

## **Summary of 2014 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.

### **2014-001 Finding: Enrollment Reconciliations**

**Condition:** Enrollment information was not reconciled with QHP issuers and HHS on a monthly basis during the year ended June 30, 2014.

**Recommendation:** We recommend that Connect for Health Colorado reach out to oversight agencies to determine if past reconciliations will be required to be performed. In addition, we recommend that Connect for Health continue to implement and evaluate processes and controls surrounding the monthly reconciliation between issuers and HHS to help ensure information is reconciled timely and available upon request of auditors or regulatory agencies.

**Views of Responsible Officials and Planned Corrective Actions:** Connect for Health Colorado performed a historic reconciliation for the year 2014. We provide a full historic record of month-by-month changes from the beginning of the year to the carriers. The carriers review this and provide information about their history in a side-by-side comparison. Discrepancies are identified by us and we request carriers make historical updates or provide information about conflicts. Also, Connect for Health Colorado has implemented a process to reconcile enrollment information with QHP issuers and HHS by two methods bi-directionally and uni-directionally. It is Management's view, with these three processes in place the enrollment data of the QHP issuers and HHS is reconciled timely. Implementation occurred from December 2014 – August 2015.

### **2014-002 – Finding: Enrollment Functions – Internal Controls**

**Condition:** The controls in place over Enrollment Functions are highly automated and existed in an environment that could no longer be tested based on the timing of the programmatic audit.

**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.

**Views of Responsible Officials and Planned Corrective Actions:** The time period covered by this audit aligns with the first open enrollment period (October 1, 2013 – March 31, 2014). During that time, Connect for Health Colorado was using an interim eligibility system that was replaced in November 2014 with the Shared Eligibility System. Because the original interim system was not available at the time of the audit, there was no way to verify internal controls. The Shared Eligibility System was designed to be more compliant with the enrollment requirements identified under 45 CFR Part 155 and will continue to be utilized for many years. Future audits should have access to the system for verification. Implementation date November 15, 2014.

#### **2014-003 Finding: Eligibility**

**Condition:** The process of determining eligibility is highly automated and existed in an environment that could not be tested based on the timing of the programmatic audit. Specifically, audit evidence surrounding the verification of IVES and SSA interfaces, lawful presence, social security numbers and income could not be observed.

**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 eligibility which could then potentially be relied upon for purposes of compliance testing. Alternatively, testing of these requirements by independent auditors should be schedule prior to the fiscal year end while the environment is still in existence.

**Views of Responsible Officials and Planned Corrective Actions:** The time period covered by this audit aligns with the first open enrollment period (October 1, 2013 – March 31, 2014). During that time, Connect for Health Colorado was using an interim eligibility system that was replaced in November 2014 with the Shared Eligibility System. The Shared Eligibility System was designed to be more compliant with the eligibility requirements identified under 45 CFR Part 155 and will continue to be utilized for many years. Future audits should have access to the system for verification. Implementation date November 15, 2014.