.220(j)(2)(ii)-(iii). TrueCoverage claims to have obtained consent as required and states it cannot respond to CMS’s assertions without access to referenced call recordings. However, TrueCoverage provided these recordings, and thus has access to them. CMS found that 95% of all the recordings did not capture all required elements of consumer consent. Additionally, CMS clarifies that its findings were based on an evaluation of each call according to the rules in effect at the time of the call, as detailed in the NOD and Assessment Report.

Speridian’s Response asserts that it was fully responsive and timely in meeting CMS’s audit requests, and that any omissions were inadvertent. However, CMS’s review indicates that Speridian mischaracterizes the evidence in their Response and failed to provide requested information in two specific instances.

As further detailed below, Speridian’s Response does not substantively rebut the findings of noncompliance detailed in the NOD. CMS also finds that Speridian’s proposal to alter its behavior going forward was insufficient in light of the gravity of and Speridian’s history of noncompliance on the Exchange and because of the potential for consumer harm stemming from the findings of noncompliance in the NOD, as well as its failure to acknowledge any deficiency in the first place.

Speridian has the right to request reconsideration of CMS’s decision, as described in the NOD and codified in regulation at 45 C.F.R. § 155.220(h).

## **II. ANALYSIS OF SPERIDIAN’S OBJECTIONS REGARDING CMS’S TREATMENT OF BENEFITALIGN, INSHURA, AND TRUECOVERAGE**

HWG’s Response complains that CMS has conflated the conduct of Benefitalign,

Inshura, and TrueCoverage by treating them as a single entity “based solely on the companies’ common ownership by Speridian Global Holdings.”<sup>10</sup> According to the Response, TrueCoverage only operated as an insurance agency, and thus cannot be held responsible for the actions of Benefitalign. These statements ignore CMS regulations that address how CMS handles entities under common ownership.

**A. CMS Regulations Authorize the Termination of Benefitalign’s and TrueCoverage’s Exchange Agreements and Imposition of a Sit-Out Against these Entities Due to Their Common Ownership and Control and Status as Affiliates**

Pursuant to 45 C.F.R. § 155.220(m)(1), a web-broker's agreement may be suspended or terminated, and a web-broker may be denied the right to enter into agreements with the Federally-facilitated Exchanges under 45 C.F.R. § 155.220(k)(1)(i), based on the actions of its officers, employees, contractors, or agents, whether or not the officer, employee, contractor, or agent is registered with the Exchange as an agent or broker. Under 45 C.F.R. § 155.220(m)(2), a web-broker's agreement may be suspended or terminated under paragraph (g), and a web-broker may be denied the right to enter into agreements if it is under the common ownership or control or is an affiliated business of another web-broker that had its agreement suspended or terminated under paragraph (g). Because Benefitalign and TrueCoverage are web-brokers under common ownership and control and are affiliates of one another, acts of noncompliance committed by any one of the Speridian companies can be grounds for termination of and imposition of a sit-out against the other Speridian entities.<sup>11</sup>

Under 45 C.F.R. § 155.220(m)(2), and as explained in the 2020 Payment Notice (84 FR 17518, 17553-17554), CMS authorizes the termination of a web-broker’s agreements for the misconduct of other web-brokers if it is under the common ownership or control or is an affiliated business of those other web-brokers. Common ownership or control may exist in the case of affiliates whose governance structures permit shared influence over operations or data systems. CMS recognizes that common ownership, shared senior officials, or integrated management systems create risks of coordinated noncompliance. Consistent with this framework, CMS may impose a sit-out period on web-brokers that are affiliates of a web-broker

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<sup>10</sup> *Speridian Response* pg. 4.

<sup>11</sup> *See* 45 C.F.R. 155.20.

whose Exchange Agreement CMS suspended or terminated under 45 C.F.R. § 155.220(g), particularly where overlapping leadership or technical control makes operational separation impracticable.

**B. The Same Two Persons Hold a Controlling Interest in All Speridian Entities**

In the course of the audit of Speridian’s operations, Speridian produced the corporate formation documents of Speridian Global Holdings, LLC, and its subsidiaries.<sup>12</sup> These documents showed the following:

- Speridian Global Holdings, LLC, is the corporate parent of Speridian Technologies, LLC, TrueCoverage LLC, TrueCoverage dba Insura.com, and Benefitalign LLC;
- As of January 1, 2022, Speridian Global Holdings LLC, had 13 members who held 100% of the company’s 100,000,000 voting units. Voting rights were held as follows:
  - Girish Panicker, Manager – 43,000,000 voting units<sup>13</sup>
  - Hari K. Pillai, Manager – 43,000,000 voting units<sup>14</sup>
  - Remaining 7 members – 14,000,000 voting units<sup>15</sup>
- Benefitalign LLC and Speridian Technologies, LLC are wholly owned subsidiaries of Speridian Global Holdings, LLC; therefore, Girish Panicker and Hari K. Pillai control 86% of Benefitalign LLC’s voting rights.
- TrueCoverage LLC and Benefitalign LLC have the same two (2) managing members and one (1) non-managing member:
  - Girish Panicker – Managing Member
  - Hari K. Pillai – Managing Member
  - Prithviraj Sadanandan, Member

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<sup>12</sup> Original and Amended Operating Agreements of TrueCoverage, Benefitalign, Speridian Technologies, and Speridian Global Holdings. Additional information was collected from Speridian’s website at <https://www.speridian.com/about-speridian/and> TrueCoverage’s website <https://truecoverage.com/about-best-insurance-agency/>.

<sup>13</sup> Girish Panicker was empowered to exercise the voting rights of two other members, Nikhil Panicker and Siddharth Panicker. Hari K. Pillai (“KP”) was also empowered to exercise the voting rights of two other members, Rithwik Hari and Rishik Pillai. *See* Schedule of Members, Fourth Amended and Restated Operating Agreement of Speridian Global Holdings LLC, effective January 1, 2022.

<sup>14</sup> *See id.*

<sup>15</sup> *Id.*



Girish Panicker and Hari K. Pillai, together, hold controlling voting and management interests in each Speridian company that has entered into an agreement with CMS to assist consumers on Exchanges that use the federal platform. These entities include TrueCoverage LLC, TrueCoverage dba Inshura, and Benefitalign, LLC. In the 2020 Payment Notice (84 F.R. 17518) CMS explained that for purposes of that provision, *common ownership or control* would be assessed based on whether there is significant overlap in the leadership or governance of the entities. The degree of overlapping control by Girish Panicker and Hari K. Pillai meets the regulatory definition of “common ownership or control” for purposes of affiliate accountability under 45 C.F.R. § 155.220(m)(2).

**C. CMS’s Experience Before, During, and After the Audit Shows that Speridian Global Holdings LLC, TrueCoverage LLC, TrueCoverage dba Inshura, and Benefitalign All Share Management Staff and Technical Infrastructure**

In addition, CMS and the Assessment Team set up regular information sessions with Speridian over the course of the Assessment, and for many of these sessions representatives from both TrueCoverage and Benefitalign were present and engaged with the Assessment Team as a single entity. Interviews with TrueCoverage and Benefitalign representatives and employees made clear that data is shared across all entities. Indeed, on an October 15, 2024, Assessment Team call, Mr. Panicker, whose LinkedIn lists as Founder and Chairman of both Speridian Technologies and TrueCoverage, provided a demonstration of Benefitalign’s software offerings, starting with the architecture of Benefitalign’s Engage software suite, using Benefitalign branded slides. Employees and leadership of Speridian Technologies, TrueCoverage LLC, and Benefitalign LLC all responded to questions and presented at meetings which dealt with their shared technical infrastructure, demonstrating that Speridian employs a core team of leaders and IT professionals that have access to data held by TrueCoverage and Benefitalign. To wit:<sup>16</sup>

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<sup>16</sup> Individuals are categorized based on their email address domain.

#### 10/15/24 Platform Demo Meeting Attendees (speakers are bolded)

- Benefitalign
  - **Manal Mehta (President & CEO)**
  - Tamara White (Business Analyst)
- TrueCoverage
  - Ashwini Deshpande (CEO)
  - Sarika Balakrishnan (Manager—Carrier Relations)
  - Kalpit Dantara (Chief Product Officer)
- Speridian
  - **Girish Panicker (Founder and Chairman of the Board)**
  - **Sonu S R (Siebel Developer)**
  - **Susan Chappell (Chief Legal Officer)**<sup>17</sup>

#### 10/21/24 Speridian Technical Architecture Demo (speakers are bolded)

- Benefitalign
  - **Manal Mehta (President & CEO)**
- TrueCoverage
  - Ashwini Deshpande (CEO)
  - **Kalpita Dantara (Chief Product Officer)**
- Speridian
  - **Sonu S R (Siebel Developer)**
  - **Susan Chappell (Chief Legal Officer)**
- Other:
  - **Steven Castano (former Vice President of Architecture & DevOps at Benefitalign and former Senior Director—Infrastructure Services at Speridian)**<sup>18</sup>

#### 10/22/24 Speridian Technical Architecture Demo (continuation) (speakers are bolded)

- Benefitalign
  - **Manal Mehta (President & CEO)**
- TrueCoverage
  - Ashwini Deshpande (CEO)
  - **Kalpita Dantara (Chief Product Officer)**
- Speridian
  - Sonu S R (Siebel Developer)
  - Susan Chappell (Chief Legal Officer)
- Other:
  - **Steven Castano (former Vice President of Architecture & DevOps at Benefitalign and former Senior Director—Infrastructure Services at Speridian)**

#### 12/6/24 Speridian Technical Architecture Demo (continuation) (speakers are bolded)

<sup>17</sup> Susan Chappell has both Speridian and TrueCoverage email addresses.

<sup>18</sup> Steven M Castano, “Steven M Castano” LinkedIn, 2025, <https://www.linkedin.com/in/stevenmcastano>.

- Benefitalign
  - **Manal Mehta (President & CEO)**
- TrueCoverage
  - **Bhumish Shah (Chief Technology Officer)**
  - **Kalpita Dantara (Chief Product Officer)**
- Speridian
  - Susan Chappell (Chief Legal Officer)

**1/8/25 Speridian Technical Architecture (AuthSMTP) (speakers are bolded)**

- Benefitalign
  - **Manal Mehta (President & CEO)**
- TrueCoverage
  - Kalpita Dantara (Chief Product Officer)
  - Bhumish Shah (Chief Technology Officer)
- Speridian
  - Sonu S R (Siebel Developer)

When TrueCoverage and Benefitalign challenged CMS’s suspension in September 2024, Girish Panicker submitted a declaration in which he stated that he was “Founder and Chairman of Speridian Group of Companies, which include TrueCoverage, LLC (‘TrueCoverage’), Benefitalign LLC (‘Benefitalign’), and Speridian Technologies (‘Speridian’). I am authorized to make this Declaration on behalf of TrueCoverage and Benefitalign.” He further admitted that “Speridian” is an “affiliate of TrueCoverage and Benefitalign ...” Throughout his declaration, he referred to TrueCoverage and Benefitalign collectively simply as “the Companies.”<sup>19</sup> The fact that employees and managers of TrueCoverage LLC, Benefitalign LLC, and Speridian Technologies operated all three entities as a single operation was evident from interviews with managers and staff. For example, during an interview with TrueCoverage LLC’s former Chief Marketing Officer, Paul Montgomery, he explained: “I reported to many people simultaneously. I reported to Manal [Mehta, of TrueCoverage]. I reported to Ashwini [Deshpande, of True Coverage]. Oftentimes I was directly contacted by Girish [Panicker, of Benefitalign] for different projects.”<sup>20</sup>

The shared ownership and the sharing of technical infrastructure, management, and staff, in addition to other evidence noted herein, make it clear Benefitalign and TrueCoverage operate with significant overlap in management, staffing, and IT infrastructure. The 2020 Payment

<sup>19</sup> *Benefitalign, LLC v. CMS*, No. 24-2494 (D.D.C.), Pls.’ Reply, Ex. 1, Girish Declaration, ECF No. 13-1.

<sup>20</sup> Interview with Paul Montgomery, Former Chief Marketing Officer of TrueCoverage, December 12, 2024.

Notice (84 F.R. 17518) emphasizes that CMS evaluates “common ownership and control” not only through ownership interests but also through shared governance that prevents functional separation of compliance systems. Consistent with this interpretation, CMS rejects Speridian’s arguments in its Response that Benefitalign and TrueCoverage are separate legal entities and determines that Speridian’s corporate affiliates warrant unified enforcement action.

### **III. ANALYSIS OF SPERIDIAN’S RESPONSES TO CMS’ AUDIT & INVESTIGATIVE FINDINGS**

#### **A. Speridian’s Mishandling of Consumer Data Failed to Comply with CMS Regulations and Violated its Exchange Agreements**

CMS’s Office of Information Technology (OIT) found that TrueCoverage LLC and Benefitalign LLC’s security posture was poor, and our subsequent audit reinforced that fact.<sup>21</sup> CMS’s Assessment Team uncovered several violations that were, taken individually, severe, and demonstrate the Speridian’s subsidiaries’ consistent disregard of the agreements and regulations they were required to follow.

As discussed in CMS’s Notice of Determination and the EDE Assessment report, Benefitalign used AuthSMTP to send emails containing PII. AuthSMTP sometimes routes emails via the United Kingdom. As CMS found in its NOD, routing email with PII overseas through foreign countries is a threat to consumers’ PII.<sup>22</sup> The Response attempts to excuse its use of AuthSMTP by claiming that information routed through the overseas service is encrypted, and therefore only viewable by the sender and the recipient (who is presumably in the United States). However, under CMS rules and agreements, consumer data is not permitted to travel overseas, encrypted or not.<sup>23</sup>

Further, Benefitalign’s routing of outbound emails containing PII through SMTP servers located in the United Kingdom and India violates federal cybersecurity standards incorporated by reference into EDE agreements. Under the EDE and Information Security Agreements, Speridian is required to maintain compliance with the Federal Information Security Modernization Act of

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<sup>21</sup> *CMS NOD*, Appendix A.

<sup>22</sup> *EDE Assessment*, pgs. 15-16.

<sup>23</sup> *EDE Agreement*, section X.n; *Web-broker Agreement*, section X.m.

2014 (FISMA) and CMS’s associated security frameworks. FedRAMP (Federal Risk and Authorization Management Program) baselines, which implement the FISMA through NIST SP 800-53 Rev. 5, require strict boundary protection (SC-7) and prohibit data flows outside of authorized network perimeters. Encryption in transit (SC-12/SC-13) does not excuse the transmission of PII through uncontrolled foreign infrastructure. The Interconnection Security Agreement (ISA) and Section X.n of the EDE Agreement explicitly obligate entities to block both inbound and outbound connections that could expose consumer data to unauthorized jurisdictions (“locations outside of the United States of America or its territories, embassies, or military installations”). Thus, even if emails were encrypted, Speridian’s practice of allowing PII traffic to cross foreign borders contravenes both FISMA/FedRAMP requirements and the express terms of its agreements with CMS. The Response does not rebut the findings nor address the potential consumer harm.

Speridian’s Response also asserts that their other email servers are located within the United States. However, prior to the start of the audit, CMS’s Office of Information Technology geolocated Speridian Technologies’ servers—which TrueCoverage LLC and Benefitalign LLC utilize—to India.<sup>24</sup> Weeks later, after the audit was underway, the Assessment Team independently geolocated Speridian’s email servers to India.<sup>25</sup> In the Response, Speridian submitted a screenshot from MaxMind purporting to show that their servers are located in the United States.<sup>26</sup> However, the location associated with an IP address can be changed easily, and the Response did not provide any historical data to prove that Speridian’s servers always resided in the United States.

Our Assessment Team continues to geolocate Speridian’s servers to India.<sup>27</sup> The approach of the Assessment Team included cross-referencing data from multiple IP geolocation services,

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<sup>24</sup> *CMS NOD*, Appendix A.

<sup>25</sup> *EDE Assessment*, pg. 16.

<sup>26</sup> *Speridian Response*, pg. 23.

<sup>27</sup> As of June 26, 2025 CMS continues to geolocate Speridian servers to India, contrary to the claims in the Response. In addition, at the time of the assessment, the Assessment Team found that the two IP addresses in question (199.34.21.146 and 199.34.21.148) had domain names associated with Speridian Companies and that while the certificate authority (GoDaddy.com) was in the US, the servers themselves were physically located in India. Also, at the time of the assessment, the Assessment Team used Shodan lookup to take screenshots of the two IP addresses, which showed that these addresses were Windows servers hosting email services in India and associated with Speridian. The certificates associated with these two IP addresses were set to expire in February 2025, which may indicate that they are no longer used by Speridian. Shodan Lookup does not currently return any information for these IP addresses. While not currently resolving to the Speridian companies, the IP addresses themselves are

instead of relying on the single geolocation service utilized by Speridian in its Response.<sup>28</sup> CMS is satisfied with the accuracy of the geolocation performed by both OIT’s investigative team and the Assessment Team, and Speridian’s Response has not alleviated CMS’s concerns. Consistent with the EDE Agreement §X.n and ISA §§11.5, 12.2 (as implemented via the NEE SSPP), and the NIST SP 800-53 controls AC-4, SC-7, CA-3, SI-4, and SA-9 in the CMS FedRAMP baseline, PII must not be transmitted to or accessed from non-U.S. locations; encryptions in transit (SC-8) does not permit foreign routing that the information-flow (AC-4) and boundary (SC-7) policies expressly prohibit.

Furthermore, Benefitalign’s security posture is inadequate. For example, it allows anonymous third-party connections from Virtual Private Network (VPN) services, enabling any connecting third-party to mask their true location. In the Response, Speridian claims that the connections should not be a concern as “the Agreements require only that Benefitalign and its downstream and delegated entities do not *in fact* connect or transmit data to the EDE Platform from foreign locations.”<sup>29</sup> But this does not comply with the requirements of ISA § 12.2, which require that Speridian must “[b]lock inbound and outbound access ... that are the source of unauthorized access *attempts*” (emphasis added).

Under the EDE Agreement, Benefitalign must “implement reasonable precautions to prevent the risk of Security Incidents” which they did not do.<sup>30</sup> CMS directs all EDE partners to implement the full Non-Exchange Entity System Security and Privacy Plan (NEE SSPP) in both

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still located in India today. Indeed, conducting a traceroute on the two IP addresses shows that the final hop to those addresses are located in India. Finally, when performing a Shodan search on domains related to Speridian.com, two other IP addresses geolocated in India (121.242.90.65 and 121.242.120.116) show up having the same domains and system information as those previously associated with IP address 199.34.21.146 and 199.34.21.148). See *Speridian Notice of Final Determination Appendix*, Appendix A.

<sup>28</sup> Different geolocation providers rely on varying data sources and methodologies, which explains why different IP geolocation services can report dramatically different locations for the same IP address. While some providers use WHOIS data, ISP-reported information and ASN-based geolocation, others employ active measurement techniques like ping-based analysis or traceroute data to validate locations. Therefore, in addition to leveraging multiple geolocation services, the Assessment Team performed a traceroute to the IP address of interest to note the physical path (of routers) that data travels through to reach the destination (the IP address of interest). Moreover, there are services like dsntools that can perform the traceroute from various countries or regions to determine what path the data would take to the destination IP address, when starting from different locations. With the described approach we concluded that the two IP addresses in question (199.34.21.146 and 199.34.21.148) were geolocated in India at the time of the assessment, despite of the contrary information provided by MaxMind. See *Speridian Notice of Final Determination Appendix*, Appendix A.

<sup>29</sup> *Speridian Response*, pg. 24.

<sup>30</sup> *EDE Agreement*, section V.c.

the EDE Agreement and the ISA. The EDE Agreement expressly states, “In signing this contractual Agreement, in which this Appendix A has been incorporated, EDE Entities agree to comply with the security and privacy standards and implementation specifications outlined in the Non-Exchange Entity System Security and Privacy Plan (‘NEE SSPP’).”<sup>31</sup> The ISA further requires Benefitalign to “adhere to the security and privacy requirements specified in the Non-Exchange Entity (NEE) System Security and Privacy Plan (SSPP) document, which are specifically incorporated herein.”<sup>32</sup> Additionally, ISA § 11.5 mandates Benefitalign maintain network perimeter firewalls at least as strong as those required by CMS Information Security policy.

These requirements are clearly outlined in the EDE Agreement via the audit guidelines, and the NEE SSPP controls guidance. Benefitalign was noncompliant with these requirements by failing to block offshore VPN access.

Furthermore, in its Response, TrueCoverage LLC and Benefitalign LLC dispute CMS’s finding that there was a change to Benefitalign’s EDE environment, claiming that only its BrokerEngage software offering counted as an EDE Environment and that it was untouched by the changes Benefitalign made to its IT systems.<sup>33</sup> Benefitalign’s Exchange Agreement required them to inform CMS of any material change in its administrative, technical, or operating environments, reflecting the requirements in 45 C.F.R. § 155.260(b)(2)(iv), and for them to follow the EDE Entity-initiated Change Request process to request approval before implementing any such changes.<sup>34</sup>

Benefitalign admits to modifying its EDE Environment in the Response, saying that Benefitalign “has listened to CMS’s input throughout the audit process and modified the EDE Platforms in order to align the systems with CMS’s views.”<sup>35</sup> In fact, CMS provided no such input and did not request any changes from Benefitalign. At no point did CMS instruct

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<sup>31</sup> *EDE Agreement*, Appendix A. Also see *EDE Agreement* page 2: “The security and privacy controls and implementation standards documented in the NEE SSPP are established in accordance with Section 1411(g) of the ACA (42 U.S.C. § 18081(g)), the Federal Information Management Act of 2014 (‘FISMA’) (44 U.S.C. 3551), and 45 C.F.R. § 155.260 and are consistent with the standards in 45 C.F.R. §§ 155.260(a)(1) through (a)(6).”

<sup>32</sup> ISA § 6.3

<sup>33</sup> *Speridian Response*, pg. 13.

<sup>34</sup> The EDE Entity-initiated Change Request process refers to the process by which an EDE Entity must notify CMS immediately if it intends to make any change to its audited or approved EDE Environment after it has been audited or approved by CMS with traceability of the changes and an evaluation of the effect of those changes on the EDE Environment. EDE Agreement III.c and IX.c., Web-Broker Agreement II.b.1m. ISA § 11.2.

<sup>35</sup> *Speridian Response*, pg. 7

Benefitalign to update its EDE System or environment. They did so anyway, without CMS's required authorization.

It is unclear whether the Response's statement refers to changes made during or after the audit; however, the NOD specifically identified the unauthorized system redesign. Benefitalign asserts that it was merely relocating software within its systems to make the VPC flow logs easier for CMS to analyze. Benefitalign further claims the software it was relocating—CustomerEngage and EmployerEngage—is unrelated to the Exchange and therefore notifying CMS was not required. Benefitalign maintains that the only system subject to CMS's Agreements is BrokerEngage, its enrollment platform.

But, in fact, at least one of these other systems—CustomerEngage—is tightly integrated into Benefitalign's EDE workflow, and thus its EDE environment. CustomerEngage connects to BrokerEngage to submit consumer data. Quotes and proposals are created in BrokerEngage, which connects directly to the Exchange. When the customer is enrolled, data is transmitted back to CustomerEngage to "reflect the enrolled status."<sup>36</sup> This places CustomerEngage within the scope of Benefitalign's audit boundaries and subjects it to Entity Initiated Change Request (EICR) requirements. In other words, separating out CustomerEngage from BrokerEngage *was* a redesign of Benefitalign's EDE Environment.

Furthermore, Benefitalign's mid-audit change to its EDE Environment rendered critical information inaccessible to the Assessment Team.<sup>37</sup> Making this type of change without preserving the original data is a violation of its regulatory obligation to preserve audit trails and records,<sup>38</sup> as well as its duty to inform CMS of any changes to its systems. Altogether, the evidence shows that Benefitalign made unauthorized alterations to its EDE System, which impeded the audit process and violated its obligations to CMS.

## **B. Speridian's Response Failed to Rebut Evidence That TrueCoverage Misled Consumers by Engaging in Misleading Marketing Practices**

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<sup>36</sup> *Speridian Response*, Appendix A, *Email from Kalpit Dantara to David Paradis*, dated August 19 2024. Of further note, the Kalpit Dantara used a TrueCoverage email address, but they are answering a question with regards to Benefitalign.

<sup>37</sup> Interview with Speridian, October 21 2024.

<sup>38</sup> 45 C.F.R. § 155.220(c)(3)(i)(E)



Speridian's Response denies TrueCoverage's responsibility for misleading ads by marketing agencies and lead generators, disclaiming knowledge of fraudulent cash card offers. Cash cards, however, were a key part of TrueCoverage's sales strategy. Consumers in nearly half of the calls CMS reviewed started by asking about cash cards.<sup>39</sup> A number of agents began sampled calls by asking consumers, "Are you calling because of prequalified results, subsidies, rewards, cash cards?"<sup>40</sup> Indeed, in the call recordings submitted to CMS, "consumers generally were not calling in specifically to discuss health insurance options. Instead, the primary reason for their calls appeared their exposure to the rewards and incentives."<sup>41</sup> Additionally, sampled consent call recordings submitted by TrueCoverage to the Assessment Team show patterns consistent with assertions made in former employee declarations. These patterns include ABs having advance knowledge of certain misleading advertisements and following scripts and/or other detailed guidance provided by TrueCoverage on how to answer consumer questions about these incentives in vague, unclear, and misleading ways.<sup>42</sup>

Further, TrueCoverage has rejected that it has responsibility for the misleading advertising offering cash cards on the grounds that it "did not generate or approve the ads at issue," which is immaterial: TrueCoverage has responsibilities to consumers under 45 C.F.R. § 155.220(j)(2)(i) as well as its agreements with CMS and is liable for the actions of any third party entities to whom it outsources relevant services.<sup>43</sup> Purchasing a lead or advertisement from a third party does not absolve TrueCoverage of responsibility when the marketing content was used to generate enrollments of consumer leads; TrueCoverage knew or reasonably should have known that the leads were generated through non-compliant marketing practices; or the arrangement created a financial incentive structure that encouraged or benefited from misleading outreach.<sup>44</sup>

Speridian stated in its Response that "Ad-related issues first became prominent during the Open Enrollment period that began on November 1, 2023."<sup>45</sup> CMS published a Marketplace Advertising and Marketing Guidelines document in September of 2023—well before it claimed

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<sup>39</sup> *CMS NOD* pg. 8.

<sup>40</sup> *EDE Assessment*, pg. 8.

<sup>41</sup> *EDE Assessment*, pg. 37.

<sup>42</sup> *EDE Assessment*, pg. 21.

<sup>43</sup> 45 C.F.R. § 155.220(m)(1).

<sup>44</sup> 45 C.F.R. § 155.220(j)(2)(i); Web-broker Agreement X.b.

<sup>45</sup> *Speridian's Response*, pg. 30.

ad-related issues became prominent—that discusses obligations regarding lead generators and other third parties, stating entities are responsible to ensure any third-party it is working with is compliant with Marketplace regulations and any applicable laws.<sup>46</sup> TrueCoverage knew, or should have known, it was required to ensure that the marketing and lead generators with whom it contracted were adhering to the same laws and regulations that it did.

TrueCoverage agents dissembled when talking about cash cards to consumers, unwilling to be pinned down. TrueCoverage directed its agents to give a uniform response that avoided answering consumer questions about incentives, because it was otherwise unable to address the volume of cash card inquiries it was receiving. Its agents, however, were required to “provide consumers with correct information, without omission of material fact, regarding the Federally-facilitated Exchanges, QHPs offered through the Federally-facilitated Exchanges, and insurance affordability programs, and refrain from marketing or conduct that is misleading”.<sup>47</sup> The requirement to provide accurate *and complete* information is restated in TrueCoverage’s Web-broker Agreement with CMS.<sup>48</sup> TrueCoverage’s reply is insufficient because it amounts to an attempt to avoid its responsibility to provide accurate information. If Speridian cannot provide consumers with accurate information about the Exchange, QHPs offered through them, and insurance affordability programs, then it should not sell insurance on the Exchange.

### **C. The Response Failed to Rebut Evidence That It Failed to Comply with Consumer Consent and Eligibility Application Information Requirements**

Speridian’s Response claimed that its agents were trained properly and pointed to training materials they had previously shared, but acknowledged that a small number of ABs may not have followed the training when speaking with consumers.<sup>49</sup> The Response does not rebut the finding that 95% of the calls reviewed by the Assessment Team were found to be noncompliant. Speridian’s Response claims that TrueCoverage agents “had to be flawless on [their] calls” and that any time an agent failed to obtain consent they had to call the consumer back, however, the Response did not provide specific examples of this occurring. Speridian claimed that it cannot

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<sup>46</sup> <https://www.cms.gov/files/document/agent-and-broker-advertising-and-marketing-tip-sheet.pdf>.

<sup>47</sup> 45 C.F.R. § 155.220(j)(2)(i).

<sup>48</sup> Web-Broker Agreement X.b.

<sup>49</sup> *Speridian’s Response*, pg. 34.

provide more detail because it does not have the call recordings; however, these recordings were *provided to CMS by TrueCoverage*.

Further, the Response asserts that CMS is applying the same standard on all of the call recordings and that the rules changed in the middle of the period being assessed. While it is true that some of CMS's consent requirements changed during the applicable period, CMS's analysis deliberately excluded calls which pre-date the effective date of the consumer consent and eligibility application information review documentation requirements under 45 C.F.R. 155.220(j)(2)(ii) and (iii).<sup>50</sup>

CMS notified TrueCoverage of its expectations regarding consumer consent when it published the 2024 Payment Notice final rule, which explains what should be documented/explained to consumers regarding the attestations. CMS also provided TrueCoverage the CMS Model Consent Form for Marketplace Agents and Brokers, which is in TrueCoverage's training materials. The form includes guidance on what would constitute an adequate explanation and, according to TrueCoverage, every one of its agents should have been trained on it.

Speridian's Response does not address the finding to CMS's satisfaction.

#### **D. Speridian's Response Failed to Rebut Evidence That It Did Not Comply with Audit Requirements**

The Response asserts that it "responded fully and transparently to CMS's formal and informal information requests."<sup>51</sup> CMS disagrees. In the NOD, CMS focused on two areas of concern in which TrueCoverage and Benefitalign were not forthcoming: the call scripts and the swap file.

The evidence does not support the Response's claim that it provided call scripts "promptly and comprehensively" in response to CMS's request.<sup>52</sup> The TrueCoverage Agent Compliance Training was provided only after the *second* request,<sup>53</sup> and did not provide its

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<sup>50</sup> CMS NOD pg. 12, fn. 32. CMS's final conclusions are based on a sample of 285 recordings out of 390 submitted.

<sup>51</sup> Speridian Response, pg. 4.

<sup>52</sup> Speridian Response, pg. 16.

<sup>53</sup> CMS NOD, pg. 15.

“opening scripts” until after CMS made several more requests, as Speridian concedes in its Response.<sup>54</sup>

There is also evidence that TrueCoverage failed to produce all relevant call scripts as requested by CMS. For example, during an interview, TrueCoverage’s Head of Compliance, John Runkel, mentioned scripts that TrueCoverage supplied to its representatives related to cash cards,<sup>55</sup> however, these scripts were never produced, despite CMS’s requests. Additionally, the hundreds of consent call recordings CMS analyzed consistently indicated that “agents/brokers had advance knowledge of misleading advertisements and were following scripts and/or other detailed guidance on how to answer consumer questions.”<sup>56</sup>

TrueCoverage LLC and Benefitalign LLC’s Response states that CMS relied on signed witness declarations in the *Turner* lawsuit, which it characterizes as improper because the witness declarations were unverified and because the *Turner* lawsuit was dismissed, and on the screenshot CMS took of its Customer Relations Management (CRM) system. However, CMS’s determination that TrueCoverage and Benefitalign engaged in noncompliance is not solely dependent on witness declarations in this lawsuit.

As for the screenshot from Benefitalign’s demonstration of their CRM system which CMS asserts shows the existence of call scripts, the Response dismisses it as a placeholder taken out of context, explaining that it was shown “not [as] a demonstration of TrueCoverage’s call flow—indeed, it says nothing at all about how *TrueCoverage* used call scripts.”<sup>57</sup> To the extent the screenshot was not representative of the operations of TrueCoverage or Benefitalign, TrueCoverage never produced what it claims to be an accurate representative of their operations. Again, we hold that TrueCoverage and Benefitalign are indistinguishable. We also point out that TrueCoverage used Benefitalign’s software to enroll consumers.

More alarming is the Response’s argument surrounding the renamed and possibly modified swap file of a VPC flow log, which points out that this was one file out of 33,000. CMS notes that the alteration to this file was only detectable because the software the employee was using crashed: CMS has no way to know whether other files were altered. TrueCoverage and

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<sup>54</sup> *Speridian Response*, pg. 17.

<sup>55</sup> Interview with John Runkel, Head of Compliance for TrueCoverage, 11/14/2024.

<sup>56</sup> *EDE Assessment*, pg 21.

<sup>57</sup> *Speridian Response*, pg. 17.

Benefitalign are required to maintain audit trails and records.<sup>58</sup> By changing this file, Speridian’s personnel damaged the audit trails and prevented CMS from evaluating the accuracy of the Response’s assertions.<sup>59</sup>

Furthermore, while the Response argues that the volume of data that CMS requested made it impossible for its personnel to have altered the flow logs in the time allowed, the Response ignores that it had the data for weeks, if not longer, before CMS made the request, allowing ample time to change the logs. Speridian also failed to account for the fact that these files are on a computer and can easily be changed programmatically. While it may be true that a single employee likely would not have been able to manually read and alter line by line, each file, one by one, with the Vim application in the time between the export and the upload, it is also true is that a single employee would have been able to programmatically alter all the files with a single command that would run for some hours (depending on the volume of data and the hardware it’s on), and without using Vim.

CMS also afforded Benefitalign the opportunity to prove that the file was not altered—and thereby reassure CMS—by providing the virtual machine used to open the log, but Benefitalign first reported that it could not locate the virtual machine, then reported that the virtual machine had been deleted pursuant to security policy. While regularly deleting old virtual machines may be a legitimate practice, the fact is that Benefitalign was unable to provide exonerating evidence and, coupled with its pattern of audit noncompliance, we cannot give Benefitalign the benefit of the doubt.

Benefitalign was not forthcoming. Its assertion that “the Assessment Team did not, at any point, conclude that Benefitalign was uncooperative in producing the logs requested,”<sup>60</sup> is a remarkable claim not borne out by the facts, as the Assessment Team noted there were “challenges with receiving information fully responsive to the Assessment Team’s requests”.<sup>61</sup>

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<sup>58</sup> 45 C.F.R. § 155.220(c)(3)(i)(E).

<sup>59</sup> The presence of the swap file indicated that an employee opened a log file with the Vim application. That alone does not indicate that the file was modified. However, Vim is a text editor and normally would not be used to simply view files. There are other file viewing commands available by default and/or other applications that are more appropriate for viewing a file without altering it (instead of Vim, which has the capability to edit the file as well). The reason why there is only one swap file is because there was only one file opened in the Vim application at the time of the crash. This does not mean that no other files were opened or altered with Vim, or with other programs. In addition, there is further evidence of a log file being altered because the altered file added a “.change” extension to end of the altered file.

<sup>60</sup> *Speridian Response*, pg. 15.

<sup>61</sup> *EDE Assessment*, pg. 7.

#### **IV. SPERIDIAN’S RESPONSE HAS NOT RESOLVED CMS’S FINDINGS OF NONCOMPLIANCE UNDER (g)(3)(i) TO CMS’S SATISFACTION**

The Response asserts that prior to terminating its CMS Agreements, “CMS must provide 30 days’ notice and give [TrueCoverage and Benefitalign] a chance to request reconsideration or ‘resolve’ the matter.”<sup>62</sup> That does not accurately reflect CMS’s regulations and authority to take action against noncompliant partners. It also ignores CMS’s findings that TrueCoverage and Benefitalign failed to comply with audit requirements and did not act in good faith.<sup>63</sup>

First, its Response misstates CMS rules regarding terminations for cause. An agent, broker, or web-broker whose Exchange Agreement(s) CMS proposes to terminate under 45 C.F.R. § 155.220(g)(3)(i) has an opportunity to resolve the matter to CMS’s satisfaction. Then, if the agent, broker, or web-broker’s Exchange Agreements are terminated, the agent, broker or web-broker may submit a request for reconsideration within 30 calendar days of the written notice of termination from CMS under 45 C.F.R. § 155.220(h)(2). This differs from the processes described in the Response.

Second, the Response claims Speridian has already addressed CMS’s concerns and that termination and five-year suspension would render meaningless its right to resolve noncompliance.<sup>64</sup> 45 C.F.R. § 155.220(g)(3)(i) provides that CMS’s findings of noncompliance must be resolved to the agency’s satisfaction, a standard Speridian has not met.

CMS has identified noncompliant actions by Benefitalign before and during the audit that call into question both companies’ trustworthiness, their ability to adequately protect consumer data, and their willingness to refrain from using consumer data for improper purposes.

TrueCoverage and Benefitalign have a history of noncompliance and our findings detailed in the NOD shows the noncompliance has continued despite CMS’s sanctions in 2018 and our Notice of Noncompliance in 2023.<sup>65</sup> In 2018, CMS determined that TrueCoverage violated its Exchange Agreements by knowingly submitting incorrect Social Security numbers.

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<sup>13</sup> *Speridian Response*, pg. 12.

<sup>63</sup> *NOD*, pg. 13.

<sup>64</sup> *Speridian’s Response*, pg. 13.

<sup>65</sup> Appendix B, *Notice of Immediate Termination of 2018 Exchange Agreements and Denial of Right to Enter in Exchange Agreements* dated April 19 2018; Appendix C, *Notice Upholding Termination of 2018 Marketplace Agreements and Related Actions*, dated June 17 2018; Appendix D, *Notice of Non-compliance*, dated April 6 2023.

As a result, CMS invoked 45 C.F.R. § 155.220(k)(1)(i) and exercised its authority to deny TrueCoverage “the right to enter into agreements with the Federally-facilitated Exchanges in future years” by suspending TrueCoverage’s Exchange Agreements for three years (later reduced to one year upon reconsideration).<sup>66</sup>

In 2023, CMS issued to Benefitalign a *Notice of Noncompliance* as a result of an unsuccessful attempt by Speridian employees to access the Exchange testing environment from India. On this occasion, Benefitalign resolved the matter to HHS’s satisfaction by attesting to future compliance and good conduct. The attestation was signed by Manal Mehta, who was then CEO of Benefitalign, and is now President and Chief Innovation Officer for TrueCoverage.<sup>67</sup> By making the attestation, Speridian acknowledged its understanding that CMS prohibited even *attempted* foreign access to EDE systems. Mr. Mehta’s attestation in that matter is additional evidence of the interconnectedness between Speridian, TrueCoverage, and Benefitalign.

Speridian’s history of noncompliance, in addition to their mishandling of consumer data, engagement in misleading marketing practices and conduct, as well as their failure to comply with consumer consent, in addition to a failure to comply with CMS audit and oversight obligations, coupled with the serious nature of the violations here, substantiates CMS’s audit finding that it engaged in a pattern of noncompliance that is sufficiently severe that warrants sanction. Changing business and IT practices does not sufficiently mitigate the severity of CMS’s findings of noncompliance.

CMS regulations provide Speridian the option to request reconsideration of this determination, and information on the process is provided at the end of this letter.<sup>68</sup>

## **V. SPERIDIAN’S NONCOMPLIANCE WARRANTS A SIT-OUT PERIOD EXTENDING THROUGH PLAN YEAR 2030**

Under 45 C.F.R. § 155.220(g)(1), if in HHS’s determination, a specific finding of noncompliance or a pattern of non-compliance is sufficiently severe, HHS may terminate an

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<sup>66</sup> See, e.g., section 1411(h)(1)(A)(i) of PPACA and 45 C.F.R. § 155.285(a)(1)(i). Also see 45 C.F.R. § 155.220(d)(3) and (j)(2)(ii).

<sup>67</sup> Appendix E, *Ref: Benefitalign LLC Notice of Non-Compliance*, dated April 19 2023; <https://truecoverage.com/about-best-insurance-agency/> accessed on 7/1/2025 at 4:07PM

<sup>68</sup> 45 C.F.R. 155.220(h).

agent's, broker's, or web-broker's Exchange Agreement(s) for cause. After due consideration, including consideration of the cumulative findings of the audit and considering Speridian's history of noncompliance, and consistent with 45 C.F.R. § 155.220(g)(1)-(2), CMS has determined that Speridian's violations support a specific finding of noncompliance and pattern of noncompliance that is sufficiently severe to support the termination of Speridian's Exchange Agreements had they not already expired by their own terms. Accordingly, and consistent with 45 C.F.R. § 155.220(k)(1)(i), CMS is **finalizing** its decision to deny Speridian the right to enter into new Exchange Agreements until Plan Year 2031. This action is essential to safeguard CMS and Exchange operations, consumer PII, and data integrity. Consistent with 45 C.F.R. § 155.220(m)(2), this sit-out period will extend to web-brokers affiliated with or under common ownership or control of Speridian Technologies, including TrueCoverage and Benefitalign.

## **VI. RIGHT TO RECONSIDERATION & CONTINUING OBLIGATIONS**

### **A. Right to Request Reconsideration**

You may request reconsideration of this decision, pursuant to 45 C.F.R. § 155.220(h)(2). You must make your reconsideration request in writing, and it must be received by the CMS Administrator at the address below within 30 calendar days from the date of this notice. If you make a timely request for reconsideration, CMS will respond within 60 calendar days from the date the CMS Administrator receives the request. If you do not submit a timely request for reconsideration, this decision will become final.<sup>69</sup> In that event, the determination in this notice remains in effect, including your ineligibility to enter into new Exchange Agreements for five (5) years, through Plan Year 2030.

Your reconsideration request should be sent c/o Jacqueline Vaughn, Office of the Attorney Advisor ([jacqueline.vaughn@cms.hhs.gov](mailto:jacqueline.vaughn@cms.hhs.gov)) and should also copy Arlene Gassmann ([arlene.gassmann@cms.hhs.gov](mailto:arlene.gassmann@cms.hhs.gov)).

### **B. Continuing Duty to Protect Consumer PII**

Your duty to protect and maintain the privacy and security of PII collected in connection with Exchange applications and enrollments continues in full force and effect until such PII is

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<sup>69</sup> See 45 C.F.R. § 155.220(h)(3).



destroyed at the end of the required record retention period. Please refer to your 2024 Exchange Agreements and 45 C.F.R. § 155.220(g)(4) for more information on the obligation to protect the privacy and security of, as well as the accompanying record retention requirements for, PII that you gained access to, collected, used, and disclosed in the course of facilitating QHP enrollments through the Exchange.

Sincerely,

Elizabeth Parish  
Deputy Director for Operations  
Center for Consumer Information & Insurance Oversight  
Centers for Medicare & Medicaid Services

cc: Speridian Global Holdings