

INDEPENDENT EXTERNAL AUDIT

2018 AUDIT FINDINGS REPORT

IDAHO

**IDAHO HEALTH INSURANCE EXCHANGE
dba YOUR HEALTH IDAHO**



INDEPENDENT EXTERNAL AUDIT:
2018 FINDINGS REPORT

TO: CCHIO STATE EXCHANGE GROUP
FROM: HARRIS CPAs
DATE: SEPTEMBER 21, 2018
SUBJECT: AUDIT FINDINGS REPORT FOR IDAHO

I. EXECUTIVE SUMMARY

PURPOSE

The purpose of this independent external audit is to ensure that the Idaho Health Insurance Exchange dba Your Health Idaho is in compliance with the financial and programmatic requirements set forth by the Centers for Medicare & Medicaid Services (CMS).

Name of SBM: Idaho Health Insurance Exchange dba Your Health Idaho (YHI)

State of SBM: Idaho

Name of Auditing Firm: Harris CPAs, Meridian, Idaho

Our responsibility is to perform a programmatic audit to report on Idaho Health Insurance Exchange's compliance with 45 CFR Part 155 as described in the Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) memo dated June 18, 2014, Frequently Asked Questions about the Annual Independent External Audit of State-based Marketplaces (SBMs). The Program Integrity Rule Part II ("PI Reg."), 45 CFR § 155.1200 (c), states, "The State Marketplace must engage an independent qualified auditing entity which follows generally accepted governmental auditing standards (GAGAS) to perform an annual independent external financial and programmatic audit and must make such information available to the U.S. Department of Health and Human Services for review."

SCOPE

The scope of this engagement includes an audit of financial statements of Idaho Health Insurance Exchange dba Your Health Idaho (hereafter referred to as YHI), which comprise the statement of net position as of June 30, 2018, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We completed YHI's financial statement audit and the audit of YHI's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and issued unmodified reports thereon dated September 21, 2018.

We performed inquiries, observations, testing and staff interviews to determine whether YHI is in compliance with 45 CFR Part 155.

We reviewed processes and procedures designed to prevent improper eligibility determinations and enrollment transactions and identification of errors that resulted in incorrect eligibility determinations.

We reviewed oversight monitoring and policies and procedures.

METHODOLOGY

Audit Firm Background:

Harris CPAs was founded in 1996 and has extensive experience providing audit and compliance services. The firm specializes in financial audits in accordance with accounting principles generally accepted in the United States of America and compliance audits following the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and The Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

Audit of the Financial Statements in accordance with GAAP and GAGAS:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of YHI, which comprise the statement of net position as of June 30, 2018 and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued a report thereon dated September 21, 2018.

The full audit report referred to above will accompany this report under separate copy.

Programmatic audit in accordance with CMS requirements:***Report on compliance with 45 CFR Part 155***

We have audited YHI's compliance with the types of compliance requirements described in 45 CFR Part 155 for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to 45 CFR Part 155.

Auditors' Responsibility

Our responsibility is to express an opinion on YHI's compliance 45 CFR Part 155 . We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and CMS. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the program occurred. An audit includes examining, on a test basis, evidence about YHI's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with 45 CFR Part 155. However, our audit does not provide a legal determination of YHI's compliance.

Opinion on Compliance with 45 CFR Part 155

In our opinion, YHI complied in all material respects with the compliance requirements referred to above for the year ended June 30, 2018.

Summary of Programmatic Procedures

Our audit consisted of specific procedures and objectives to evaluate instances of noncompliance and to perform procedures to test YHI's compliance and program effectiveness of the subparts of 45 CFR Part 155:

- General Standards (Subpart B)
- 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)
- State Flexibility (Subpart N)
- Quality Reporting Standards (Subpart O)

We reviewed documentation obtained from YHI and the Idaho Department of Health & Welfare:

- House Bill No. 248, the Idaho Health Insurance Exchange Act
- YHI Policy Manual
- YHI Plan of Operations
- YHI Privacy and Security Awareness Policy
- YHI Roles and Responsibilities Policy
- YHI Public Retention Policy
- YHI Public Records Policy
- YHI's Training Modules and Exams
- YHI's Conflicts of Interest Policy
- YHI's Certification and Accreditation, and Security Assessment Policy
- YHI's Sample Notices to Consumers
- YHI's Navigator and In-person Assister Training and Certification Program
- YHI's Accounting Policy and Procedure Manual
- YHI's Employee Manual
- YHI's By-Laws
- YHI's IT Policies
- YHI's Policy for Procurement: Contracting for Personal Services
- The State Department of Health & Welfare Training/Policies Modules
- The State Department of Insurance QHP Standards for YHI

Summary of Programmatic Procedures (Continued)

- YHI's Appeals Policy
- YHI's Risk Assessment Policy
- YHI's Governance and Policy Documents
- YHI's Delegation of Authority Policy
- YHI's Procurement Policy
- YHI's Eligibility Shared Service Flowchart
- YHI's Notice Templates

We interviewed the following YHI staff, performed walkthroughs of data systems and operations to understand management and staff responsibilities and processes as they relate to compliance with 45 CFR Part 155:

- YHI's Controller
- YHI's Executive Director
- YHI's Chief Information Officer, Privacy and Security Officer
- YHI's Supervisor, Customer Support Center
- YHI's Customer Experience and Policy Manager
- YHI's Consumer Connector Specialist
- YHI's Business Process & Data Quality Manager
- YHI's Trainer / QA
- YHI's Consumer Support Center Manager
- YHI's Outreach and Education Manager
- YHI's Policy Integration Manager

We interviewed the following non-YHI staff, performed walkthroughs of data systems and operations to understand management and staff responsibilities and processes as they relate to compliance with 45 CFR Part 155:

- State Department of Health and Welfare IT personnel
- State Department of Health and Welfare Administrator
- State Department of Health and Welfare Program Manager

We analyzed samples from YHI's eligibility, enrollment and qualified healthcare providers and performed on-site walkthroughs of operations and data examination to evaluate compliance with 45 CFR Part 155:

A listing of enrolled participants at June 30, 2018 was provided to us from YHI operations. A random sample of 60 enrolled participants was selected to test the compliance of 45 CFR 155 Subpart D, Eligibility Functions, and 45 CFR 155 Subpart E, Enrollment Functions.

A listing of 4 Quality Healthcare Providers used by YHI was provided to us from YHI Management. A sample of 1 provider was selected to test compliance with 45 CFR 155 Subpart K, Certification of Qualified Health Plans.

We performed site-visits and walkthroughs at YHI's facilities and The Idaho Department of Health & Welfare who is the contracted eligibility determination center. We interviewed staff at those locations to understand operational functions and the application process as it applies to 45 CFR Part 155.

CONFIDENTIAL INFORMATION OMITTED

N/A

II. AUDIT FINDINGS

There were no audit findings for the year ended June 30, 2018.

AUDITOR'S OPINION

Based on the findings above, it is Harris CPAs' opinion that the accounting practices and financial statements reviewed during the year ended June 30, 2018 independent external audit are:

MODIFIED UNMODIFIED ADVERSE DISCLAIMER

III. RECOMMENDATIONS

N/A

IV. 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: Harris CPAs

COMPLETION DATE OF AUDIT FINDINGS REPORT: SEPTEMBER 21, 2018
Meridian, Idaho: