

Summary of 2018 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.

2018-001 Finding Eligibility

Criteria: Eligibility is to be determined based on the eligibility requirements of 45 CFR Part 155. Connect for Health Colorado is required to verify the following information directly related to determining eligibility: 1) Citizenship status as a national, or lawful presence; 2) Applicant is not incarcerated; 3) Residency- is not living in an institution, is capable of indicating intent, and is not receiving an optional State supplementary payment and; 4) Collection and validation of social security number. In addition, certain requirements exist to verify a consumer's enrollment in or eligibility for minimum essential coverage (MEC) through employer sponsored coverage (ESC) or other than ESC. Finally, individuals must be considered ineligible for Advance Premium Tax Credits (APTC) if verification sources indicate that tax filing requirements have not been met.

Condition: Eligibility criteria 1-4 above are not being verified for enrollees not receiving financial assistance. In addition, enrollment in or eligibility for MEC is not being verified and tax filing requirements are not being verified for those receiving APTC.

Context: Sixty enrollees were selected for testing, of which 16 were not receiving financial aid and 44 of which were eligible for APTC. Enrollment in or eligibility for MEC is obtained through self-attestation but is not verified.

Cause: Enrollees receiving financial assistance in Plan Year (PY) 2018 utilized the State of Colorado CBMS system, which is highly automated and verifies and communicates this information automatically before allowing enrollees to continue through the system. Those enrollees not receiving financial assistance were required to self-attest to this information during PY2018 and no further verification functions were being performed. The resources required to meet the verification requirements as outlined are not currently available.

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 has implemented the New Eligibility System (NES) for open enrollment beginning November 1, 2018. The NES and the connection to Federal Data Services Hub (FDSH) has allowed Connect for Health Colorado verify the required data checks including, citizenship, law presence, state residency, incarceration status and social security information, for the entire population of customers applying for a Qualified Health Plan (QHP).

Connect for Health Colorado is currently building the necessary FDSH connections to allow for verification of non-ESI Minimum Essential Coverage (MEC) and Failure to Reconcile (FTR) checks to be implemented for Open Enrollment 7 starting November 1, 2019.

Connect for Health Colorado does not currently have a state or federal data source to provide reliable ESC information and therefore is exploring an operational procedure to address.