



**INDEPENDENT EXTERNAL AUDIT:
2022 AUDIT FINDINGS REPORT
MAINE
THE OFFICE OF THE HEALTH INSURANCE MARKETPLACE (OHIM)**



INDEPENDENT EXTERNAL AUDIT: 2022 FINDINGS REPORT

TO: CCIIO STATE EXCHANGE GROUP

FROM: BERRY, DUNN, MCNEIL & PARKER, LLC (BERRYDUNN)

DATE: AUGUST 30, 2023

SUBJECT: AUDIT FINDINGS REPORT FOR MAINE

AUDIT PERIOD: JULY 1, 2021 – JUNE 30, 2022

I. EXECUTIVE SUMMARY

PURPOSE

The purpose of this independent external audit is to assist the State of Maine in determining whether the Maine Office of the Health Insurance Marketplace (OHIM), the Maine State-Based Marketplace (SBM), was in compliance with the financial and programmatic requirements set forth by the Centers for Medicare & Medicaid Services (CMS) during the audit period.

Name of SBM: The Office of the Health Insurance Marketplace (OHIM)

State of SBM: Maine

Name of Auditing Firm: BerryDunn

Our responsibility was to perform a financial and programmatic audit to report on OHIM's compliance with Title 45, Code of Federal Regulations, Part 155 (45 CFR 155) as described in the CMS memo dated June 18, 2014, Frequently Asked Questions about the Annual Independent External Audit of SBMs. The Program Integrity Rule Part II ("PI, Reg."), 45 CFR 155.1200 (c), states, "The State Exchange must engage an independent qualified auditing entity which follows U.S. generally accepted governmental auditing standards (GAGAS) to perform an annual independent external programmatic audit and must make such information available to the United States (U.S.) Department of Health and Human Services for review."

SCOPE

The scope of this engagement included an audit of the financial statements of OHIM, as well as an examination of OHIM's compliance with the programmatic requirements under 45 CFR 155, Subparts C, D, E, K, and M for the 12-month period July 1, 2021 through June 30, 2022. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We completed an examination of OHIM's

compliance with the applicable programmatic requirements under 45 CFR 155 and issued our reports dated August 30, 2023. We also performed an audit of its financial statements for the year ended June 30, 2022 and issued our report dated May 25, 2023.

We reviewed processes and procedures, read pertinent documents, and performed inquiries, observations, and staff interviews to obtain reasonable assurance regarding whether OHIM is in compliance with 45 CFR 155 in all material respects. We also selected a sample of clients and tested for compliance with requirements under 45 CFR 155 for eligibility determination, verification of data, and enrollment with a Qualified Health Plan (QHP).

METHODOLOGY

Audit Firm Background:

BerryDunn is a national consulting and certified public accounting firm with a Government Consulting Group dedicated to serving state and local government agencies. BerryDunn was formed in 1974 and has experienced sustained growth throughout its 49-year history. Today, BerryDunn employs 800+ personnel with headquarters in Portland, Maine—and office locations in Arizona, Connecticut, Massachusetts, New Hampshire, West Virginia, and Puerto Rico. The firm has experienced professionals who provide a full range of services, including information technology (IT) consulting; management consulting; and audit, accounting, and tax services.

Those services include conducting Financial and/or Programmatic audits of multiple State Based Exchanges. We also have completed audits in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, previously referred to as OMB Circular A-133) for several sizable healthcare organizations, many of which receive U.S. Department of Health and Human Services federal grants or funding. In addition, we provide audit services for higher education, social service, and economic development organizations, as well as other entities that receive federal grants and are subject to the Uniform Guidance.

Financial Statement Audit:

We have audited, in accordance with U.S. generally accepted auditing standards (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of OHIM, for the year ended June 30, 2022, and related notes to the statements, and have issued a report thereon dated May 25, 2023.

Programmatic Audit:

We have examined OHIM's compliance with the programmatic requirements described in 45 CFR 155 for the year ended June 30, 2022, and have issued a report thereon dated August 30, 2023.

Summary of Programmatic Audit Procedures:

Our audit consisted of specific procedures and objectives to evaluate instances of noncompliance and to test OHIM's compliance with certain subparts of 45 CFR 155. BerryDunn examined compliance with the requirements under 45 CFR 155, in the following programmatic areas:

- General Functions (Subpart C)
- Eligibility Determinations (Subpart D)
- Enrollment Functions (Subpart E)
- Certification of Qualified Health Plans (Subpart K)
- Oversight and Program Integrity Standards (Subpart M)

We reviewed the processes and procedures under 45 CFR 155, in the following programmatic areas in order to determine whether they were in compliance with the requirements of the ACA:

- Assistors, Navigators, Certified Application Counselors, and Brokers
- Privacy and Security
- Eligibility and Enrollment Processes and Procedures
- Qualified Health Plan (QHP) Certification
- Compliance and Program Integrity
- Contact Center

We reviewed the following documentation, which was obtained directly from OHIM, or located on either the OHIM website or the CMS website:

- Brokers:
 - OHIM Broker Agreement
- Contact Center:
 - Contact Center Onboarding and Training Manuals
- Contracts and Amendments:
 - IdeaCrew, Inc
 - Maine DHHS-CDO Agreement
 - Maximus US Services Inc
 - Western Maine Community Action Inc
- Eligibility and Enrollment:
 - Application for Health Coverage & Help Paying Costs Form for Individual / Family
 - Documents Needed for Verification of Data Guide
 - Eligibility Determination Notice
 - Enrollment Processing Guide
 - Health Coverage Basics Training

- Ineligible for Coverage Notice
 - Maine Plans and Rates Workbook for 2022
 - Market Eligibility Guide
 - Non-Discrimination Insert
 - Plan Enrollment Notice
 - Request for Information Notice
 - Special Enrollment Period Policy
 - User Reference Manual
- General Exchange Policies and Procedures:
 - Broker, Navigator, and Assister Training Guides
 - Maine State-Based Marketplace Procedure Manual
 - State of Maine Employee Handbook
 - Technology Platform Implementation Manual
- Navigators:
 - Certified CDOs for 2022 List
 - Navigator Contracts and Amendments
 - Navigator Training Guides
- Organization Chart
- Privacy and Security:
 - Access Control Policy and Procedures
 - Audit and Accountability Procedures
 - CoverME.gov PIA
 - Information Security Policy
 - Oversight and Monitoring Plan
- Qualified Health Plan (QHP)
 - Individual Plans 2021
 - Individual Plans 2022
 - QHP Certification Agreement and Privacy and Security Agreement
 - QHP Certification Memo FY22
 - Rate Filing Checklist

To understand management and staff responsibilities and processes as they relate to compliance with 45 CFR 155, we interviewed the following OHIM staff:

- Acting Director – Radhika Bhog
- Consumer Experience Manager – Hannah Doolittle

We interviewed the following staff from agencies other than OHIM that are involved in functions related to the exchange:

- Life and Health Actuary – Marti Hooper (Maine Bureau of Insurance)
- Senior Insurance Analyst – Amanda Alley

We interview the following staff from contractors of OHIM that are involved in function related to the exchange:

- Call Center Manager – Nicole Colunga (Maximus)
- Health Navigator Program Coordinator – Patty Lovell (Western Maine Community Action)
- Operations Manager –Sheila Isbell (Maximus)
- Project Director – Pat Monaghan (Maximus)
- Senior Project Manager – Scott Faria (Maximus)

We analyzed the following information to assess OHIM's compliance with the requirements of 45 CFR 155:

- A listing of 71,598 distinct individuals and their most recent eligibility determination transactions completed between July 1, 2021 and June 30, 2022. This population excluded MaineCare (Medicaid) determinations. We selected 95 cases to test for compliance with eligibility and enrollment rules. We selected 95 cases to test for compliance with verification rules.

CONFIDENTIAL INFORMATION OMITTED

N/A

II. AUDIT FINDINGS

Finding #2022-001

Criteria:

In accordance with 45 Code of Federal Regulations (C.F.R.) § 155.305(a)(1) and 45 C.F.R. § 155.315, the Exchange must check the Federal Data Services Hub (FDSH) to verify citizenship, lawful presence, and applicant Social Security numbers (SSNs). If there are data inconsistencies, the Exchange must provide the applicant with a document request notice and allow 90 days to provide satisfactory documentation.

In accordance with 45 C.F.R. § 155.320 (c)(3)(ii)(D) and 45 C.F.R. § 155.320 (c)(3)(iii)(C), the Exchange must require an applicant to attest to the tax filer's projected household income for the benefit year. The Exchange must verify the attestation by utilizing data available to the Exchange in accordance with paragraph (c)(1)(ii) of 45 C.F.R. § 155.320.

In accordance with 45 C.F.R. § 155.320 (d), if an applicant's attestation for employer-sponsored coverage is not reasonably compatible with the information obtained by the Exchange as specified in paragraphs (d)(2)(i) through (iii) of 45 C.F.R. § 155.320, then the Exchange must follow the procedures in § 155.315(f).

Condition and Context:

During the examination period, verification with the federal hub was not complete for a sample of applicants for income, SSN, citizenship, and MEC verification items. System functionality to verify items with the federal hub was not present at the beginning of open enrollment. Multiple system changes and bug fixes were implemented after the first open enrollment period to help ensure a proper process for eligibility verification.

BerryDunn identified 1 of 95 sample selections in which verification with the federal hub was not completed when it should have been. The applicant did not have evidence in the system that income was verified with the federal hub.

BerryDunn additionally identified 1 sample in which SSN, citizenship, and lawful presence were not verified with the federal hub.

Cause:

The exact cause of error was not identified. CoverME.gov said multiple system bugs and model structures could have caused verification with the federal hub to be incomplete.

Effect:

For a certain population of applicants tested, there was no evidence in the system that items were verified with the federal hub. Consequently, these applicants were not e-verified.

Finding #2022-002**Criteria:**

In accordance with 45 C.F.R. § 155.305(a)(1) and 45 C.F.R. § 155.315, the Exchange must check the FDSH to verify citizenship, lawful presence, and SSNs of applicants. If there are inconsistencies in the data, the Exchange must provide the applicant with a document request notice and allow 90 days to provide satisfactory documentation.

Condition and Context:

During the examination period, responses from the federal hub for verification of SSNs, citizenship, lawful presence, and income were not stored in the system. CoverME.gov was unable to confirm whether these items were e-verified because no evidence was present in the application file. Data-matching inconsistencies were not identified, and it was unclear whether document request (DR) notices should have been generated and sent to applicants.

For applications submitted from November 1, 2021, to February 8, 2022, the data model structure was not designed to capture and save historical data, such as hub responses and documents uploaded to the system. The functionality to save historical information was introduced on February 8, 2022. CoverME.gov stated that applications migrated from the Federally Facilitated Marketplace (FFM) should have historical data saved in the system.

BerryDunn identified 5 of 95 sample selections for applications submitted between November 1, 2021, and February 8, 2022, for which no evidence of a response from the federal hub for SSN, citizenship, lawful presence, and income, was located. Of the five samples, BerryDunn identified two applications for which there was no documented evidence of a response from the federal hub for income and two samples for which there was no documented evidence of a response from the federal hub for SSN, citizenship, and lawful presence. The Exchange was unable to verify that these applicants had their self-attested data e-verified and were unaware if a DR notice needed to be generated. BerryDunn also identified one sample that was submitted in June 2022 for which historical evidence of a response from the federal hub for SSN and citizenship was not available. A fix was implemented on February 9, 2022, to add historical data to the system, however, this case indicated that the system was still causing errors after the intended fix was implemented.

Cause:

System functionality deficiencies prevented responses from the federal hub for SSN, citizenship, lawful presence, and income from being saved on the enrollment platform.

Effect:

For a certain population of applicants, no evidence was available in the system demonstrating that SSN, citizenship, lawful presence, and income were e-verified through the federal hub. This prevented the Exchange from assessing whether a data inconsistency existed, and a DR notice was necessary. Applicants not meeting eligibility requirements could have inappropriately received coverage, as a result of this error.

Finding #2022-003**Criteria:**

Subpart D – Eligibility, 45 C.F.R. § 155.315 stipulates:

(2) If unable to resolve the inconsistency through the process described in paragraph (f)(1) of this section, must:

- (i) Provide notice to the applicant regarding the inconsistency; and
- (ii) Provide the applicant with a period of 90 days from the date on which the notice described in paragraph (f)(2)(i) of this section is sent to the applicant to either present satisfactory documentary evidence via the channels available for the submission of an application, as described in §155.405(c), except for by telephone through a call center, or otherwise resolve the inconsistency.

Condition and Context:

During the examination period, DR notices for income were not generated for a population of applicants due to a system error known as CV3 Family. Application data received or migrated from multiple sources, such as the IRS, the Medicaid agency, or the FFM, often did not have the same code formatting needed for applications to be processed and verified on the CoverME.gov platform. The inconsistency in data formatting caused an error that prevented the generation of a DR notice that could be provided to the applicant. Examples that caused errors include: incorrectly formatted phone numbers, emails, and missing SSNs in the application. This error deprived applicants with data inconsistencies of the required 90 days to provide supporting evidence to resolve the inconsistency. The CV3 Family Error consisted of multiple bugs that required manual work-arounds to fix each defect. CoverME.gov estimated the affected population to be between 1 and 108 people depending on the specific scenario.

BerryDunn identified 1 out of 95 sampled cases affected by the CV3 Family Error that did not generate a DR notice when it should have. A DR notice was not generated and sent to the applicant when the applicant had a data-matching inconsistency for income.

CoverME.gov stated a solution to the CV3 Family Error is being developed, but information on the exact fix and the timeline for deployment has not been finalized.

Cause:

The system UI/EA was unable to successfully process application data fields, such as phone numbers or email addresses, when the data was in a different format from the subsystem code. This system defect prevented DR notices from being generated and sent to applicants that had data-matching inconsistencies.

Effect:

A population of applicants were not notified of data inconsistencies or given the opportunity to provide supporting documentation. Applicants not meeting eligibility requirements were able to retain coverage during the examination period.

Finding #2022-004**Criteria:**

In accordance with 45 C.F.R. § 155.305(a)(1) and 45 C.F.R. § 155.315, the Exchange must check the FDSH to verify the citizenship and SSN of applicants. If there are inconsistencies in the data, the Exchange must provide the applicant a DR notice and 90 days to provide satisfactory documentation.

In accordance with 45 C.F.R. § 155.320 (c)(3)(ii)(D) and 45 C.F.R. § 155.320 (c)(3)(iii)(C), the Exchange must require an applicant to attest to the tax filer's projected household income for the benefit year. The Exchange must verify the attestation by utilizing data available to the Exchange in accordance with paragraph (c)(1)(ii) of 45 C.F.R. § 155.320.

In accordance with 45 C.F.R. § 155.320 (d), if an applicant's attestation for employer-sponsored coverage is not reasonably compatible with the information obtained by the Exchange as specified in paragraphs (d)(2)(i) through (iii) of 45 C.F.R. § 155.320, then the Exchange must follow the procedures in § 155.315(f).

Condition and Context:

During the examination period, if an application was submitted that did not include an SSN for any of the household members, responses from the federal hub were unable to be correctly translated into the CoverME.gov system. The response remained in a pending status. A data inconsistency in pending status could not be identified, and applicants were not e-verified or manually verified. The affected verification items were income, SSN, citizenship, lawful presence, and local MEC. The pending status prevented the Exchange from knowing whether there was a data-matching inconsistency and if a DR notice was necessary. Thus, applicants were not provided 90 days to resolve data-matching inconsistencies.

All applications that did not include a SSN were affected by this technical issue. BerryDunn identified 1 of 95 sampled cases affected by this system error. The applicant had a pending status

for income and canceled their enrollment prior to the DR notice batch in February 2022, so no DR notice was expected to be generated at the time of the application.

The exact population of applicants that this system error impacted has not been determined. CoverME.gov stated that a code fix was implemented in June 2022 to address the pending status issue. The resolution was to automatically update the responses from the federal hub from pending to the appropriate status when a response is received.

Cause:

A technical issue in the system caused responses from the federal hub to remain in a pending status when applications were submitted without a SSN. When the Exchange attempted to verify applicants with the federal hub with no SSN, the call could not be completed. The system functionality was unable to translate the response and kept the status as pending.

Effect:

The system was unable to determine whether there was a data inconsistency for these applicants, so a population of applicants were not e-verified, and the need for DR notices was not identified.

Finding #2022-005

Criteria:

In accordance with 45 C.F.R. § 155.315 (f), if the Exchange is unable to resolve data inconsistencies by checking the Federal Hub or other available data sources, the Exchange must provide the applicant a document request notices and allow 90 days to provide satisfactory documentation to resolve the inconsistency.

In accordance with 45 C.F.R. § 155.320 (c)(3)(iii), the Exchange must require an applicant to attest to the tax filer's projected household income for the benefit year. The Exchange must verify the attestation by utilizing data available to the Exchange in accordance with paragraph (c)(1)(ii) of 45 C.F.R. § 155.320. If such data is unavailable or are not reasonably compatible with the applicant's attestation, the Exchange must proceed in accordance §155.315(f)(1) through (4).

Condition and Context:

BerryDunn selected a sample of 95 applications for testing of the criteria. One applicant in this sample was not provided 90 days to respond to a DMI for income. A DR notice for income was sent on 3/8/2022 with a due date of 5/31/2022, which is less than the required 90 days. CoverME.gov determined that a population of 81 households was impacted by the technical issue that caused the error identified in our test sample. Of the 81 households, one subset never received a DR notice at all, and one received a DR notice with a due date of less than 90 days. CoverME.gov was not able to identify how many households were in each subset. The population

of applicants were not notified of the technical issue or provided the opportunity to respond to the data inconsistency.

Cause:

A technical issue prevented DR notice generation for a sample of applicants. Notices were not generated for these applicants, due to an incorrect due date in the system.

Effect:

A population of applicants were not provided the required number of days to submit documentation in response to DMIs. Additionally, some applicants were not notified of data inconsistencies or given the opportunity to provide supporting documentation. Applicants not meeting eligibility requirements were able to improperly retain coverage during the examination period.

AUDITOR'S OPINION

We have issued an Independent Auditor's Report on the financial statements for the year ended June 30, 2022, reflecting the following type of opinion:

☐

QUALIFIED

☒

UNQUALIFIED

☐

ADVERSE

☐

DISCLAIMER

ADDITIONAL COMMENTS

N/A

III. RECOMMENDATIONS**Finding #2022-001****Recommendation:**

BerryDunn recommends that CoverME.gov ensure that system functionality allows data to be verified with the federal hub for all data verification items.

Finding #2022-002**Recommendation:**

BerryDunn recommends CoverME.gov determine why the system did not store historical data for all applicants after the system data fix in February 2022 and continue monitoring the system to help ensure responses from the federal hub are recorded in the history section of each application.

Finding #2022-003**Recommendation:**

BerryDunn recommends CoverME.gov implement a solution to help ensure data fields from various sources do not cause data issues that prevent the system from accurately processing verifications.

Finding #2022-004**Recommendation:**

BerryDunn recommends CoverME.gov continue to monitor the code fix implemented in June 2022 to help ensure households with a missing SSN had complete calls to the federal hub and the verification status is present.

Finding #2022-005**Recommendation:**

BerryDunn recommends CoverME.gov monitor the process for notice generation to ensure applicants are being provided DR notices and that the notices include a minimum of 90 days to respond.

IV. CONCLUSION

We confirm to the best of our knowledge that the information included in this Audit Findings Report is accurate and based on a thorough review of the documentation required for this report.

SIGNATURE OF AUDIT FIRM:Berry Dunn McNeil & Parker, LLC**COMPLETION DATE OF AUDIT
FINDINGS REPORT:**August 30, 2023