

**Independent External Audit:
State of Maine
July 1, 2024 to June 30, 2025
Audit Findings Report**

Independent External Audit: 2025 Findings Report

TO: CCIIO STATE EXCHANGE GROUP

FROM: BDMP Assurance, LLP (BerryDunn)

DATE: February 11, 2026

SUBJECT: AUDIT FINDINGS REPORT FOR Maine

AUDIT PERIOD: July 1, 2024 – June 30, 2025

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 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, 2024 through June 30, 2025. 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 February 11, 2026.

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We also performed an audit of its financial statements for the year ended June 30, 2025, and issued our report dated January 21, 2026.

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 multiple practice groups dedicated to serving state and local government agencies. BerryDunn was formed in 1974 and has experienced sustained growth throughout its 51-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 employs 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, 2025, and related notes to the statements, and have issued a report thereon dated January 21, 2026.

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Programmatic Audit:

We have examined OHIM's compliance with the programmatic requirements described in 45 CFR 155 for the year ended June 30, 2025, and have issued a report thereon dated February 11, 2026.

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 the requirements of the ACA:

- 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

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- 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
 - 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:

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- 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

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

- A listing of 118,443 eligibility determination transactions completed between July 1, 2024, and June 30, 2025. We selected 60 cases to test for compliance with eligibility and enrollment rules. We selected 125 cases to test for compliance with verification rules.

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Confidential Information Omitted

N/A

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II. Programmatic Audit Findings

MATERIAL NONCOMPLIANCE

Finding 001

Criteria

According to 45 CFR § 155.315 - Verification process related to eligibility for enrollment in a 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 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 five days after the date on the notice, unless the individual demonstrates that he or she did not receive the notice within the five 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 95 cases to assess compliance with verification policy and identified three cases where the Exchange did not disenroll an applicant from coverage upon expiration of the reasonable opportunity period (ROP). The three applicants initially received notices that requested the verification of income and were all provided 95 days from the date the notice was sent to respond to the Exchange. Reminder notices were sent to the applicants at 85 days, 65 days, 35 days, and 20 days prior to the expiration of the ROP with the same due date. Upon expiration of due dates, the Exchange did not take action to remove coverage for the applicants.

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Cause

CoverME.gov informed BerryDunn that the cause of the condition was due to a high volume of applicants causing a delay in manual processing of Data Matching Issues (DMIs), which resulted in the inaction to remove or update eligibility.

Effect

Applicants were incorrectly treated as eligible for financial assistance based on self-attested income and, therefore, may have received financial assistance benefits for which they were not, in fact eligible.

MATERIAL WEAKNESS IN INTERNAL CONTROL OVER COMPLIANCE

We identified certain deficiencies in internal control over compliance, described in Finding 2025-001, that we consider to be material weaknesses.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL OVER COMPLIANCE

Programmatic Auditor's Opinion

QUALIFIED

UNQUALIFIED

ADVERSE

DISCLAIMER

ADDITIONAL COMMENTS

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III. Recommendations

Finding 001

Recommendation

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

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IV. Financial Statement Auditor's Opinion

We have issued an Independent Auditor's Report on the financial statements for the year ended June 30, 2025, reflecting the following type of opinion:

QUALIFIED

UNQUALIFIED

ADVERSE

DISCLAIMER

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V. CONCLUSION

SIGNATURE OF AUDIT FIRM:

BDMP Assurance, LLP

BDMP Assurance, LLP

COMPLETION DATE OF AUDIT:

FINDINGS REPORT: February 11, 2026