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

Payment Policy and Financial Management Group

Sent on December 19, 2019 via email

Re: 2016 APTC/UF Audit – Issuer Name (HIOS ID XXX)

Dear Issuer Contact,

As part of our continuing efforts to improve data quality and review program operations, the Centers for Medicare & Medicaid Services (CMS) is reaching out to you to audit 2016 benefit year program participation. The audit will focus on data supporting the collection of user fees (UF) and the advance payment of the premium tax credit (APTC) calculated under CMS's automated payment system, policy-based payments (PBP).

Working in coordination with you and other selected issuers over the course of these audits, CMS aims to:

- Identify CMS overpayments and underpayments made to issuers resulting from issuer or CMS reporting errors and update CMS's enrollment data to correct payment through the PBP system.
- Identify cases in which issuers failed to comply with CMS enrollment policy and educate issuers on these errors to improve future compliance.
- Gain insight into issuer operations and payment procedures operations under the PBP system to educate all issuers on necessary processes improvements and inform future CMS operations and audits.

This letter is to notify you that CMS has selected Issuer Name (HIOS ID XXX) for audit. The audit will evaluate compliance with applicable rules and regulations governing the user fee and APTC programs pursuant to the authority set forth in 45 CFR § 156.480(c). CMS will audit the completeness and accuracy of your organization's 2016 enrollment and payment data compared against the data maintained by the Federally-Facilitated Exchange (FFE) that was used to calculate user fee collections and APTC payment amounts.

The data requirements and documentation for the audit will be described in a separate letter, which you should receive from our CMS contractor, who will be performing the audit on behalf of CMS.

Entrance Conference Call and Enterprise File Transfer (EFT) Testing

Our CMS Contractor will schedule an entrance conference call beginning in January 2020 to review the audit process, discuss the audit documentation requests, discuss the EFT file submission and testing process, and respond to any initial questions you may have. To ensure

data security, unless otherwise noted, the data and documents required for the audit must be submitted electronically via EFT.

Following the entrance conference, our CMS Contractor will work with your organization to test both the EFT data submission process and the readiness of your data for audit. The goal is to confirm that the test file is successfully received and that your data is properly formatted before the audit begins. Multiple cycles of submission and validation may be required, supported by data review sessions staffed by those involved in the creation and submission of your data as needed.

Information Submission

Following successful EFT testing, our CMS Contractor will send your organization a policy selection file that details the selected policies for each documentation request, if applicable. Upon receipt of the policy selection file communicated by our CMS Contractor via EFT, your organization will have **30 calendar days** to submit the data and documents required for the audit to our CMS Contractor via EFT.

Access to Facilities and Records

In order for CMS to effectively conduct the audit, we may require access to issuer records and staff, as set forth in 45 CFR § 156.705. The audit will be performed off-site; however, if a field audit is required, a secured office space for the auditors to work at your offices will be needed. Advance notice will be provided regarding scheduling, onsite data access, and other related requirements.

Thank you in advance for your anticipated cooperation with this audit.

Sincerely,

Elizabeth Parish
Director, Payment Policy and Financial Management Group
Center for Consumer Information & Insurance Oversight
Centers for Medicare & Medicaid Services
U.S. Department of Health & Human Services