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

Date: December 30, 2013

Subject: State-based Marketplaces (SBMs): Frequently Asked Questions on the State-based Marketplace Annual Reporting Tool (SMART)

These FAQs will help SBMs to understand SMART requirements, facilitate SMART reporting, and improve communication between and among SBMs and the Centers for Medicare & Medicaid Services (CMS), ultimately increasing the benefits of the Marketplaces across the nation.

SMART GOVERNING AUTHORITY

Q1: What is the purpose of the State-based Marketplace Annual Reporting Tool (SMART)?

A1: The SMART is intended to capture in one document all reporting requirements for approved SBMs. In addition, we expect all conditionally-approved SBMs to collect this data and submit the SMART in 2015 and every year thereafter.

This integrated reporting document streamlines compliance and will make it easier for SBMs to demonstrate their adherence to the regulations and standards of CMS.

Q2: Where is the SMART stored?

A2: The SMART is currently open for comment under the Paperwork Reduction Act of 1995 (PRA). The Federal Register notice can be found at https://federalregister.gov/a/2013-27305/ until January 14, 2014. A copy of the SMART can be found at http://www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing-Items/CMS-10507.html. Following final approval by the Office of Management and Budget (OMB), the SMART will be available on SERVIS at https://servis.cms.gov.

Q3: What authority does the CMS have to require an SBM to complete the SMART?

A3: Section 1313(a)(1) of the ACA requires an Exchange (Marketplace) to keep an accurate accounting of all activities, receipts, and expenditures and annually submit to the Secretary a report concerning such accounting. Section 155.1200 of Title 45 of the Code of Federal Regulations, finalized in the Program Integrity Rule II, 78 F.R. 65046 (October 30, 2013) (PI Reg II), requires SBMs to monitor and report to HHS on Exchange-related activities, complete an annual report, and engage an independent qualified auditing entity to perform an annual independent external financial and programmatic audit to ensure each Marketplace is in compliance with CMS regulations and standards. CMS received numerous requests from SBMs that CMS develop a tool that lists all SBM reporting requirements and enables SBMs to search one document to determine what reports are required. In response to those requests and as a procedural matter, the SMART is an electronic system CMS has developed to receive SBM reporting.

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SMART REQUIREMENTS

Q4: What requirements must be addressed in the SMART?

A4: SBMs are required to submit documents or attest to the submission of documents for the five components described in the table below.

SMART Component	Description
Executive Summary	• The executive summary captures activities and accomplishments for the given year. This information can include, data, highlights of accomplishments, key investments, challenges, priorities for the coming year, and major changes to the strategic direction of the SBM. The SBM will be expected to ***complete a text box or upload the executive summary if additional characters are needed***.
Performance Metrics	• The performance metrics which can be found in the Appendix to the SMART were created to provide insight into the performance and impact of SBMs. This limited set of standardized metrics ensures basic transparency and allows consistent cross-state comparisons of the impact of varying approaches to SBM implementation. • Performance metrics are submitted on a quarterly and annual basis by the SBMs to CMS via the Outcomes Metrics Template flat file. SBMs must ***attest to each quarterly and annual submission in the SMART***.
State-Blueprint Profiles and Updates	• State-Blueprint Profiles are created through data collected from SBMs from various reports, submissions, and reviews on policy and operational decisions. These profiles will be used to track and analyze varying approaches to implementation of each Marketplace. • The SBM must review the State-Blueprint Profiles through SERVIS. The SBM must attest that all of the information contained in the State-Blueprint Profile is accurate and current in the SMART. Additionally, the SBM must note any changes to the Blueprint.
Eligibility and Enrollment	• Eligibility and enrollment requirements were created to enhance transparency and ensure fairness for consumers. These requirements focus on eligibility determination errors, nondiscrimination safeguards, accessibility of information, and fraud and abuse incidences. • SBMs should submit reports regarding eligibility and enrollment to CMS as part of the SMART. The SBM must ***attest to the activities specified, as well as submit documentation, as noted in the SMART***.
Financial and Program Integrity	• Requirements on financial and program integrity were developed to ensure proper oversight, accurate accounting of all activities, receipts, and expenditures, and assurance for identifying and addressing incidences of fraud, waste, and abuse. • Financial and program integrity reporting requirements include attestations and document submission. The SBM must ***attest to the activities specified, as well as submit documentation from an independent external auditor.***

Q5: Why do some questions require the SBM to upload a document or report while other questions only require an attestation?

A5: For those questions where the response or document has already been captured in another document or system, an attestation is required. For example, the State is required to review the State Blueprint

profiles through SERVIS and confirm that the profile is accurate and up-to-date. When a document does not exist, it must be uploaded. SERVIS will serve as that repository for the documents and enable CMS to confirm that the SBM has met the requirement.

Q6: The SBM has already submitted the reports listed and believes this work is duplicative. Why does the SBM have to verify and/or resubmit the information again?

A6: CMS is not asking states to report to CMS again, but rather to attest that they have completed the necessary reports. For example, States have to submit the Outcomes Metrics flat file quarterly and annually. In this instance CMS is asking States to attest to the submission and not to submit the report again. CMS received many requests from SBMs to develop a tool that lists all reporting requirements and enables them to search one document to determine what reports are required. This tool responds to the request.

Q7: How should SBMs attach the results of the independent external audit?

A7: The audit findings report and statements from the external auditor should be uploaded to SERVIS. Additional attestations will be required as well. Additional information on the independent external audit will be provided in future guidance.

SMART SUBMISSION AND TIMING

Q8: When must SBMs submit the SMART to CMS?

A8: The SMART must be submitted to CMS by April 1 each year, with the first report due April 1, 2015.

Q9: The SBM was conditionally-approved in 2014. When must the SBM submit the SMART to CMS?

A9: Conditionally-approved SBMs must meet all early 2014 reporting requirements which will be posted on SERVIS and submit the SMART in 2015.

Q10: What will the SBM need to report in 2014?

A10: As in past years, all States that received grants under section 1311 of the ACA must submit grant reports. In 2014, quarterly and annual metrics are required under 45 CFR 155.1200(b)(c). SBMs will also be required to revisit their State-Blueprint Profiles and make any changes, based on new or updated policies and procedures. Additional information regarding 2014 reporting requirements will be made available to States in a webinar and on SERVIS.

Q11: How should the SBM submit the SMART to CMS?

A11: The SMART must be completed and submitted to CMS using SERVIS at https://servis.cms.gov.

Q12: Can the SBM submit the SMART Guide and required documents in lieu of submitting responses on SERVIS?

A12: The SMART Guide should only serve as an offline planning tool to help the SBM to prepare for submission of the SMART through SERVIS. SERVIS will be the only mechanism through which

responses will be accepted as it will serve as a centralized location to track SMART requirements.

Q13: Who will be required to sign the SMART?

A13: The SMART must be electronically signed by the SBM executive director or CEO.

AVAILABLE SMART RESOURCES

Q14: What guidance and resources are available to assist SBMs with completing and submitting the SMART?

A14: The table below provides resources available to SBMs as guidance for completing and submitting the SMART. As always, feel free to contact your State Officer for more information.

Resource	Use	Location
State-based Marketplace Annual Report Tool (SMART) Guide	An off-line planning tool that outlines all the requirements each SBM must complete as outlined in the PI Reg II. that simulates SERVIS.	https://federalregister.gov/a/2013-27305 *and* www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing-Items/CMS-10507.html
State-Blueprint Profile	Created through data collected from SBMs on policy and operational decisions. The SBM must review the State-Blueprint Profiles through SERVIS.	https://servis.cms.gov
Program Integrity (PI) Regulation	Grants authority to CMS to require each SBM to submit a SMART on an annual basis.	http://www.ofr.gov/OFRUpload/OFRData/2013-25326_PI.pdf
Outcome Metrics Template	Metrics are submitted by the SBMs to the U.S. Department of Health and Human Services (HHS) via the Outcomes Metrics Template flat file on a quarterly and annual basis, as specified in the PI Reg II.	https://servis.cms.gov