



**INDEPENDENT EXTERNAL AUDIT:  
2022 AUDIT FINDINGS REPORT**

**VERMONT HEALTH BENEFIT EXCHANGE  
DBA VERMONT HEALTH CONNECT (VHC)**



# INDEPENDENT EXTERNAL AUDIT: 2022 FINDINGS REPORT

TO: CCIIO STATE EXCHANGE GROUP

FROM: BERRY DUNN MCNEIL & PARKER, LLC (BERRYDUNN)

DATE: May 12, 2023

SUBJECT: AUDIT FINDINGS REPORT FOR VERMONT

AUDIT PERIOD: JULY 1, 2021 – JUNE 30, 2022

## I. EXECUTIVE SUMMARY

### PURPOSE

The purpose of this independent external audit is to assist the State of Vermont in determining whether Vermont Health Benefit Exchange (the Exchange) d/b/a Vermont Health Connect (VHC), the Vermont state-based marketplace (SBM), is in compliance with the programmatic requirements set forth by the Centers for Medicare and Medicaid Services (CMS) during the audit period.

Name of SBM: Vermont Health Connect

State of SBM: Vermont

Name of Auditing Firm: BerryDunn

Our responsibility was to perform a financial and programmatic audit to report on the Exchange's compliance with Title 45, Code of Federal Regulations Part 155 (45 CFR 155) as described in the CMS memo dated June 18, 2014, Frequently Asked Questions about the Annual Independent External Audit of SBMs. The Program Integrity Rule Part II ("PI, Reg."), 45 CFR 155.1200 (c), states, "The State Exchange 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 United States (U.S.) Department of Health and Human Services for review."

### SCOPE

The scope of this engagement included an audit of the financial statements of the Exchange, as well as an examination of the Exchange's compliance with the programmatic requirements under 45 CFR 155, Subparts C, D, E, K, and M for the 12-month period July 1, 2021 through June 30, 2022. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We completed an examination of the Exchange's compliance with the applicable programmatic requirements under 45 CFR 155 and issued our reports dated May 12, 2023. We also performed an audit of its financial statements for the year ended June 30, 2022 and issued our report dated March 1, 2023.

We reviewed processes and procedures, read pertinent documents, and performed inquiries, observations, and staff interviews to obtain reasonable assurance regarding whether the Exchange is in compliance with 45 CFR 155 Subparts C, D, E, K, and M in all material respects. We also selected a sample of clients and tested for compliance with requirements under 45 CFR 155 for eligibility determination, verification of data, and enrollment with a Qualified Health Plan (QHP).

## METHODOLOGY

### **Audit Firm Background:**

BerryDunn is a national consulting and certified public accounting firm with a commitment to serving state and local government agencies. BerryDunn was formed in 1974 and has experienced sustained growth throughout its 46-year history. Today, BerryDunn employs 850+ personnel with headquarters in Portland, Maine, and office locations in Arizona, Connecticut, Massachusetts, New Hampshire, West Virginia, and Puerto Rico. The firm has experienced professionals who provide a full range of services, including information technology (IT) consulting; management consulting; and audit, accounting, and tax services.

Those services include conducting Financial and Programmatic audits of multiple State Based Exchanges. We also have completed audits in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, previously referred to as OMB Circular A-133) for several sizable healthcare organizations, many of which receive U.S. Department of Health and Human Services federal grants or funding. In addition, we provide audit services for higher education, social service, and economic development organizations, as well as other entities that receive federal grants and are subject to the Uniform Guidance.

### **Financial Statement Audit:**

We have audited, in accordance with U.S. generally accepted auditing standards 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 the Exchange, for the year ended June 30, 2022, and related notes to the statements, and have issued a report thereon dated March 1, 2023.

### **Programmatic Audit:**

We have examined the Exchange's compliance with the programmatic requirements described in 45 CFR 155 for the year ended June 30, 2022, and have issued a report thereon May 12, 2023.

### **Summary of Programmatic Audit Procedures**

Our audit consisted of specific procedures and objectives to evaluate instances of noncompliance and to test the Exchange's compliance with certain subparts of 45 CFR 155. BerryDunn examined compliance with the requirements under 45 CFR 155, in the following programmatic areas:

- 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)

We reviewed the processes and procedures under 45 CFR 155, in the following programmatic areas to determine whether they were in compliance with the requirements of the ACA:

- Assistors, Navigators, Certified Application Counselors, and Brokers
- Privacy and Security
- Eligibility Processes and Procedures
- Qualified Health Plan (QHP) Certification
- Compliance and Program Integrity
- Contact Center

We reviewed the following documentation, which was obtained directly from the Exchange, or located on either the Exchange website or the CMS website:

- Authorized Representative Designation Form
- Consumer Assistance Functions:
  - Assister Training FY2022
  - Broker Compensation Schedule
  - Broker Registration Agreement 2022
  - CAC Registration Agreement 2022
  - DVHA VHC Rules of Behavior
  - Assister Certification Record
- Eligibility and Enrollment:
  - FPLs for APTC 2022 Benefit Year
  - 2022 APTC Worksheet
  - Disenrollment in VHC Policy
  - DVHA SWI AR-AP Invoice Procedure
  - Eligibility and Enrollment Manual
  - Perform Internal Auto Change
  - Processing Employer Forms
  - QHP Enrollment Standard Operating Procedures
  - Reconciliation Data Remediation Process
- General Functions:
  - Application for Health Coverage
  - FY22 VHC Contract Commitments
- Notices:
  - Additional Verification Notice
  - Annual Redetermination Notice

- Authorization to Obtain Tax Data Notice
- Authorized Representative Form
- Eligibility Determination Notice
- Incomplete Application Notice
- Notice of Renewal
- Notice to Employer
- QHP Renewal Notice Sample
- Organizational Charts:
  - DVHA MASTER Organizational Chart
- Privacy and Security
  - CMS CMA Matching Agreement
  - HIM State Incident Reports
  - IEA CMS and State Based Exchanges
  - Information Security Access Control Policy
  - Information Security Personnel Policy
  - Records Management DVHA Procedure Manual Standard Operating Procedures
  - Records Retention Policy
  - VHC Access Control Policy
  - VHC Privacy Policy
  - VT Plan of Action and Milestones
  - VT Privacy Impact Assessment
  - VT Safeguard Security Report
  - VT SBM SAR
  - VT SBM System Security Plan
  - VT Signed ISA
- QHP Documents:
  - MVP QHP Certification Notification 2022
  - QHP Certification Timeline for Posting
  - QHP Complaints
  - VHC QHP Certification SOP
- Verification Procedures:
  - Acceptable Verification Documents
  - FTI Redetermination for Nonresponse

- MCA Income Verification Processing
- MCA SSN Citizenship Immigration Indian Status Verification Processing
- QHP Verification-Document Processing

In order to understand management and staff responsibilities and processes as they relate to compliance with 45 CFR 155, we interviewed the following Exchange staff:

- Anne Petrow – Oversight and Monitoring Director
- Bill Clark – Medicaid Compliance Officer
- Crystal Bigelow – Community Health Outreach Worker and Navigator
- Dana Houlihan – Director, Enrollment Policy & Plan Management
- Danielle Delong – Health Care Appeals Manager
- Emily Wivell – AHS Information Security Director
- Erica Beer – Community Health Outreach Worker and Navigator
- Gina O'Meara – Community Health Outreach Worker and Navigator
- Greg Needle – AHS Privacy Officer
- Katie Bocchino - Director, Healthcare Integration
- Kellie Groves – VHC Business Process Coordinator
- Molly Sweeney – Director of Eligibility and Enrollment
- Sarah Peterson – Project Manager at Maximus
- Stacy DeSisto, Administrative Services Manager II (Assister Program Manager)
- Zachary Goss – Training and Communication Manager

We interviewed the following staff from agencies other than the Exchange that are involved in functions related to the exchange:

- Anna VanFleet – Director of Rates, Forms, Life, and Health – DFR
- Emily Brown – Deputy Commissioner, Insurance – DFR
- Jamie Gile – Rates and Forms Analyst – DFR
- Laura Beliveau – Staff Attorney - Green Mountain Care Board
- Michael Barber – General Counsel – Green Mountain Care Board
- Geoffrey Battista - Data Analytics Information Chief – Green Mountain Care Board

We analyzed the following information to assess the Exchange's compliance with the requirements of 45 CFR 155:

- From a listing of 32,620 eligibility determination transactions completed between July 1, 2021 and June 30, 2022, we selected 60 cases to test for compliance with eligibility and QHP enrollment rules, and 60 cases to test for compliance with data verification rules.

**CONFIDENTIAL INFORMATION OMITTED**

N/A

## II. AUDIT FINDINGS

N/A

### AUDITOR'S OPINION

We have issued an Independent Auditor's Report on the financial statements for the year ended June 30, 2021, reflecting the following type of opinion:

QUALIFIED

UNQUALIFIED

ADVERSE

DISCLAIMER

### ADDITIONAL COMMENTS

N/A

### III. 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:**

Berry Dunn McNeil & Parker, LLC

**COMPLETION DATE OF AUDIT FINDINGS REPORT:**

May 12, 2023