



**INDEPENDENT EXTERNAL AUDIT:  
2021 AUDIT FINDINGS REPORT  
MASSACHUSETTS  
COMMONWEALTH HEALTH INSURANCE CONNECTOR AUTHORITY (THE CONNECTOR)**



# INDEPENDENT EXTERNAL AUDIT: 2021 FINDINGS REPORT

TO: CCIIO STATE EXCHANGE GROUP

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

DATE: MAY 6, 2022

SUBJECT: AUDIT FINDINGS REPORT FOR MASSACHUSETTS

AUDIT PERIOD: JULY 1, 2020 – JUNE 30, 2021

## I. EXECUTIVE SUMMARY

### PURPOSE

The purpose of this independent external audit is to assist the Commonwealth 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 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, 2020 through June 30, 2021. The scope of this engagement excluded IT privacy and security and the Connector’s small employer group health insurance program. In addition, 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 6, 2022.

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. We also selected a sample of customers 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 46-year history. Today, BerryDunn employs 700+ personnel with headquarters in Portland, Maine—and office locations in Arizona, Connecticut, Massachusetts, New Hampshire, and West Virginia. 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.

### **Programmatic Audit:**

We have examined the Connector's compliance with the programmatic requirements described in 45 CFR 155 for the year ended June 30, 2021, and have issued a report thereon dated May 6, 2022.

**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:

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

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:
  - Accenture
  - Faneuil
  - Interdepartmental Service Agreement between Connector and Department of Revenue
  - Softheon
  - UMass Assister Training Contract
- Eligibility and Enrollment:
  - 820 Allocation Report for Sample Months
  - Computer Matching Agreement between Connector and Department of Health and Human Services
  - Employer Tax Liability Notice
  - Final Renewal Notice
  - Language Tag Lines for Notices
  - Notices Report for Auto Renewals

- 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
- 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
  - Employee Handbook
  - Harassment Awareness
  - List of Required Internal Training Courses
  - Privacy and Security Training
  - State Ethics Training
  - State Ethics Training Notice
- List of Stakeholder Organizations and Outreach Groups
- Navigators:
  - Certified Application Counselor Designation Form
  - Certified Application Counselor Program Audit Report
  - Grant Recipient Specific Terms and Conditions
  - Navigator Contract Template
  - Navigator Designation Form
  - Navigator Events
  - Navigator Organization List
  - Navigator Personnel List
  - New Navigators Added List
- Organization Chart
- Qualified Health Plan (QHP):
  - Plan Year 2021 QHP and QDP Plan List

- 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
- QDP Checklist
- QHP Checklist
- System for Electronic Rates and Forms Filing Documented Rates
- Service Organizations
  - CenturyLink SOC2
  - Faneuil SOC1
  - Softheon SOC1
  - Softheon SOC2
  - TierPoint SOC2

In order 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 - Niki Conte
- Chief Financial Officer - Kari Miller
- Community Outreach and Navigator Program Manager - Sarah Buonopane
- Compliance Manager - Brittany Algar
- Contact Center Performance Manager - Giselle Hernandez
- Deputy Chief Financial Officer - Dominic Divito
- Director of Accounting - Stacy Halloran
- Director of Human Resources - Terri Shine
- Director of IT Implementation - Andy Graham
- Director of Plan Management and Product Strategy - Maria Joy Dawley
- Director of Policy and Applied Research - Marissa Woltmann
- General Counsel - Andrew Egan
- Manager of Finance - Nupur Gupta
- Senior Director of Customer Service Experience - Nelson Teixeira
- Training Manager for the Contact Center - Suzi Jervinis

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

- A listing of 747,765 eligibility determination transactions completed between July 1, 2020 and June 30, 2021. This population excluded MassHealth (Medicaid) determinations. We selected 95 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**

N/A

**AUDITOR'S OPINION**

We have issued an Independent Auditor's Report on the financial statements for the year ended June 30, 2021, reflecting the following type of opinion: **N/A**

QUALIFIED

UNQUALIFIED

ADVERSE

DISCLAIMER

**ADDITIONAL COMMENTS**

N/A

### III. 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:**

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**COMPLETION DATE OF AUDIT FINDINGS  
REPORT:**

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