



**INDEPENDENT EXTERNAL AUDIT:  
2023 AUDIT FINDINGS REPORT**

**SILVER STATE HEALTH INSURANCE EXCHANGE  
(SSHIE)**



# INDEPENDENT EXTERNAL AUDIT: 2023 FINDINGS REPORT

TO: CCIIO STATE EXCHANGE GROUP

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

DATE: February 13, 2024

SUBJECT: AUDIT FINDINGS REPORT FOR NEVADA

AUDIT PERIOD: JULY 1, 2022 – JUNE 30, 2023

## I. EXECUTIVE SUMMARY

### PURPOSE

The purpose of this independent external audit is to assist the State of Nevada in determining whether Silver State Health Insurance Exchange (SSHIE, or the Exchange), which is the Nevada 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: Silver State Health Insurance Exchange

State of SBM: Nevada

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, 2022 through June 30, 2023. 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 February 13, 2024. We also performed an audit of its financial statements for the year ended June 30, 2023 and issued our report dated January 16, 2024.

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 48-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, 2023, and related notes to the statements, and have issued a report thereon dated January 16, 2024.

### **Programmatic Audit:**

We have examined the Exchange's compliance with the programmatic requirements described in 45 CFR 155 for the year ended June 30, 2023, and have issued a report thereon dated February 13, 2024.

### **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:

- 2023 Contracts, including Amendments and Updates to ongoing contracts.
- Board Meeting Minutes
  - Meeting Minutes July 1, 2022 – June 30, 2023
  - Meeting Minutes July 1, 2023 – December 14, 2023
- Exchange Operations Guidelines, Policies, and Procedures:
  - APTC initial enrollment guide
  - Authorized Representative Form
  - CAC Application Form Sample
  - CAC Example Exchange Report
  - Calculating the advance premium tax credit (APTC) document
  - Call Center User Guide
  - Conflict of Interest Form
  - Contact Center Information
  - Desk Guide for Household Composition & Income
  - Enrollment and Premium Payment Processing Guide
  - FPL Information
  - Income Information Authorization to renew coverage (FTI)
  - Member Portal Specifications
  - Navigator Assister CAC Program
  - Navigator Assister Requirements
  - Navigator List
  - Notice of Grant Award
  - NV HealthLink Outreach Marketing Materials
  - NV HealthLink Outreach Program
  - NVHL Policy Manual
  - Spanish Authorized Rep Form
  - SSAP and Eligibility Specifications Manual
  - User Guide
- Notices:
  - Additional Verification Notices
  - Automatic Renewal Notice

- Renewal Notice
- Verification Notice
- Eligibility Determination Notice
- Incomplete Application Notices
- Renewal Notice sent to the Consumer
- Privacy and Security:
  - Acceptable Use Agreements
  - Acceptable Use Policy
  - Data Sharing Agreements
  - IT Policy
  - Plan of Action and Milestones
  - Privacy Impact Assessment
  - Privacy Policy
  - Security and Privacy Awareness and Training Plan
  - System Security Plan (SSP)
  - Third-Party Independent Security Risk Assessment
- QHP:
  - QHP Guidance for Participation Manual
  - Rate Filing Guidance
  - SADP Participation Checklist

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:

- Broker Liason Manager – Rebecca Lomazzo
- Executive Director – Russel Cook
- Information Systems Manager – Max Borgman
- Navigator Program Manager/Benefit Manager – Rosa Alejandre
- Plan Certification Manager – Meagan Werth Ranson
- Policy and Compliance Manger – Brooke Mills
- Policy and Compliance Analyst – Justin Prazak
- Program Resource Coordinator, Nataly Diaz
- Quality Assurance Officer – Shae Starbuck

We also received written responses from the following non-SSHIE staff:

- Actuarial Analyst, Jeremy Christensen

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

- From a listing of 172,897 eligibility determination transactions completed between July 1, 2022 and June 30, 2023, 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, 2023, 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:**

February 13, 2024