



Office of the Health Insurance Marketplace

A Unit of the Maine Department of Health and Human Services

FINANCIAL STATEMENTS

June 30, 2025

With Independent Auditor's Report





BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT

Management
Office of the Health Insurance Marketplace
A Unit of the Maine Department of Health and Human Services

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Office of the Health Insurance Marketplace (OHIM), a unit of the Maine Department of Health and Human Services, which comprise the balance sheet (cash basis) as of June 30, 2025, and the related statement of revenues and expenditures and changes in net position (cash basis) for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of OHIM as of June 30, 2025, and the results of its operations for the year then ended, in accordance with the cash basis of accounting as described in Note 2.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OHIM and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OHIM's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2026, on our consideration of OHIM's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OHIM's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OHIM's internal control over financial reporting and compliance.

BSP Assurance, LLP

Manchester, New Hampshire
January 20, 2026

OFFICE OF THE HEALTH INSURANCE MARKETPLACE

Balance Sheet (Cash Basis)

June 30, 2025

Assets	
Cash and cash equivalents	\$ <u>13,056,125</u>
Total assets	\$ <u>13,056,125</u>
Net position	
Unrestricted	\$ <u>13,056,125</u>
Total net position	\$ <u>13,056,125</u>

The accompanying notes are an integral part of the financial statements.

OFFICE OF THE HEALTH INSURANCE MARKETPLACE

Statement of Revenues and Expenditures and Changes in Net Position (Cash Basis)

Year Ended June 30, 2025

Revenues	
Fees from qualified health plans	\$ 15,782,065
Grant revenues	4,118,343
Interest income	<u>433,155</u>
Total revenues	<u>20,333,563</u>
Expenditures	
Payroll	1,278,495
Temporary staffing	587,772
Vendor contracts	12,206,823
Information technology	306,568
Miscellaneous	28,268
Statewide cost allocation plan	353,260
Department indirect cost allocation plan	<u>66,755</u>
Total expenditures	<u>14,827,941</u>
Excess of revenues over expenditures	5,505,622
Net position, beginning of year	<u>7,550,503</u>
Net position, end of year	<u>\$ 13,056,125</u>

The accompanying notes are an integral part of the financial statements.

OFFICE OF THE HEALTH INSURANCE MARKETPLACE

Notes to the Financial Statements

Year Ended June 30, 2025

1. Purpose of Organization

The Office of the Health Insurance Marketplace (OHIM) was established by the Maine Department of Health and Human Services (DHHS) to operate the State of Maine's (the State) state-based health insurance marketplace for affordable health coverage under the Made for Maine Health Coverage Act (Title 22, Chapter 1470), passed by the Maine Legislature in 2020. OHIM began operations as a unit of DHHS during the period ended June 30, 2020, operating as a state-based exchange on the federal platform. The ongoing operations of OHIM are funded by a use fee charged to health insurance companies that use the platform to sell their plans.

The financial statements reflect the net position and changes in net position of OHIM. Accordingly, the financial statements are not intended to, and do not, present the financial position of the DHHS, nor the State.

As an operation within the State, financial and administrative processes are performed at the State level including payroll, purchasing, accounts payable, cash management and general ledger accounting.

Custodial Credit Risk

OHIM maintains its cash in various deposit accounts, the balances of which are periodically in excess of federally insured limits.

Cash and Cash Equivalents

The State of Maine pools cash and cash equivalents for a variety of State agencies and public sector entities. The pooled balances are reported at fair value. Interest earned on pooled cash is allocated to the various funds, generally based on their average equity balances. The Treasurer's Cash Pool has the general characteristics of a demand deposit account and is comprised primarily of prime commercial paper, repurchase agreements, U.S. Treasury Bills, U.S. Treasury Notes, and other U.S. Agency Obligations, certificates of deposit, and corporate bonds. Cash equivalents consist of short-term investments that mature within three months.

Pension Contribution

OHIM's employees are members of the Maine Public Employees Retirement System (MainePERS). Benefit terms are established in Maine statute. Retirement benefits are funded by contributions from members, employers and by earnings from investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law, or by the MainePERS Board of Trustees and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. Total pension contribution expense was \$67,679 for the year ended June 30, 2025. Additional financial and actuarial information is available at <http://www.mainePers.org> or by contacting MainePERS at (207) 512-3100.

OFFICE OF THE HEALTH INSURANCE MARKETPLACE

Notes to the Financial Statements

Year Ended June 30, 2025

Net Position

Net position represents the difference between assets and liabilities in OHIM's financial statements. Restricted net position encompasses the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through grantors, contributors, laws or regulations, as well as restrictions imposed by law through constitutional provisions or enabling legislation. Unrestricted net position includes all remaining net position that does not meet the definition of "restricted." OHIM did not have restricted net position as of June 30, 2025.

2. Accounting Policies

The accompanying financial statements have been prepared on the cash basis of accounting which is a basis of accounting other than U.S. generally accepted accounting principles. On this basis, income is recognized when cash is received rather than when earned, and expenditures are recognized when cash is paid rather than when expenditures are incurred.

The financial statements do not include insurance premiums collected from consumers as part of OHIM carrying out its responsibilities under the Affordable Care Act of 2010.

3. Commitments and Contingencies

With respect to litigation, OHIM officials are of the opinion that there are no lawsuits likely to result either individually or in the aggregate in final judgments against OHIM that would materially affect the financial statements.

OHIM has entered into a number of contracts with vendors to support the creation and operation of OHIM. These contracts extend through June of 2028; some contain renewal options. At June 30, 2025, minimum payments under OHIM's contractual commitments are as follows:

2026	\$	19,875,000
2027		2,610,000
2028		815,000

4. Related Party Transactions

As a function within the State of Maine, any additional State funds would be subject to appropriation, if necessitated by an excess of expenditures over revenues.



BDMP Assurance, LLP

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Management
Office of the Health Insurance Marketplace
A Unit of the Maine Department of Health and Human Services

We have audited, 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, the financial statements of the Office of the Health Insurance Marketplace (OHIM), a unit of the Maine Department of Health and Human Services, which comprise the balance sheet (cash basis) as of June 30, 2025, and the related statement of revenues and expenditures and changes in net position (cash basis) for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered OHIM's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OHIM's internal control. Accordingly, we do not express an opinion on the effectiveness of OHIM's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether OHIM's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OHIM's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OHIM's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BSP Assurance, LLP

Manchester, New Hampshire
January 20, 2026