



**INDEPENDENT EXTERNAL AUDIT:
2021 AUDIT FINDINGS REPORT
RHODE ISLAND
RHODE ISLAND HEALTH INSURANCE EXCHANGE
(HSRI)**



INDEPENDENT EXTERNAL AUDIT: 2021 FINDINGS REPORT

TO: CCIIO STATE EXCHANGE GROUP

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

DATE: MAY 10, 2022

SUBJECT: AUDIT FINDINGS REPORT FOR RHODE ISLAND

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

I. EXECUTIVE SUMMARY

PURPOSE

The purpose of this independent external audit is to assist the State of Rhode Island in determining whether HealthSource Rhode Island (HSRI or the Exchange), the Rhode Island 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: HealthSource Rhode Island (HSRI)

State of SBM: Rhode Island

Name of Auditing Firm: BerryDunn

Our responsibility was to perform a financial and programmatic audit to report on HSRI'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 audit of the statement of revenues and expenditures of HSRI, as well as an examination of HSRI's compliance with the programmatic requirements under 45 CFR 155, Subparts C, D, E, K, and M for the 12-month period July 1, 2020 through June 30, 2021. We conducted our audit in accordance with GAGAS 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 HSRI's compliance with the applicable programmatic requirements under 45 CFR 155 and issued our reports dated May 10, 2022. We also performed an audit of its financial statement for the year ended June 30, 2021 and issued our report dated January 25, 2022.

We reviewed processes and procedures, read pertinent documents, and performed inquiries, observations, and staff interviews to obtain reasonable assurance regarding whether HSRI is in compliance with 45 CFR 155 in all material respects. We also selected a sample of clients 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.

Financial Statement Audit:

We have audited, in accordance with GAGAS and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of revenues and expenditures of HSRI, for the year ended June 30, 2021, and related notes to the statement, and have issued a report thereon dated January 25, 2022.

Programmatic Audit:

We have examined HSRI'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 10 2022.

Summary of Programmatic Audit Procedures:

Our audit consisted of specific procedures and objectives to evaluate instances of noncompliance and to test HSRI'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)
- 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 Affordable Care Act (ACA):

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

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

- 45 CFR Parts 200, 240, and 260, General Exchange Standards, Payment of Premiums, and Privacy and Security Standards under the ACA of 2010
- 2021 Contracts, including Amendments and Updates to ongoing contracts.
- 2021 Second Lowest Cost Silver Plan Data
- Application for Health Care Coverage
- Board Meeting Minutes
 - Meeting Minutes July 1, 2020 – June 30, 2021
 - Meeting Minutes July 1, 2021 – September 23, 2021
- Consumer Resources
 - Cost Sharing Reduction Plans for Eligible Individuals and Families (for 2021)
 - Health Plan Quality Rate Information (for 2021)
 - HealthSource RI Assister Programs Webpage
 - HealthSource RI Get Help In Your Community Webpage
 - HealthSource RI Get Help With Enrolling Webpage
 - HealthSource RI Interpreter Tagline (Multi-Language)
 - HealthSource RI Resources (for Individuals & Families) Webpage
 - HealthSource RI Surveys and Reports Webpage

- Individual Market Plans and Benefits
- Individual Market Plan Premiums by Age
- Medical Loss Ratio Information
- Navigator Directory
- Navigator Search Tool
- Policy Manual
- Provider Directories
- Quote Calculator (Plan Comparison and Savings Tool)
- Contact Center Training Materials
- Navigator, CAC and In-Person Assistor (IPA) Forms and Guidelines
 - Certified Navigator Training Manual
 - IPA Training and Re-Certification Information Sheet
 - Navigator Certification Assessment
 - Navigator Conflict of Interest Attestation
 - Navigator Entity Request for Proposal (RFP)
 - Navigator Onboarding and Training Modules
 - Navigator Privacy and Confidentiality Affidavit
 - Outreach and Enrollment Support Program Solicitation Request
 - RIHCA CAC Agency Letter of Agreement
- Notices
 - Additional Documentation Required Notice
 - Appeals Notices
 - Change in Eligibility Notices
 - Eligibility Decision Notices
 - Enrollment/Disenrollment Notices
 - Financial Assistance Notice
 - Incomplete Application Notice
 - Renewal Notices
- Privacy and Security Documents
 - Access Control Policy
 - Applicant Rights and Responsibilities
 - Consent for Identity Proofing
 - Consent for Payment
 - Consent for Use of Income Data
 - E-Signature
 - Personnel Security Policy
 - Plan of Action and Milestones Standards Training Module
 - Records Retention Policy

- Sharing of Data Policies
- Security Assessment Plan (SAP) and Security Assessment Report (SAR) Training Module
- User Acceptance Agreement

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

- Chief Finance Officer – Allison Shippee
- Chief Operating Officer – Meg Ivatts
- Contract Relationship Manager – Kathie Mazza
- Director of Strategy – Scott Keays
- General Counsel – Ben Gagliardi
- Information Processing Officer – Deb Morrill
- Technology Operations Manager – Matt Goupil
- Technology Operations Contractor – Param Boddu
- Training, System Design, and Documentation Manager – Brett Quinn

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

- Automated Health Systems (Contact Center)
 - Relationship Manager – Christine Difranco
- RI Office of the Health Insurance Commissioner
 - Carrier Operations and Contract Manager – Betsy Tavares
 - Director of Policy – Cory King
 - Director of Regulatory Compliance – John Garrett
- RI Health Care Association
 - Chief Executive Officer and President – Jane Hayward
 - Chief Operating Officer – Mary Evans
 - Outreach and Enrollment Support Manager – Jill Becker

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

- A listing of 163,553 eligibility determination transactions completed between July 1, 2020 and June 30, 2021. This population excluded Medicaid determinations. We tested 125 cases for compliance with eligibility, enrollment, and 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 statement for the year ended June 30, 2021, reflecting the following type of opinion:

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:*Berry Dunn McNeil & Parker, LLC***COMPLETION DATE OF AUDIT
FINDINGS REPORT:**May 10, 2022