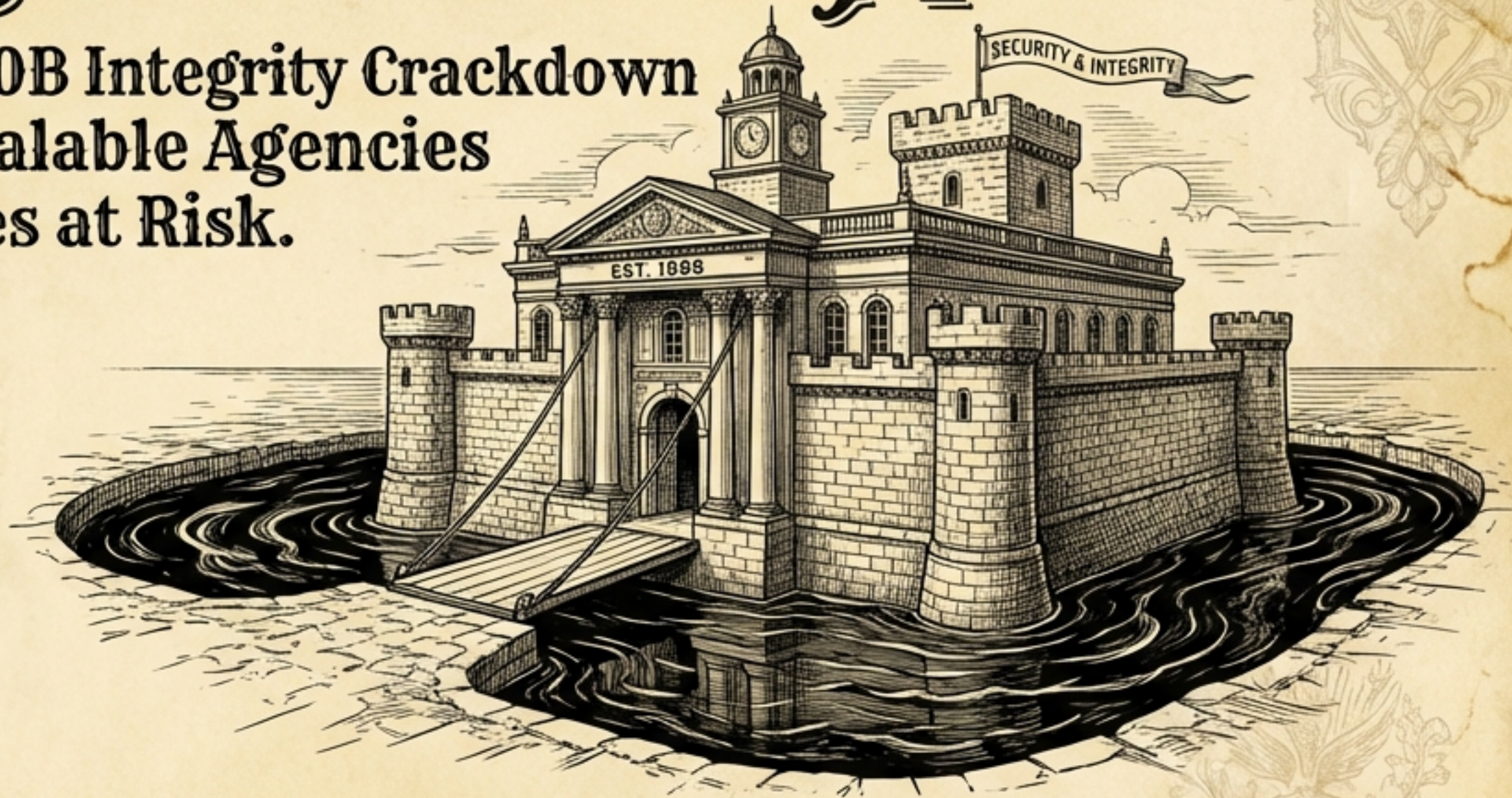


THE COMPLIANCE MOAT

How CMS's \$10B Integrity Crackdown Separates Scalable Agencies from Agencies at Risk.



Agents fear being swept up in blind enforcement. The reality is far different. CMS is hunting bad actors. For the ethical, scalable agency, this crackdown is not a threat—it is a protective wall.

❧ The Great Audit of the Exchange ❧

The Human Scale

1.5 Million

Enrollees stripped of subsidies.

250,000

Unauthorized enrollments forcibly cancelled.

200,000

Unauthorized plan switches intercepted.

The Financial Scale

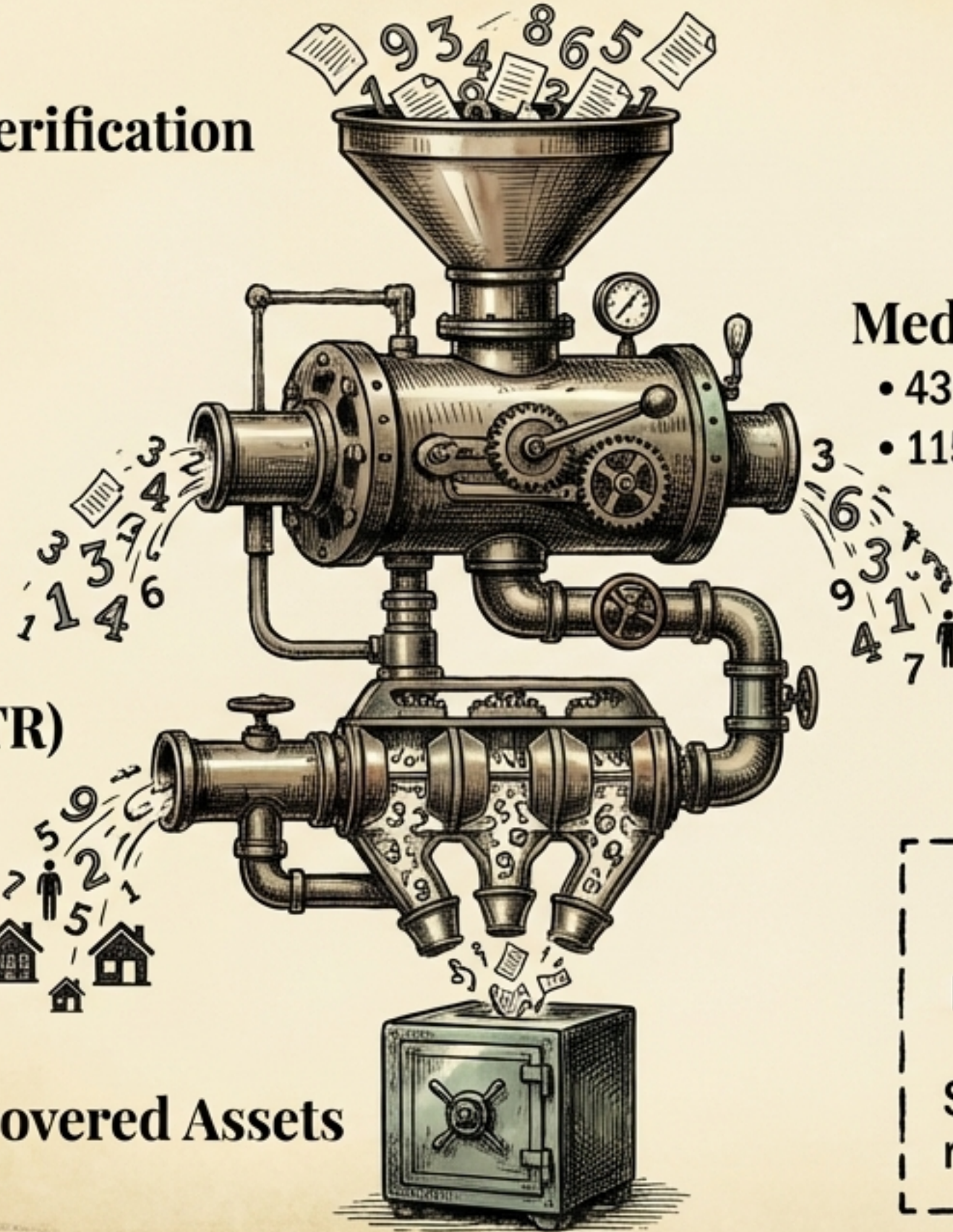
**\$10
Billion**

Annualized savings recovered by CMS.

❧ *A market cleansed of ghost policies is a market primed for the honest broker.* ❧

The Mechanics of the Purge

Data Intake & Verification



Medicaid/CHIP Data Matching

- 435,000 enrollees flagged in May 2025
- 115,000 additional flagged in August 2025

Failure-to-Reconcile (FTR)

- 199,165 households removed in Plan Year 2025
- 366,000 households already removed for 2026

Recovered Assets

Pending Litigation

Ending the 60-day income data matching extension and eliminating the 150% FPL Special Enrollment Period are projected to recover an additional \$3.1 Billion in 2026.

The Precedent of Total Exclusion

The Target:

Speridian Technologies
(Benefitalign &
TrueCoverage).

The Verdict:

Determination of
Noncompliance.



The Timeline:

Exhaustive 18-month
CMS investigation.

The Penalty:

Future Exchange
agreements denied.
Total revocation of
Personally Identifiable
Information (PII) access.

CMS enforces under the preponderance of the evidence standard. They do not need to prove malicious intent; they only need the paperwork to tip their way.

Operational Speed Catches the Scammers



5 Days:
Average resolution time for unauthorized enrollment cases.

7 Days:
Average resolution time for unauthorized plan switches.

Consumer complaints plummeted 31%



CMS is investing in operational turnaround, not just enforcement scale. Ethical agents spend less time unwinding fraud and more time selling.

The 2027 Battleground: Protecting the Agent's Seat

Representing 100,000+ professionals, NABIP is demanding smarter enforcement that targets bad actors without marginalizing licensed agents.

The EDE Crossroads

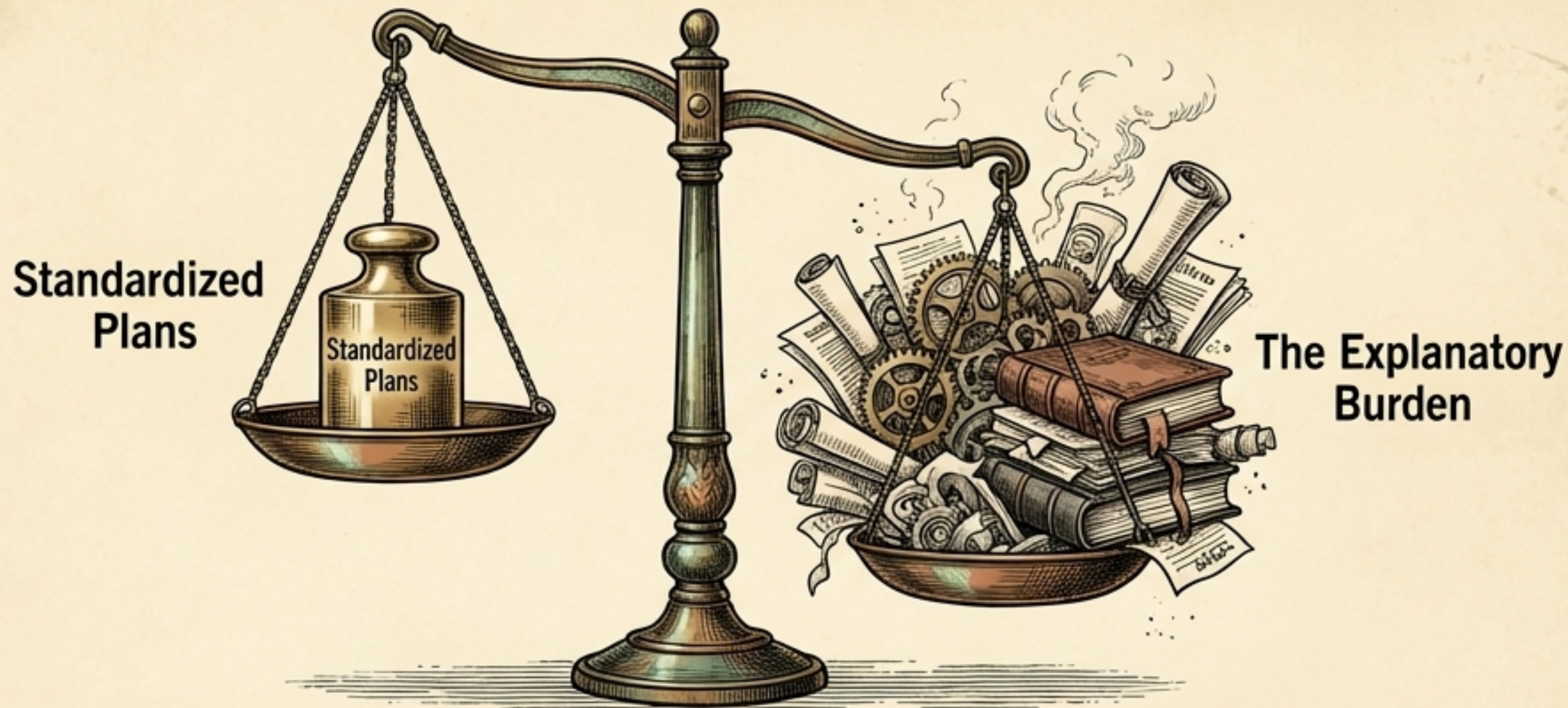
Expansion **WITH** Safeguards

- Agent attribution is permanently locked.
- Consumer consent protections remain intact.
- Commissions are guaranteed and transparent.

Expansion **WITHOUT** Safeguards

- EDE flows **obscure** the originating agent.
- Visibility into client enrollments is **lost**.
- Agents become an **invisible, unpaid** error-correction layer.

The Weight of the Explanatory Burden



CMS Proposal: Eliminate standardized plan options starting in 2027, alongside aggressive new Special Enrollment Period (SEP) verification delays.

The Ripple Effect: Standardized plans are the ultimate anchoring tool for first-time or subsidy-eligible enrollees.

NABIP's Warning: Removing these plans destroys plan comparability. It shifts an immense explanatory burden entirely onto the agent's shoulders during an already hyper-compressed Open Enrollment Period.

Medicare Advantage Enters an Era of Stability

+5.06%

Expected average revenue change.

\$25 Billion+

Aggregate influx of payments to MA plans.

+9.04%

Effective Growth Rate.



Part D Guardrails

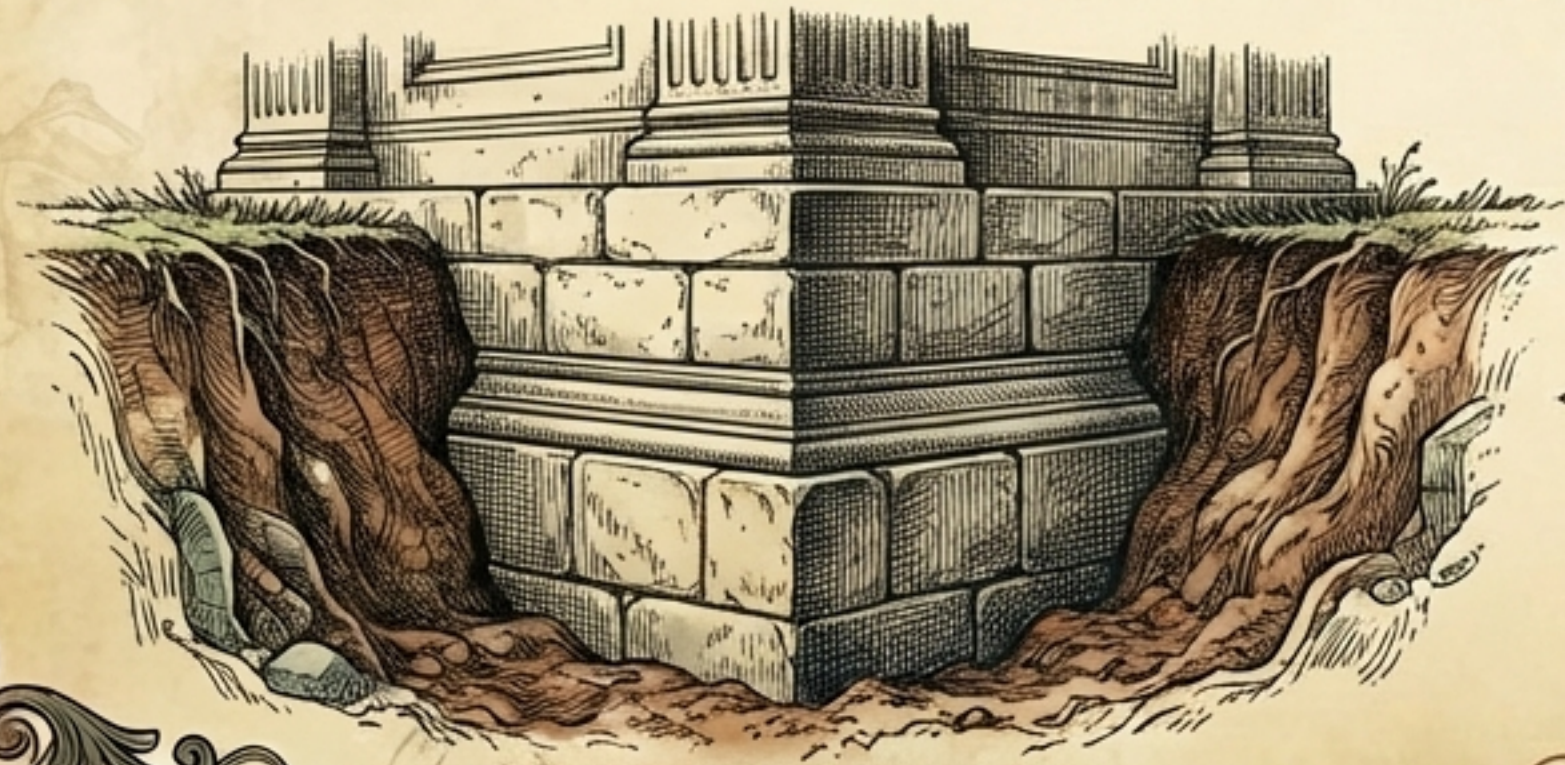
- Out-of-pocket threshold capped entirely at \$2,100.
- Insulin cost-sharing locked at \$35 maximum.

Synthesis Insight: The financial foundation of the market is solidifying. As uncertainty leaves the system, capital flows back in.

The Pivot from Market Volatility to Operational Volatility

The Settled Foundation:

- 100% 2024 CMS-HCC model scoring (3-year phase-in fully complete).
- Risk model revision/FFS normalization impact: **-3.01%**.
- Rebasing: **-0.28%** | Star Ratings: **-0.69%** | Coding Pattern: **0.00%**.
- Underlying coding trend expected to increase scores by **2.10%**.



The Strategic Pivot: When carriers gain this level of payment predictability, they stop scrambling over financial models and start investing heavily in compliance and quality enforcement. Agents who run clean operations will inherit this stabilized market.

Build Your Moat: The 60-Second Readiness Test



Under the preponderance of evidence standard, can you pull the following for any client in under 60 seconds?



Signed Consumer Consent Forms



Time-Stamped Enrollment Records



Clean, Unbroken Attribution Trails

The Reality: If you cannot produce these instantly, fix your workflow this week. Documentation is the only operational differentiator between agencies that scale and agencies that scramble.

Let PSM's compliance team review and harden your documentation workflow today.