

Summary of 2016 Programmatic Audit

Connect for Health Colorado engaged an independent qualified auditing entity to perform an external programmatic audit as required by 45 CFR 155. These are the findings, recommendations and planned corrective actions of that audit.

2016-001 – Finding: Eligibility

Condition: Eligibility information is not being verified for enrollees not receiving financial assistance. In addition, enrollment in or eligibility for minimum essential coverage is obtained through self-attestation but is not verified.

Recommendation: We recommend that Connect for Health Colorado continue to work with their local information technologies and compliance groups to develop a process to verify the required eligibility information for all enrollees.

Views of Responsible Officials and Planned Corrective Actions: Connect for Health Colorado continually seeks to move towards compliance in all respects. The ability of Connect for Health Colorado to move forward has been and continues to be challenged by the systems that link to our State partners for those customers that receive financial assistance (eligibility) and those customers not seeking financial assistance, but who find value in shopping on the Exchange using the Exchange’s consumer friendly tools. Additionally, the uncertainty regarding the Affordable Care Act has forced Connect for Health Colorado to reevaluate its enrollment platform and how best to improve the consumer experience and facilitate the Exchange’s statutory mandate in Colorado. Connect for Health Colorado is nearing completion on a comprehensive multi-year strategic plan for adoption by the Board of Directors during the third quarter of 2017. Connect for Health Colorado’s strategic plan attempts to address workable goals in a dynamic and uncertain political environment aimed at a stable marketplace with participating carriers and improving access, affordability and choice.

2016-002 Finding: QHP Certifications – Internal Controls

Condition: Connect for Health Colorado has an agreement in place with the Colorado Division of Insurance (DOI) related to certifying and monitoring QHP’s. Certain controls in place over some of the QHP certification and monitoring functions are highly automated and could no longer be tested based on the timing of the programmatic audit. In addition, the delineation of responsibilities for QHP monitoring and certification in the agreement

with DOI is not always clear. Furthermore, certain QHP monitoring functions lack formal written policies and procedures. As a result, we are unable to determine if the internal controls in place provided reasonable assurance of compliance with QHP certification and monitoring functions as described in 45 CFR 155 Subpart K.

Recommendation: We recommend that Connect for Health Colorado continue to work with their information technologies and compliance groups to determine a process for internally monitoring these highly automated components of internal controls which could then potentially be relied upon for purposes of internal control testing. Alternatively, testing of these internal controls by independent auditors should be scheduled prior to the fiscal year-end while the control environment is still in existence. Furthermore, we recommend that Connect for Health Colorado and the Division of Insurance review their responsibilities under the agreement and ensure that clear roles for each entity are firmly established.

Views of Responsible Officials and Planned Corrective Actions: Connect for Health Colorado agrees with the finding. Connect for Health Colorado and the Colorado Division of Insurance will work cooperatively to review their respective obligations under both state insurance laws and regulations and the Memorandum of Understanding between the entities to more clearly define roles and responsibilities while developing written policies and procedures to better document the highly automated and functioning process to enable ease of evaluation and auditing.