



**INDEPENDENT EXTERNAL AUDIT:
2023 AUDIT FINDINGS REPORT
MASSACHUSETTS HEALTH CONECTOR**



INDEPENDENT EXTERNAL AUDIT: 2023 FINDINGS REPORT

TO: CCIIO STATE EXCHANGE GROUP

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

DATE: MAY 7, 2024

SUBJECT: AUDIT FINDINGS REPORT FOR MASSACHUSETTS

AUDIT PERIOD: JULY 1, 2022 – JUNE 30, 2023

I. EXECUTIVE SUMMARY

PURPOSE

The purpose of this independent external audit is to assist the State of Massachusetts in determining whether the Commonwealth Health Insurance Connector Authority (the “Connector”), the Massachusetts State-Based Marketplace (SBM), was in compliance with the programmatic requirements set forth by the Centers for Medicare & Medicaid Services (CMS) during the audit period.

Name of SBM: Commonwealth of Massachusetts Health Insurance Connector Authority

State of SBM: Massachusetts

Name of Auditing Firm: BerryDunn

Our responsibility was to perform a programmatic audit to report on the Connector’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 examination of the Connector’s compliance with the programmatic requirements under 45 CFR 155, Subparts C, D, E, and K for the 12-month period July 1, 2022 through June 30, 2023. We conducted our audit in accordance with U.S. generally accepted auditing standards. The engagement did not include an audit of the Financial Statements of the Connector nor did it include an examination of the Connector’s financial controls

and compliance with the financial accounting and reporting requirements of 45 CFR 155. We completed an examination of the Connector's compliance with the applicable programmatic requirements under 45 CFR 155 and issued our reports dated May 7, 2024.

We reviewed processes and procedures, read pertinent documents, and performed inquiries, observations, and staff interviews to obtain reasonable assurance regarding whether the Connector is in compliance with 45 CFR 155 in all material respects. Our audit excluded a review of technical privacy and security functions contained in 45 CFR Part 155, Subpart C based on the scope of our engagement with the Connector. We also selected a sample of the Connector's 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 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 900+ 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 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.

Programmatic Audit:

We have examined the Connector's compliance with the programmatic requirements described in 45 CFR 155 for the year ended June 30, 2023, and have issued a report thereon dated May 7, 2024.

Summary of Programmatic Audit Procedures:

Our audit consisted of specific procedures and objectives to evaluate instances of noncompliance and to test the Connector'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)

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

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

- Authorized Representative Designation Form
- Contact Center:
 - Contact Center Trainings List
 - Contact Center Ombudsman Cases List
- Contracts and Amendments:
 - Amendments to Contact Center Contract
 - AON
 - Carahsoft
 - Custom Computer Specialist
 - DC Health Benefit Exchange Authority
 - Language Line
 - Maximus
 - McInnes
 - RetroFit Technologies, Inc
 - Smartronix
 - Windstream
 - Zoom
- Eligibility and Enrollment:
 - 2023 QHP Calculator that includes Second Lowest Cost Silver Data
 - Final Renewal Notice
 - Language Tag Lines for Notices

- Preliminary Eligibility Determination Notice
- Eligibility and Enrollment Policies:
 - Eligibility for Individual / Family Plan
 - Eligibility for Federal and State Financial Support for Individual / Family Plan
 - Enrollee Age-Out
 - Enrollment in Individual / Family Plan
 - Mid-year Life Events or Qualifying Events
 - Premium Billing and Payment
 - Premium Rating and Re-Rating of Health and Dental Plans
 - Redetermination During the Benefit Year
 - Renewal of Coverage
 - Termination of Coverage—Non-Payment of Premium
 - Termination of Coverage—Voluntary
- Finance and Payments:
 - Finance and Accounting Policies and Procedures
 - Independent Auditor's Report
 - Notice of Award
- Human Resources and Training
 - CCA Policy and Procedures for Protection of Member Privacy Rights
 - CCA Privacy Policy and Procedures
 - CCA Security Incident Response Policy
 - CCA Security Management Policy
 - CCA Training Courses
 - Employee Handbook
 - Privacy and Security Training
 - Racial Equity Diversity Training
 - State Ethics Training
- List of Stakeholder Organizations and Outreach Groups
- Navigators:
 - Certified Application Counselor Designation Form
 - Certified Application Counselor Program Audit Report
 - Navigator Contract Template
 - Navigator Events
 - Navigator Organization List
 - Navigator Personnel List
 - New Certified Application Counselor Organizations
 - New Navigators Added List

- Organization Chart
- Qualified Health Plan (QHP):
 - Allowed Cost for Essential Health Benefits Attestation Form
 - Assurance of Compliance Form
 - Cost Sharing Reduction Attestation Form
 - Non-Group Rate Signoff
 - Notice of Intent to Respond
 - Plan Year 2022 QHP and QDP Plan List
 - Rate Attestation Form
 - Seal of Approval Agreement
- Service Organizations:
 - SOC1 for Accenture and Softheon

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

- Associate Director of Public Outreach and Education
- Chief of Policy
- Community Outreach and Navigator Program Manager
- Compliance Manager
- Deputy Chief Operating Officer
- Director of Customer Experience and Ombuds
- Director of Enrollment and Billing
- Director of Human Resources
- Director of IT Implementation
- Director of Training & Development
- General Counsel
- Manager of Contact Center Operations
- Senior Director of Plan Management
- Training and Quality Coordinator

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

- A listing of 673,737 eligibility determination transactions completed between July 1, 2022, and June 30, 2023. We selected 74 cases to test for compliance with eligibility and enrollment rules. We selected 60 cases to test for compliance with verification rules.

CONFIDENTIAL INFORMATION OMITTED

N/A

II. AUDIT FINDINGS**MATERIAL NONCOMPLIANCE**

None

MATERIAL WEAKNESS IN INTERNAL CONTROL OVER COMPLIANCE

None

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL OVER COMPLIANCE

None

PROGRAMMATIC AUDITOR'S OPINION

QUALIFIED

UNQUALIFIED

ADVERSE

DISCLAIMER

ADDITIONAL COMMENTS

N/A

III. FINANCIAL STATEMENT AUDITOR'S OPINON

Not included in BerryDunn's Engagement.

IV. CONCLUSION

Based on a review of the documentation required for this report, in our opinion, the Connector complied with the requirements of 45 CFR 155, Subparts C, D, E, and K during the year ended June 30, 2023, in all material respects.

SIGNATURE OF AUDIT FIRM:Berry Dunn McNeil & Parker, LLC**COMPLETION DATE OF AUDIT
FINDINGS REPORT:**May 7, 2024