



To Management
Rhode Island Health Benefits Exchange

We have examined the compliance of Rhode Island Health Benefits Exchange d/b/a HealthSource RI (HSRI or the Exchange), a function within the State of Rhode Island, with the requirements in Title 45, Code of Federal Regulations Part 155 (45 CFR 155), Subparts C, D, E, K, and M for the year ended June 30, 2021. We noted the matters below for your consideration.

Eligibility Verification

Verification Process Related to Eligibility for Enrollment in a Qualified Health Plan through the Exchange

BerryDunn tested a sample of 125 cases for proper verification of data, and in two cases the data indicated that the State's integrated eligibility and health benefits exchange system (RI Bridges) did not generate an Additional Documentation Required (ADR) notice when the cases required verification of information.

- **Case One** received an initial eligibility determination on 10/4/2020, and an ADR notice was issued with a due date of 1/2/2021. The case received a subsequent eligibility determination on 4/21/2021, but the system did not generate an ADR notice because the previous ADR notice was still in effect.
- **Case Two** received an initial eligibility determination on 1/4/2021, and an ADR notice was issued with a due date of 4/9/2021. The case received a subsequent eligibility determination on 6/22/2021, but the system did not generate an ADR notice because the previous ADR notice was still in effect.

HSRI's policy is to generate an ADR if an eligibility determination occurs after the previous ADR is expired. According to HSRI's policy, ADRs should have been created for the subsequent eligibility determinations noted above since the previous ADRs had expired.

In March 2020, HSRI notified the Centers for Medicare & Medicaid Services (CMS) that, in response to the Public Health Emergency resulting from the COVID-19 pandemic the Exchange had suspended the termination of insurance coverage for applications containing unverified data found to be inconsistent with the Federal Data Services Hub. Because of this suspension on data inconsistency-related terminations, the error would not have affected the customer's eligibility. This error was not reported as a finding of material noncompliance, however it was noted in the prior year audit's Management Letter and could affect compliance with 45 CFR §155.315 in future years if it remains unresolved. HSRI responded that the Exchange will work with its Systems Integrator on a robust communication plan in advance of restarting its verification-related termination and redetermination process once the Public Health Emergency ends. This communication plan will include drafting and resending an ADR-like notice to all customers who have ongoing conditional eligibility as a result of an outstanding data inconsistency and who have not received an updated ADR in more than 90 days. BerryDunn has no further recommendations regarding this matter.

Management's Response

HSRI acknowledges and agrees with this observation. As the Public Health Emergency has not yet ended, the pause on all insurance coverage terminations and redeterminations resulting from data inconsistencies noted in our response last audit cycle remains in effect.

The Exchange will work with its Systems Integrator on a robust communication plan in advance of restarting its verification-related termination and redetermination process once the Public Health Emergency ends. This communication plan will include drafting and resending an ADR-like notice to all customers who have ongoing conditional eligibility as a result of an outstanding data inconsistency and who have not received an updated ADR in more than 90 days. Planning for the resumption of this process, and needed mitigation strategies related to the clean up activities, has begun.

Verification Process Related to Eligibility for Enrollment in a Qualified Health Plan (QHP) through the Exchange

BerryDunn tested a sample of 125 cases for verification of data, and in two cases the data indicated that RI Bridges generated an ADR notice with a due date that was greater than 90 days.

- **Case One** received an initial eligibility determination on 10/3/2020, and an ADR notice was issued with a due date of 3/31/2021, 179 days from the determination date.
- **Case Two** also received an initial eligibility determination on 10/3/2020, and an ADR notice was issued with a due date of 3/31/2021, 179 days from the determination date.

HSRI's policy is to generate ADRs that provide a 90-day period for applicants to submit satisfactory documentation to verify their eligibility. According to HSRI's policy, the ADRs noted above should have had a due date of 90 days. However, these ADRs were generated as the result of a process to extend verification due dates in the back end of the system, and they were not mailed to the customer nor were they viewable in the customer portal.

As part of the annual auto-renewal process, HSRI runs an extension data script to extend all existing verification due dates in the system that have not been either reconciled by the customer or closed as part of the QHP verification batch. During this process, HSRI also runs a suppression data script to help ensure no new ADRs are generated for existing outstanding data points for which the customer would already have received an ADR during their initial eligibility run. In the cases examined, the ADRs generated during auto-renewal showed 179 days due to the extension data script run. The ADRs were suppressed from being mailed to the customer and were not viewable in the customer portal because of the second suppression data script run. However, the ADRs were viewable in the worker portal as a notice generated but not sent.

In March 2020, HSRI notified CMS that, in response to the Public Health Emergency resulting from the COVID-19 pandemic the Exchange had suspended the termination of insurance coverage for applications containing unverified data found to be inconsistent with the Federal Data Services Hub. Because of this suspension on data inconsistency-related terminations, the error would not have affected the customer's eligibility. This error was not reported as a finding of material noncompliance, however the error could affect compliance with 45 CFR §155.315 in future years if it remains unresolved. In response to BerryDunn's 2020 Management Letter, HSRI stated that the Exchange will work with its Systems Integrator on a robust communication plan in advance of restarting its verification-related termination and redetermination process once the Public Health Emergency ends. This communication

plan will include drafting and resending an ADR-like notice to all customers who have ongoing conditional eligibility as a result of an outstanding data inconsistency and who have not received an updated ADR in more than 90 days. BerryDunn has no further recommendations regarding this matter.

Management's Response

HSRI acknowledges and agrees with this observation. As the Public Health Emergency has not yet ended, the pause on all insurance coverage terminations and redeterminations resulting from data inconsistencies noted in our response last audit cycle remains in effect.

The Exchange will work with its Systems Integrator on a robust communication plan in advance of restarting its verification-related termination and redetermination process once the Public Health Emergency ends. This communication plan will include drafting and resending an ADR-like notice to all customers who have ongoing conditional eligibility as a result of an outstanding data inconsistency and who have not received an updated ADR in more than 90 days. Planning for the resumption of this process, and needed mitigation strategies related to the clean-up activities, has begun.

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We sincerely appreciate the cooperation and courtesy provided to our personnel by management and the employees of HSRI during the engagement. We have previously discussed the comments and suggestions contained herein with management, and we will be pleased to discuss them further at your request.

This report is intended solely for the information and use of management and is not intended to be, and should not be, used by anyone other than this specified party.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
May 10, 2022