

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
7501 Wisconsin Avenue  
Bethesda, MD 20814



# State-based Marketplace Annual Reporting Tool (SMART)

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## Introduction

The Affordable Care Act (ACA) established State-based Exchanges (SBEs) and State-based Exchanges on the Federal Platform (SBE-FPs), also referred to as State Exchanges, to provide individuals and small business employees with access to health insurance coverage beginning January 1, 2014. The ACA provides states with flexibility in the design and operation of their Exchanges to best meet the unique needs of their residents and insurance markets.

The Centers for Medicare & Medicaid Services (CMS) is responsible for the oversight and monitoring of State Exchanges pursuant to 45 CFR § 155.1200 (general program integrity and oversight responsibilities) and 45 CFR § 155.1210 (maintenance of records). Under these provisions, State Exchanges are required to conduct a defined set of oversight activities to track and monitor how they are meeting ACA program integrity standards. In addition, State Exchanges are required to comply with Exchange-related policy and operational requirements set forth in statute, regulations, and guidance.

The State-based Marketplace Annual Reporting Tool (SMART) was developed to assist CMS in the collection of SBE and SBE-FP reporting and auditing requirements, and, in coordination with other CMS oversight activities, to monitor and evaluate SBE compliance with applicable regulations and guidance. State Exchanges must submit the SMART on an annual basis to CMS. Submission of the SMART does not preclude a State Exchange from meeting other CMS reporting requirements not addressed in the SMART.

SBEs must submit or attest to the submission of these requirements by completing the following SMART elements: Eligibility and Enrollment, Financial and Programmatic Audit, and Program Integrity. Directions for completing each attestation and/or document submission are contained in the element description.

Unless otherwise noted, SBEs should answer the SMART questions, as they relate to Exchange operations in place, as of the most recent open enrollment period.

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# SMART REPORTING ELEMENTS

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## I. Eligibility and Enrollment

State-based Exchanges (SBEs) must answer all questions under the Eligibility and Enrollment section with a 'Yes' or 'No' response. The N/A response option applies solely to State-based Exchanges using the Federal Platform (SBE-FPs), for whom this section does not apply. *SBE-FPs should skip this section.*

Please attest to whether the Exchange is in compliance with the following Exchange-related eligibility and enrollment policy, operational regulations, and guidance, and submit the required information where noted. Answer the questions as they relate to Exchange operations in place as of the most recent Open Enrollment Period, unless otherwise noted.

### A. Qualified Health Plan (QHP) Eligibility Verification: Social Security Number

The Exchange verifies social security number with the Social Security Administration through the Federal Data Services Hub under 45 CFR § 155.315(b), unless otherwise authorized by CMS.

YES     NO

### B. QHP Eligibility Verification: Citizenship

The Exchange verifies citizenship with the Social Security Administration through the Federal Data Services Hub under 45 CFR § 155.315(c), unless otherwise authorized by CMS.

YES     NO

### C. QHP Eligibility Verification: Lawful Presence

The Exchange verifies lawful presence with the Department of Homeland Security through the Federal Data Services Hub Verify Lawful Presence (VLP) Service Step 1 under 45 CFR § 155.315(c), or through an alternative data source and/or process.

YES     NO

If an alternative process is used, please summarize, and include any alternative data source(s) used:

\_\_\_\_\_

The Exchange verifies lawful presence with the Department of Homeland Security through the Federal Data Services Hub Verify Lawful Presence (VLP) Service Step 2 under 45 CFR § 155.315(c), or through an alternative data source and/or process.

YES     NO

If an alternative process is used, please summarize, and include any alternative data source(s) used:

\_\_\_\_\_

The Exchange verifies lawful presence with the Department of Homeland Security through the Federal Data Services Hub Verify Lawful Presence (VLP) Service Step 3 under 45 CFR § 155.315(c), or through an alternative data source and/or process.

YES     NO

If an alternative process is used, please summarize, and include any alternative data source(s) used:

\_\_\_\_\_

**D. QHP Eligibility Verification: State Residency**

The Exchange verifies state residency through attestation under 45 CFR § 155.315(d), unless otherwise authorized by CMS.

YES     NO

The Exchange verifies state residency through a non-Federal Data Services Hub data source for this eligibility verification procedure.

YES     NO

If yes, please list data source(s): \_\_\_\_\_

**E. QHP Eligibility Verification: Standards and Process for American Indian/Alaska Natives**

The Exchange verifies American Indian/Alaska Native (AI/AN) through consumer attestation, relevant documentation, and/or an approved electronic data source as provided under 45 CFR § 155.350(c), unless otherwise authorized by CMS.

YES     NO

If yes, please select how the verification is completed.

Attestation  
 Documentation  
 Data Source

If data source is used, please list: \_\_\_\_\_

**F. QHP Eligibility Verification: Incarceration Status**

The Exchange verifies incarceration status through the Federal Data Services Hub or attestation under 45 CFR § 155.315(e), unless otherwise authorized by CMS.

YES     NO

If yes, please select how the verification is completed.

<input type="checkbox"/>	Attestation
<input type="checkbox"/>	Documentation
<input type="checkbox"/>	Data Source

### G. Affordability Program Eligibility Verification: Household Income and Size

The Exchange verifies household income and family/household size through the Federal Data Services Hub under 45 CFR § 155.320(c), unless otherwise authorized by CMS.

YES       NO

The Exchange verifies household income through an alternative process when the Federal Data Services Hub Modified Adjusted Gross Income (MAGI) data is not available.

YES       NO

If yes, please list alternative process: \_\_\_\_\_

The Exchange uses a non-Federal Data Services Hub data source in addition to, or as a contingency for, the Federal Data Services Hub for this eligibility verification procedure.

YES       NO

If yes, please list data source(s): \_\_\_\_\_

### H. Affordability Program Eligibility Verification: Employer-sponsored Plan

The Exchange verifies eligibility related to enrollment in an eligible employer-sponsored plan and eligibility for qualifying coverage in an eligible employer-sponsored plan through the Federal Data Services Hub Office of Personnel Management Service under 45 CFR § 155.320(d)(2)(i), unless otherwise authorized by CMS.

YES       NO

The Exchange uses a CMS-approved non-Federal Data Services Hub data source in accordance with 45 CFR § 155.320(d)(2)(ii), for this eligibility verification procedure.

YES       NO

The Exchange employs a random sampling process in accordance with 45 CFR § 155.320(d)(4), for this eligibility verification procedure.

YES       NO

The Exchange employs other CMS-approved risk-based processes in accordance with 45 CFR § 155.315(h) and 155.320(a), for this eligibility verification procedure.

YES       NO

If yes, please list data source(s) and/or risk-based process: \_\_\_\_\_

**I. Affordability Program Eligibility Verification: Medicaid, Children’s Health Insurance Program (CHIP) and Basic Health Program (BHP)**

The Exchange verifies eligibility related to enrollment in Medicaid, CHIP, and BHP (if applicable), through a state-level data source under 45 CFR § 155.320(b)(1)(ii).

YES       NO

**J. Affordability Program Eligibility Verification: Non-Employer-sponsored Plan**

The Exchange verifies eligibility related to enrollment in minimum essential coverage, other than through an eligible employer-sponsored plan (e.g., Medicare, Veterans Health Administration, TRICARE/Department of Defense, and the Peace Corps), through the Federal Data Services Hub under 45 CFR § 155.320(b)(1)(i).

YES       NO

The Exchange uses a non-Federal Data Services Hub data source in addition to, or as a contingency for, the Federal Data Services Hub for this eligibility verification procedure.

YES       NO

If yes, please list data source(s): \_\_\_\_\_

**K. Inconsistency Resolution**

In cases where the Exchange cannot verify information required to determine eligibility for enrollment in a QHP through the Exchange, Advance Premium Tax Credits (APTCs), and cost-sharing reductions (CSRs), the Exchange has a process in place to identify, notify consumers of, and resolve inconsistencies in accordance with 45 CFR § 155.315(f), relating to the following eligibility factors:

Y	N	Partial	
			Annual Income
			Citizenship
			Immigration Status
			Incarceration Status
			American Indian/Alaskan Native Status
			Minimum Essential Coverage: Non-Employer Sponsored Coverage
			Minimum Essential Coverage: Employer Sponsored Coverage

If answered no and/or partial, please explain: \_\_\_\_\_

The Exchange has established an income verification threshold policy per 45 CFR 155.320(c)(3)(vi).

YES       NO

If yes, please list the policy including the threshold amount: \_\_\_\_\_

**L. Benefit Year Eligibility Redetermination and Verification**

The Exchange conducts eligibility redeterminations and verifies applicant-reported changes in circumstances during the benefit year in accordance with 45 CFR § 155.330.

YES       NO

Y	N	Partial	
			Annual Income
			Citizenship
			Immigration Status
			Incarceration Status

If answered no or partial, please explain: \_\_\_\_\_

**M. Periodic Data Matching**

The Exchange conducts periodic data matching at least twice during the benefit year in accordance with 45 CFR § 155.330(d) to identify updated information for applicable enrollees in regard to the following eligibility factors. Exchanges that have an integrated eligibility system with their State Medicaid Agency and have a single eligibility rules engine that uses MAGI to determine eligibility for advance payments of the premium tax credit, cost-sharing reductions, Medicaid, CHIP, and the BHP (if applicable), are deemed compliant with the Medicaid/CHIP periodic data matching requirement and should answer 'Yes' for that specific item below.

Y	N	Frequency	
			Death
			Enrollment in Medicare
			Enrollment in Medicaid, CHIP, and BHP (if applicable)

If answered no, please explain: \_\_\_\_\_

**N. Annual Eligibility Redeterminations and Verification**

The Exchange performs annual eligibility redeterminations and verifies reported changes in accordance with 45 CFR § 155.335. If yes, please upload the redeterminations plan using the CMS required template. **UPLOAD**

YES       NO

If answered no, please explain: \_\_\_\_\_

**O. QHP Eligibility Process: Employer Notices**

The Exchange notifies an employer that an employee has been determined eligible for APTCs and CSRs has enrolled in a QHP through the Exchange within a reasonable timeframe under 45 CFR 155.310(h).

YES     NO

**P. QHP Eligibility Standards: Income Tax Return Filing Requirement**

The Exchange verifies the tax filing status of new applicants and renewing enrollees with the IRS through the Federal Data Services Hub under 45 CFR § 155.305(f)(4).

YES     NO     PARTIAL

If answered no or partial, please explain: \_\_\_\_\_

The Exchange denies or discontinues APTC for new applicants and renewing enrollees who are identified as having APTC paid on their behalf, but who did not file a tax return or reconcile APTC for that year.

YES     NO     PARTIAL

If answered no or partial, please explain: \_\_\_\_\_

**Q. Eligibility Determinations: Right to Appeal**

The Exchange includes the notice of the right to appeal and instructions regarding how to file an appeal in any eligibility determination notice issued to the applicant in accordance with 45 CFR § 155.355.

YES     NO

**R. Administration of Advance Payments of the Premium Tax Credit: CMS Reporting**

The Exchange is compliant with applicable requirements regarding submission of Policy-level data to CMS for plan year 2022 and prior plan years to support the administration and reconciliation of payments of APTCs and CSRs to issuers under 45 CFR § 155.340(a), 45 CFR 155.340(i), and 45 CFR § 155.400(b).

YES     NO     PARTIAL

If answered no or partial, please explain: \_\_\_\_\_

**S. Administration of Advance Payments of the Premium Tax Credit: IRS and Taxpayer Reporting**

The Exchange is in compliance with applicable requirements regarding reporting to the IRS and to taxpayers in accordance with 45 CFR § 155.340(c).

YES     NO     PARTIAL

If answered no or partial, please explain: \_\_\_\_\_



**T. Monthly Reconciliation of Enrollment Information with QHP issuers**

The Exchange reconciles their enrollment information, including historical dates of coverage, with QHP issuers no less than on a monthly basis in accordance with 45 CFR § 155.400(d).

YES       NO

If yes, submit the internal and external procedures for reconciliation with issuers per 45 CFR § 155.400(d) only, if not previously provided or if it has undergone significant changes since the last submission. **UPLOAD**

Procedures previously submitted and have not undergone significant changes.

**U. Special Enrollment Periods**

The Exchange provides special enrollment periods consistent with 45 CFR § 155.420, during which qualified individuals may enroll in QHPs and enrollees may change QHPs.

Y	N	SEP Verification (Y/N)
		Loss of Minimum Essential Coverage
		Permanent Move
		Change in Household Size*
		Denial of Medicaid/CHIP Eligibility
		Newly APTC Eligible or Ineligible, Change in CSR Eligibility
		Gaining Access to ICHRA or QSEHRA
		Exchange Error, Misrepresentation, Misconduct
		Exceptional Circumstances (describe):
		Other State-specific SEP (describe):
		Other State-specific SEP (describe):
		Other State-specific SEP (describe):

\*Includes Marriage, Divorce, Gaining/Becoming a Dependent.

## V. Self-Reporting: Eligibility and Enrollment Opportunity for Comments

If applicable, please use this section to provide any additional information or clarification on eligibility and enrollment that was not captured in the previous attestations.

## II. Financial and Programmatic Audit

Under 45 CFR § 155.1200, SBEs and SBE-FPs are required to report to CMS on financial and program integrity and engage an independent qualified auditing entity or entities to conduct a financial and a programmatic audit. An independent qualified auditing entity is as an entity that is in good standing with the state oversight agency and licensed with the state board of accountancy, not affiliated with the Exchange, and that follows generally accepted governmental auditing standards (GAGAS). Please attest to having completed the applicable activities and submit any requested documentation.

### A. Accurate Accounting

The Exchange keeps accurate accounting of all activities, receipts, and expenditures in accordance with generally accepted accounting principles (GAAP), as required under 45 CFR § 155.1200(a)(1).

YES       NO

If answered no, please explain: \_\_\_\_\_

### B. Accurate Accounting and Financial Statement: Independent External Auditor Attestation

The Exchange has prepared an annual financial statement in accordance with GAAP, as required under 45 CFR § 155.1200(b)(1).

YES       NO

If answered no, please explain: \_\_\_\_\_

An independent qualified auditing entity attests that the Exchange has demonstrated to CMS accurate accounting of all activities, receipts, and expenditures and an accurate annual financial statement in accordance with GAAP.

YES       NO

If yes, please upload the annual financial statement confirming the Exchange has demonstrated accurate accounting and prepared an accurate financial statement. **UPLOAD**

If applicable, please upload a Comprehensive Annual Financial Report (CAFR) and a stand-alone statement of Exchange appropriations and expenditures. **UPLOAD**

If answered no, please explain: \_\_\_\_\_

### C. Financial Independent External Audit

The Exchange has engaged with an independent qualified auditing entity that follows generally accepted governmental auditing standards (GAGAS) to perform an annual independent external financial audit of the Exchange, as required under 45 CFR § 155.1200(c), and submitted these results to CMS. If yes, and not already provided above, upload results of the final annual independent external financial audit. If the internal controls report is separated from the financial audit, please upload as well. **UPLOAD**

YES  NO

If answered no, please explain: \_\_\_\_\_

### D. Material Weaknesses: Financial Audit

The independent external financial audit identified a material weakness or significant deficiency.

YES  NO

If yes, the Exchange has informed CMS of any material weakness or significant deficiency and any intended corrective action identified by the independent external financial audit, as required under 45 CFR § 155.1200(c)(2).

YES  NO

If yes, and not already provided above with the financial audit report, upload a corrective action plan (CAP) addressing the material weakness or significant deficiency identified by the external financial audit. **UPLOAD**

### E. Programmatic Independent External Audit

The Exchange has engaged with an independent external auditor to perform an annual independent external programmatic audit of the Exchange, as required under 45 CFR § 155.1200(c), and in compliance with the standards in 45 CFR Subpart M, § 155.1200. If yes, upload results of the annual independent external programmatic audit. **UPLOAD**

YES  NO

If answered no, please explain: \_\_\_\_\_

## F. Material Weaknesses: Programmatic Audit

The independent external programmatic audit identified a material weakness or significant deficiency.

YES  NO

If yes, the Exchange has informed CMS of any material weakness or significant deficiency and any intended corrective action identified by the independent external programmatic audit, as required under 45 CFR § 155.1200(c)(2).

YES  NO

If yes, and not already provided above with the programmatic audit report, upload a corrective action plan (CAP) addressing the material weakness or significant deficiency identified by the independent external programmatic audit. **UPLOAD**

## G. Summary of Audit Results Available to Public: Independent External Financial Audit

The Exchange has made a summary of the results from the independent external financial audit available to the public, as required under 45 CFR § 155.1200(c) (3).

YES  NO

If yes, include a link to where the independent external financial audit results are posted: \_\_\_\_\_

If answered no, please include the date when the independent external financial audit results will be posted on the Exchange's website: \_\_\_\_\_

## H. Summary of Audit Results Available to the Public: Independent External Programmatic Audit

The Exchange has made a summary of the results from the independent external programmatic audit available to the public, as required under 45 CFR § 155.1200(c) (3).

YES  NO

If yes, include a link to where the independent external programmatic audit results are posted:  
\_\_\_\_\_

If answered no, please include the date when the independent external programmatic audit results will be posted on the Exchange's website: \_\_\_\_\_

## III. Program Integrity

### A. Maintenance of Records

The Exchange adheres to the maintenance of records requirements as required under 45 CFR § 155.1210(a)-(c).

YES  NO

## B. Enrollment Indicator Metrics

The Exchange submits individual and/or SHOP enrollment indicator metric reports in accordance with CMS timelines and templates, as required under 45 CFR § 155.1200(a)(3) and the Paperwork Reduction Act.

YES     NO     N/A

## C. Oversight and Monitoring, including Fraud, Waste, and Abuse Policies and Procedures

The Exchange has a comprehensive, documented oversight and monitoring program to ensure program integrity, which include policies and procedures to identify incidents of fraud, waste, and abuse, as required under § 1313(a)(5) of the ACA.

YES     NO

If yes, upload the oversight and monitoring plan and fraud, waste, and abuse policies and procedures if not previously provided or if it has undergone significant changes since the last submission. **UPLOAD**

Policies and procedures previously submitted and have not undergone significant changes.

## D. Non-Discrimination Policies and Standards

The Exchange has policies and clear enforcement standards to safeguard against discrimination in health insurance determinations and practices in accordance with § 1557 of the Affordable Care Act.

YES     NO

If yes, upload the Exchange's non-discrimination policies and standards if not previously provided or if it has undergone significant changes since the last submission. **UPLOAD**

Policies and standards previously submitted and have not undergone significant changes.

## E. Consumer Assistance Tools

The Exchange has policies and procedures in place to provide all consumers with information and assistance that is timely and accessible in accordance with 45 CFR § 155.205. For SBE-FPs, the Exchange has, at a minimum, an informational website and toll-free hotline that directs consumers to the Federal platform for eligibility and enrollment.

YES     NO

## F. Navigator Program and Standards

The Exchange has a Navigator program through which it awards grants to eligible entities and has applicable Navigator standards and processes in place in accordance with 45 CFR § 155.210.

YES     NO

If answered no, please explain: \_\_\_\_\_

**G. Financial Information**

The Exchange publishes on its website average licensing costs, regulatory fees, administrative costs, and any other additional fees required by the Exchange, along with any monies lost to waste, fraud, and abuse, in accordance with 45 CFR § 155.205(b)(2). (Please note: The Exchange may already include this information in its publicly posted financial statement or financial audit summary or may publish it separately.)

YES     NO

If yes, include a link to where the information is posted: \_\_\_\_\_

If answered no, please explain: \_\_\_\_\_

**H. CMS Annual Budget Template**

The Exchange submitted its completed CMS annual budget template to CMS, as required under 45 CFR § 155.1200(b)(2).

YES     NO

If answered no, please include the date when the Exchange will submit the CMS annual budget template to CMS: \_\_\_\_\_

**I. Certification of Qualified Health Plans**

The Exchange has standards and processes in place to certify Qualified Health Plans (QHP) as specified under 45 CFR § 155.1000 - 1090.

YES     NO

**J. Self-Reporting: Financial and Programmatic Audit & Program Integrity Opportunity for Comments**

If applicable, please use this section to provide any additional information or clarification on financial and program integrity that was not captured in the previous attestations.

#### **IV. Attestation of Completion**

On this date, I attest that the statements and information contained in this State-based Marketplace Annual Reporting Tool (SMART), and the documents submitted in conjunction with this report accurately represent the SBE's compliance with the regulatory requirements.

YES       NO

STATE: \_\_\_\_\_ <enter name of state>  
ELECTRONIC SIGNATURE: \_\_\_\_\_ <enter electronic signature of executive director or chief executive officer>  
DATE: \_\_\_\_\_ <enter MM/DD/YYYY>  
PRINT NAME: \_\_\_\_\_