



# VERIFYING CMS CRITERIA FOR CANCELLING UNAUTHORIZED ENROLLMENTS

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# IMPORTANCE OF CANCELLING UNAUTHORIZED ENROLLMENTS

CMS takes very seriously all consumer reports of misconduct or fraud by agents, brokers, other assisters and consumers. Investigating and addressing allegations of unauthorized enrollments in Health Insurance Exchange plans is a high priority. The Unauthorized Enrollment Finder File (UEFF) process was developed to engage Issuers as partners in this work. Your cooperation is greatly appreciated.

CMS is committed to ensuring that there are procedures in place to prevent, identify, and remediate instances of misconduct and fraud in the Exchange. Agents and brokers operating in the Federally-facilitated Exchange (FFE) are monitored to assure they are in compliance with their CMS agreements, including all applicable federal and state statutes and regulations. Any agents and brokers submitting unauthorized enrollments or knowingly providing incorrect material information may be removed from the FFE Registration Completion List (RCL), be assessed civil monetary penalties, and/or be referred to law enforcement as appropriate.

# IMPORTANCE OF CANCELLING UNAUTHORIZED ENROLLMENTS

- FFE Call Center representatives may receive calls from consumers who report unauthorized enrollments (UEs) and assert that they were enrolled in an Exchange plan without their knowledge or consent, and that no one else was authorized to enroll them.
- Consumers with UEs frequently have Advance Premium Tax Credits (APTC) associated with their policies and may have a tax liability for the months the policy was in effect. Corrected 1095-As can only be issued if the policy is cancelled back to the effectuation date as if never in force.
- It is very important that you submit cancellations for any policy that meets the criteria ***even if it has already been terminated***

# UEFF 8 Criteria for Cancellations

CMS developed the following criteria that, if true, would support a consumer's report of an unauthorized enrollment.

- 1. No claims have been filed for any of the enrollees on each policy.**
- 2. The consumer is receiving 100% APTC or, if not 100%, the portion of the premium that is the responsibility of the enrollee was not made in whole or in part resulting in the termination of the policy.**
- 3. The issuer has had no contact from the enrollee such as calls to customer service, emails, letters or any other direct contact, *with the exception of* communications from the enrollee stating that they did not know about or consent to the enrollment.**

[Note: A previously used criterion – “NPN Agree” – remains on the file, but is no longer a consideration for cancellation. All policies will have a “T” for “true” prepopulated in that column. Do not change it.]

# Effectuating Cancellations

- Issuers cancelling 2018 coverage should send an **IC834 cancel transaction** to the FFE with a reason code of fraud (**CANCEL-FRD**).
- Policies for plan years 2017 and earlier cannot be cancelled via IC834. Issuers will need to submit an ER&R Dispute, setting “Prior Year – End Date” to equal the start date of the policy.
- Issuers should return the completed file to CMS by sending it to the CMS/CPI EFT Folder:  
**TPID.MID.RESOFL.DYYMMDD.THHMMSSmmm.P.IN.**
- Completed files must be returned to CMS no later than **March 15, 2019**.

# Review the File Before Returning to CMS

## To prevent rejection of your file, please follow these directions:

- There must be 6 digits after the D in the date and 9 digits after the T in the timestamp.
- File should be sent to the MID EFT code.
- Do not ZIP the file.
- UEFFs should be returned as “pipe-delimited” text files only.
- If resubmitting a file, change the date and timestamp in the filename. EFT will not deliver the file if it has the same date and time as the previous submission.
- Do not delete any rows or columns – including the header record.  
Do not move columns around – format must be intact and has to be in the same position.
- When typing notes in the ‘Notes’ column, do not include a “pipe delimiter” within the text.  
Commas, periods or semi-colons are okay, but do not insert “pipes” as they change the format.

# Thanks and Contacts

CCIIO and CPI appreciate the cooperation of Issuers in upholding the integrity of the Exchange and protecting consumers from the effects of Unauthorized Enrollments.

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If you have questions about the Unauthorized Enrollment Finder File, please email them to: [MarketplaceIntegrity@cms.hhs.gov](mailto:MarketplaceIntegrity@cms.hhs.gov).

**REMEMBER: All documents with PII must be encrypted or password protected. We cannot accept unsecured email containing PII.**