

Independent External Audit:
The Office of the Health Insurance Marketplace (OHIM)
State of Maine
July 1, 2023 – June 30, 2024
Audit Findings Report

Maine Audit Findings Report

Independent External Audit: 2024 Findings Report

TO: CCIIO STATE EXCHANGE GROUP

FROM: BDMP ASSURANCE, LLP (BERRYDUNN)

DATE: MAY 23, 2025

SUBJECT: AUDIT FINDINGS REPORT FOR MAINE

AUDIT PERIOD: JULY 1, 2023 – JUNE 30, 2024

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 (U.S. 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 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, 2023 through June 30, 2024. We conducted our examination 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. We completed an examination of OHIM's compliance with the applicable programmatic requirements under 45 CFR 155 and issued our reports dated May 23, 2025.

We also performed an audit of its financial statements for the year ended June 30, 2024, and issued our report dated May 23, 2025.

Maine Audit Findings Report

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 eligibility and enrollment transactions 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 multiple practice groups dedicated to serving state and local government agencies. BerryDunn was formed in 1974 and has experienced sustained growth throughout its 50-year history. Today, BerryDunn employs 900+ personnel with headquarters in Portland, Maine—and office locations in Arizona, Connecticut, Hawaii, 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. 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, 2024, and related notes to the statements, and have issued a report thereon dated May 23, 2025.

Programmatic Audit:

We have examined OHIM's compliance with the programmatic requirements described in 45 CFR 155 for the year ended June 30, 2024, and have issued a report thereon dated May 23, 2025.

Maine Audit Findings Report

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 (QHP) (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 45 CFR 155:

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

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
 - Eligibility and Enrollment Processing Guide
 - Ineligible for Coverage Notice
 - Maine Second Lowest Cost Silver Plans
 - Marketplace Overview
 - Market Eligibility Guide

Maine Audit Findings Report

- Non-Discrimination Insert
 - Plan Enrollment Notice
 - Request for Information Notice
 - User Reference Manual
- General Exchange Policies and Procedures:
 - Additional Verification Notices
 - Automatic Renewal Policy and Process Documentation
 - Broker, Navigator, and Assister Training Guides
 - Maine State-Based Marketplace Procedure Manual
 - State of Maine Employee Handbook
 - Technology Platform Implementation Manual
- Navigators:
 - Authorized Representative Form
 - List of Navigator Organizations and Individuals
 - Navigator Contracts and Amendments
 - Navigator Training Guides
- Organization Chart
- Privacy and Security:
 - Access Control Policy and Procedures
 - Audit and Accountability Procedures
 - CoverME.gov Privacy Impact Assessment (PIA)
 - Information Security Policy
 - Oversight and Monitoring Plan
- QHP
 - Individual Plans 2024
 - Internal Plan Certification Process
 - QHP Certification Agreement and Privacy and Security Agreement
 - 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:

- Chief Operating Officer
- Consumer Experience Manager
- Director
- Health Navigator Program Coordinator

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

- Call Center Manager, Maximus
- Life and Health Actuary, Bureau of Insurance (BOI)
- Operations Manager, Maximus
- Project Director, Maximus
- Senior Insurance Analyst, Bureau of Insurance (BOI)
- Senior Project Manager, Maximus

Maine Audit Findings Report

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

- A listing of 102,111 eligibility determination transactions completed between July 1, 2023, and June 30, 2024. We selected 60 cases to test for compliance with eligibility and enrollment rules. We selected 125 cases to test for compliance with verification rules.

Confidential Information Omitted

N/A

Maine Audit Findings Report

II. PROGRAMMATIC AUDIT FINDINGS

MATERIAL NONCOMPLIANCE

Finding #2024-001

Criteria:

According to 45 CFR § 155.315 – Verification process related to eligibility for enrollment in a Qualified Health Plan (QHP) through the Exchange:

45 CFR 155.315(b)(2): To the extent that the Exchange is unable to validate an individual's Social Security Number (SSN) through the Social Security Administration, or the Social Security Administration indicates that the individual is deceased, the Exchange must follow the procedures specified in paragraph (f) of this section, except that the Exchange must provide the individual with a period of 90 days from the date on which the notice described in paragraph (f)(2)(i) of this section is received for the applicant to provide satisfactory documentary evidence or resolve the inconsistency with the Social Security Administration. The date on which the notice is received means 5 days after the date on the notice, unless the individual demonstrates that he or she did not receive the notice within the 5 day period.

45 CFR 155.315(f)(5): If, after the period described in paragraph (f)(2)(ii) of this section, the Exchange remains unable to verify the attestation, the Exchange must determine the applicant's eligibility based on the information available from the data sources specified in this subpart, unless such applicant qualifies for the exception provided under paragraph (g) of this section, and notify the applicant of such determination in accordance with the notice requirements specified in § 155.310(g), including notice that the Exchange is unable to verify the attestation.

Condition and Context:

BerryDunn tested a sample of 125 cases for compliance with verification policy and identified one case where the Exchange did not disenroll an applicant from coverage upon expiration of the reasonable opportunity period (ROP). The applicant initially received a notice on 6/16/2023 requesting support for verification of Citizenship, SSN, and Income with a due date of 9/19/2023. Reminder notices were sent to the applicant on 6/26/2023, 7/11/2023, and 8/15/2023 with the same due date of 9/19/2023. The applicant made an update to their application, and therefore an extension was provided by the Exchange and an updated due date of 11/26/2023 was provided. Upon expiration of the due dates, the Exchange did not take action to remove coverage for the applicant. In addition, the Exchange reported to BerryDunn that an erroneous notice was issued to the applicant on 10/13/2023 requesting support for SSN, Citizenship, and Income. CoverME.gov informed BerryDunn that verification of SSN and Citizenship has since been obtained but BerryDunn has not confirmed this verification.

Cause:

CoverME.gov is still investigating the cause of this finding.

Effect:

This applicant was enrolled for longer than the period prescribed by 45 CFR 155 . The erroneous issuance of a notice could have caused confusion for the applicant.

Maine Audit Findings Report

Finding #2024 – 002

Criteria:

According to 45 CFR § 155.315:

(f) Inconsistencies. Except as otherwise specified in this subpart, for an applicant for whom the Exchange cannot verify information required to determine eligibility for enrollment in a Qualified Health Plan (QHP) through the Exchange, advance payments of the premium tax credit, and cost-sharing reductions, including when electronic data is required in accordance with this subpart but data for individuals relevant to the eligibility determination are not included in such data sources or when electronic data from IRS, DHS, or SSA is required but it is not reasonably expected that data sources will be available within 1 day of the initial request to the data source, the Exchange:

(1) Must make a reasonable effort to identify and address the causes of such inconsistency, including through typographical or other clerical errors, by contacting the application filer to confirm the accuracy of the information submitted by the application filer;

(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:

BerryDunn tested a sample of 125 cases for compliance with verification policy and identified two cases where the Exchange attempted to verify the self-attested information with the Federal Data Services Hub (FDSH) and received a response that the self-attested information was not verified. Once the Exchange received the inconsistent response from the FDSH, they should have notified the applicant and request support be provided within 90 days.

BerryDunn identified two cases where the Exchange failed to issue a notice to the applicant requesting additional information to resolve the inconsistency between self-attested data and the data obtained from the FDSH. The first case had an income inconsistency, and the second case had a citizenship/Social Security Number inconsistency. The Exchange did not send a notice to the consumer, and therefore, in both cases, the applicant was not made aware of the inconsistency via notice and the appropriate attested items were not verified. One of the applicants should have had their coverage removed since the Exchange's implementation of CR-94 did not go into effect until 4/22/2024. The applicant's eligibility determination dates were on 10/18/2023 and 12/15/2023 meaning that both of their reasonable opportunity periods (ROP) would have expired prior to the system change. CoverME.gov informed BerryDunn that neither applicant was terminated from coverage.

Maine Audit Findings Report

Cause:

CoverME.gov informed BerryDunn that the cause of the finding was from a system issue and that it has since been resolved via Change Request (CR) – 94.

Effect:

Applicants could lose coverage or receive less than their maximum financial assistance as a result of not being made aware of the Exchange's request for additional information. CoverME.gov is assessing the total impact of this issue on the population of applicants.

CoverME.gov informed BerryDunn that neither of the applicants in the two identified cases reflecting the deficiency was terminated from coverage.

MATERIAL WEAKNESS IN INTERNAL CONTROL OVER COMPLIANCE

We identified certain deficiencies in internal control over compliance, described in Findings 2024-001 and 2024-002, that we consider to be material weaknesses.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL OVER COMPLIANCE

None

Maine Audit Findings Report

Programmatic Auditor's Opinion

☒ **QUALIFIED**

☐ **UNQUALIFIED**

☐ **ADVERSE**

☐ **DISCLAIMER**

ADDITIONAL COMMENTS:

Maine Audit Findings Report

III. RECOMMENDATIONS

Finding #2024 – 001

Recommendation:

BerryDunn recommends CoverME.gov to work with their system vendors to identify the cause and make system changes as determined necessary.

Finding #2024 – 002

Recommendation:

BerryDunn recommends that CoverME.gov continue to work with their system vendor to understand the impact of the deficiencies and confirm the system change request fully resolved the system issue.

Maine Audit Findings Report

IV. FINANCIAL STATEMENT AUDITOR'S OPINION

We have issued an Independent Auditor's Report on the financial statements for the year ended June 30, 2024, reflecting the following type of opinion:

☐ **QUALIFIED**

☒ **UNQUALIFIED**

☐ **ADVERSE**

☐ **DISCLAIMER**

Maine Audit Findings Report

V. CONCLUSION

Based on a review of the documentation required for this report, in our opinion, except for the material noncompliance described in the Audit Findings section of this report, OHIM complied with the requirements of 45 CFR 155, Subparts C, D, E, K, and M during the year ended June 30, 2024, in all material respects.

SIGNATURE OF AUDIT FIRM:

BMP Assurance, LLP

COMPLETION DATE OF AUDIT:

FINDINGS REPORT: MAY 23, 2025