Affordable Care Act CMS To Stop Unauthorized ACA Agent & Broker Marketplace Activity

Description

By James Schulze

This article discusses the recent CMS statement on requiring agents and brokers to take extra steps in making changes to prospective customersâ?? ACA enrollments. It also provides insights on how agents and brokers can adapt to successfully and profitably grow their ACA business.

In July 2024, the Centers for Medicare & Medicaid Services (CMS) issued a statement on system changes that aim to prevent unauthorized marketplace activity by insurance agents and brokers who offer Affordable Care Act (ACA) insurance plans.

What is driving these new changes?

The CMSâ?? statement is a response to the high number of complaints the organization has received from ACA participants, including:

- In the first half of 2024, CMS received more than 73,000 complaints from consumers who allege their ACA plan was changed without them giving consent to the change.
- Additionally, the CMS received more than 134,000 complaints from consumers who stated they were enrolled in an ACA plan without their consent.

While most of these â??unauthorized plan switchesâ?• and â??unauthorized enrollmentsâ?• have already been resolved, the CMS believes further action is required to prevent these types of activities.

What is in CMSâ?? recent statement on ACA agent and broker activity?

Effective July 19, 2024, the CMS states that it:

- Prohibits an agent or broker from changing an ACA consumerâ??s Federally-facilitated Marketplace (FFM) enrollment unless the agent or broker is already associated with that consumerâ??s enrollment

- Requires any agent or broker who is not currently associated with a specific ACA consumerâ??s enrollment (â??unassociated agent or brokerâ?•) to take extra steps if they want to update that consumerâ??s FFM enrollment, even if they have the consumerâ??s consent. These extra steps include one of the following:
  1. Conduct a three-way call with the ACA consumer and the Marketplace Call Center; or
  2. Direct the ACA consumer to make the change themselves through HealthCare.gov; or
  3. Have the ACA consumer make the change themselves through an approved Classic Direct Enrollment or Enhanced Direct Enrollment partner website that has a consumer pathway.

Adapting to the new CMS changes

The CMS has expressed a strong intent to monitor the above changes. In a three-week time period beginning in late June, the CMS issued suspensions to 200 agents and brokers for suspected fraudulent activity related to unauthorized plan switches and enrollments. And while most agents and brokers have ethical practices, it is worthwhile to understand the new statement, how it might change the way they interact with ACA consumers, and any additional resources that will be required to be compliant. At a minimum, agents and brokers should:

- **Ensure their ACA sales leads are ethically sourced**

The most compliant leads begin as opt-ins, where consumers express an interest in learning more about ACA and looking at enrollment. Cold calling data sets and leads that are not opt-ins may raise a red flag, as they do not offer any level of previous consent.

- **Consider changes to lead qualification scripts**

As we see in the new statement, it is critical to clearly understand a consumerâ??s current enrollment status and details up front. When prospecting as an unassociated agent or broker, you will need to ensure your scripting will help you accurately sort through their current situation and clearly gauge their intent to make a change. Getting it right on the upfront lead qualification will help you focus time on the right prospects and avoid spending time performing the required extra steps on prospects that will not ultimately be converted for any number of reasons.

- **Understand the sales process, resources and training required to be compliant**

As in any business, time is money. The *extra* steps required by the CMS will inevitably increase the amount of time needed to convert a new prospect. To ensure agents and brokers are the most effective and efficient with their time, it will be helpful to understand the process and time requirements for having a three-way discussion versus helping guide a prospect through making the changes themselves online. Management can then make the right decisions about how they can most profitably convert customers as well as ensure their agents and brokers are properly trained to lead prospects through these extra steps.

If you would like more information on opt-in ACA sales leads, give The Leads Warehouse a call at **1-800-884-8371** or visit our website at https://theleadswarehouse.com.

For more information on CMSâ?? Statement on System Changes to Stop Unauthorized Agent and Broker Marketplace Activity, go to [CMS.gov](CMS.gov).

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Author
jimtlw-media