



New York State of Health

Performance Audit of
Centers for Medicare and Medicaid Services (CMS)
Rule 9957 Requirements

FINAL REPORT

For the period January 1, 2016–December 31, 2016

May 31, 2017

kpmg.com



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KPMG LLP
515 Broadway
Albany, NY 12207-2974

May 31, 2017

Donna Frescatore
Executive Director
New York State of Health
Corning Tower
Albany, NY 12237

Dear Ms. Frescatore:

This report presents the results of KPMG LLP's (KPMG) work conducted to address the performance audit ("audit") objectives of Work Order 2014-02, related to New York State of Health's (NYSOH) compliance with the Centers for Medicare and Medicaid Services (CMS) Rule 9957 (45 C.F.R. §155) requirements. We conducted our test work during the period August 1, 2016 through May 31, 2017 and our results, reported herein, are as of the 12-month audit period ended December 31, 2016.

We conducted this audit in accordance with Government Auditing Standards (GAS) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and recommendations based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and recommendations based on our audit objectives.

We have evaluated GAS independence standards for performance audits and affirm that we are independent of NYSOH and the relevant subject matter to perform this engagement.

Attached to this letter is our report detailing the background, objective, scope, approach, findings, and recommendations as they relate to the audit.

Based upon the audit procedures performed and the results obtained, we have met our audit objectives. Due to the exceptions noted in detail in this report, we documented findings which could increase NYSOH's risk of ineffective oversight and program integrity practices.

This audit did not constitute an audit of financial statements in accordance with GAS or U.S. Generally Accepted Auditing Standards. KPMG was not engaged to, and did not, render an opinion on NYSOH's internal controls over financial reporting or over financial management systems.

This report is intended solely for the information and use of NYSOH and CMS, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

KPMG LLP

Executive summary

In this section, we provide a summary of the detailed report to follow New York State of Health's (NYSOH) background, objective, scope, approach, and summary of results related to this audit. The remainder of this document details the audit methodology as well as the findings and recommendations that resulted from our test work.

Background

The Patient Protection and Affordable Care Act (ACA) was enacted by the U.S. Congress on October 23, 2010 and established the framework for the operation of health insurance exchanges. Specific regulations were further detailed in the Centers for Medicare and Medicaid Services (CMS) Final Rule 9957, published July 19, 2013 and incorporated into 45 C.F.R. §155. In accordance with general program integrity and oversight requirements, 45 C.F.R. §155.1200 requires entities operating as state-based marketplaces (SBM) to engage an independent qualifying auditing entity which follows generally accepted government auditing standards to perform an annual independent external performance audit. The SBM must ensure that the audit addresses compliance with Rule 9957 generally and specifically with program integrity and oversight requirements; processes and procedures designed to prevent improper eligibility determinations and enrollment transactions; and identification of errors that have resulted in incorrect eligibility determinations. The SBM is required to provide the results of the audit to CMS and publish a public summary of the results.

NYSOH was created on April 12, 2012 pursuant to Executive Order #42. The State of New York declared its intent to the Centers for Medicare and Medicaid Services (CMS) to establish a state-based health benefit exchange on July 9, 2012; submitted an Exchange Blueprint application to CMS on October 26, 2012; and submitted an updated declaration letter on November 14, 2012. NYSOH was granted conditional approval to operate by CMS on December 14, 2012, beginning with the 2014 plan coverage year.

NYSOH is responsible for facilitating enrollment in health coverage and the purchase and sale of Qualified Health Plans (QHPs) in the individual market in this state, and enrolling individuals in health coverage for which they are eligible in accordance with federal law. NYSOH is responsible for enabling eligible individuals to receive premium tax credits and cost-sharing reductions and to enable eligible small businesses to receive tax credits, in compliance with all applicable federal and state laws and regulations. NYSOH administers ACA programs for QHPs and Qualified Dental Plans (QDPs) for eligible individuals, performs eligibility determinations for federal and state subsidies, administers a Small Business Health Options Program (SHOP) for small businesses, and administers a Navigator program.

NYSOH personnel perform various business administration, program oversight, and support functions such as finance, legal, communications, public policy and outreach, plan management, operations and information technology (IT), and member appeals. NYSOH contracts a significant amount of its operations to private vendors (e.g., customer service and call center operations, select financial processing activities, and some IT development and maintenance) and relies on other public agencies and their private vendors to provide other key services relating to core IT systems.

Objective

The objective of this audit was to assess NYSOH's compliance with 45 C.F.R. §155 regulations for the 12-month audit period ended December 31, 2016.

KPMG LLP (KPMG) was responsible for performing the audit in accordance with Government Auditing Standards (GAS) and preparing a written report communicating the results of the audit, including relevant findings and recommendations. These results may include deficiencies in internal controls that are significant within the context of the objective of the audit, any identified instances of fraud or potential illegal acts (unless they are inconsequential within the context of the audit objectives), significant violations of provisions of contracts and grant agreements, and significant abuse that may have been identified as a result of this engagement.

Scope

Program areas subject to audit included processes and controls over:

- IT Privacy and Security
- Eligibility (including appeals)
- Enrollment
- General Exchange functions, including:
 - Call center
 - Governance and oversight functions
 - Data and records management
 - QHP certification
 - SHOP
 - Navigators and assisters.

Approach

The audit was conducted in the following phases: Audit Planning, Information Gathering and Analysis, Audit Execution, and Validation and Reporting. Each phase is described below:

- **Audit Planning:** Our audit planning included meeting with representatives of NYSOH to begin the project, introduce the core team, validate our understanding and the overall scope of the audit, confirm functional areas to be included in the audit, and develop a tailored audit program.
- **Information Gathering and Analysis:** This phase included meeting with NYSOH process owners to initiate the audit; refine our understanding of NYSOH’s relevant activities, processes, and controls during the audit period; obtain supporting documentation; and conduct preliminary test work.
- **Audit Execution:** This phase consisted of reviewing and testing specific procedures to assess NYSOH’s compliance with regulatory criteria and design and operating effectiveness of supporting controls within the IT Privacy and Security, Eligibility, Enrollment, and General Exchange functions.
- **Validation and Reporting:** This phase consisted of developing draft findings and recommended improvements, validating the draft findings with NYSOH process owners, and discussing NYSOH’s plans for corrective action.

Summary of results and findings

As a result of our audit procedures, KPMG identified the following findings relating to specific controls and processes. These are summarized on the following pages. Those findings that appear to have been remediated, or are findings which are repeated from the April 2016 audit report, have been designated as such.

In addition, these findings are explained in greater detail and organized by condition, criteria, cause, effect, and recommendation in the Findings and Recommendations section of this report.

Finding #2016-01 – Navigator conflicts of interest (remediated)

NYSOH did not appear to annually perform Navigator program grantee/sub-recipient conflict-of-interest checks until the last calendar quarter of the audit period.

Finding #2016-02 – CMS reporting (repeat)

NYSOH did not maintain documentation supporting the accuracy and completeness of supporting data used to compile weekly, monthly, quarterly, and ad-hoc reports submitted to CMS.

Finding #2016-03 – Appeals processing (repeat)

NYSOH is not timely resolving appeals. Based on the samples selected and tested:

- There were 3 instances where the appeals resolution notice was sent between 91 and 99 days following receipt of the appeal request.
- There were 8 instances where the appeals resolution notice was sent between 101 and 150 days following receipt of the appeal request.
- There were 12 instances where the appeals resolution notice was sent between 151 and 199 days following receipt of the appeal request.
- There were 6 instances where the appeals decision notification was issued more than 200 days after the initial appeal request, with 246 days as the longest length in time.

Background

The ACA was enacted by the U.S. Congress on October 23, 2010 and established the framework for the operation of health insurance exchanges. Specific regulations were further detailed in the CMS Final Rule 9957, published July 19, 2013 and incorporated into 45 C.F.R. §155. In accordance with general program integrity and oversight requirements, 45 C.F.R. §155.1200 requires entities operating as SBMs to engage an independent qualifying auditing entity which follows generally accepted government auditing standards to perform an annual independent external performance audit. The SBM must ensure that the audit addresses compliance with Rule 9957 generally and specifically with program integrity and oversight requirements, processes and procedures designed to prevent improper eligibility determinations and enrollment transactions, and identification of errors that have resulted in incorrect eligibility determinations. The SBM is required to provide the results of the audit to CMS and publish a public summary of the results.

NYSOH was created on April 12, 2012 pursuant to Executive Order #42. The State of New York declared its intent to the CMS to establish a state-based health benefit exchange on July 9, 2012; submitted an Exchange Blueprint application to CMS on October 26, 2012; and submitted an updated declaration letter on November 14, 2012. NYSOH was granted conditional approval to operate by CMS on December 14, 2012, beginning with the 2014 plan coverage year.

NYSOH is responsible for facilitating enrollment in health coverage and the purchase and sale of QHPs in the individual market in this state, and enrolling individuals in health coverage for which they are eligible in accordance with federal law. NYSOH is responsible for enabling eligible individuals to receive premium tax credits and cost-sharing reductions and to enable eligible small businesses to receive tax credits, in compliance with all applicable federal and state laws and regulations. NYSOH administers ACA programs for QHPs and QDPs for eligible individuals, performs eligibility determinations for federal and state subsidies, administers a SHOP for small businesses, and administers a Navigator program.

NYSOH personnel perform various business administration, program oversight, and support functions such as finance, legal, communications, public policy and outreach, plan management, operations and IT, and member appeals. NYSOH contracts a significant amount of its operations to private vendors (e.g., customer service and call center operations, select financial processing activities, and some IT development and maintenance) and relies on other public agencies and their private vendors to provide other key services relating to core IT systems.

Objective, scope, and approach

Objective

KPMG was engaged to perform a performance audit in accordance with both 45 C.F.R. §155.1200(c) and GAS to assess NYSOH’s compliance with 45 C.F.R. §155 regulations for the 12 months ended December 31, 2016.

KPMG was responsible for preparing a written report communicating the results of the audit, including relevant findings and recommendations. These results should include deficiencies in internal controls that are significant within the context of the objectives of the audit, any identified instances of fraud or potential illegal acts (unless they are inconsequential within the context of the audit objectives), and significant abuse that was identified as a result of this engagement.

In accordance with GAS, KPMG was also required in certain circumstances to report fraud, illegal acts, and violations of provisions of contracts or grant agreements, or abuse that we may detect as a result of this engagement, directly to parties outside the auditee.

Scope

KPMG was engaged to assess NYSOH’s compliance with 45 C.F.R. §155 regulations for the 12 months ended December 31, 2016 and our procedures were limited to the following:

Audit Area	Representative Tasks	Sample Documentation
IT Privacy and Security	<ul style="list-style-type: none"> — Interview IT privacy and security process owners and review process control documentation. — Conduct process walkthroughs to identify and classify key controls for testing, including: <ul style="list-style-type: none"> – Personally Identifiable Information and the confidentiality, disclosure, maintenance, and use of information – Incident management/reporting procedures – Data loss and security breach incidents. — Select samples to test design of key controls and document any findings and recommendations. 	<ul style="list-style-type: none"> — Internal IT control documentation—such as relevant IT security policies, application business rules, and physical security provisions — Reports—incident reporting, user access, etc.
Eligibility (including appeals)	<ul style="list-style-type: none"> — Interview process owners and review process control documentation. — Conduct process walkthroughs to identify and classify key controls for testing including verification of basic applicant data, MAGI eligibility, account update procedures, exemption requests, appeals, and reporting to federal and state agencies. — Select samples to test design and effectiveness of key controls and document any findings and recommendations. 	<ul style="list-style-type: none"> — Internal control documentation—such as policies and procedures for eligibility determinations, account updates and terminations, etc. — Management reports—applications and eligibility determinations activity — Member applications—paper, electronic

Audit Area	Representative Tasks	Sample Documentation
Enrollment	<ul style="list-style-type: none"> — Interview process owners and review process control documentation. — Conduct process walkthroughs to identify safeguards over enrollment actions such as: <ul style="list-style-type: none"> – Enrolling individuals in QHP offerings – Generating and correctly populating Forms 834 – Reporting. — Select samples to test design and effectiveness of key controls and document any findings and recommendations. 	<ul style="list-style-type: none"> — Internal control documentation—such as policies and procedures for new members, terminations, status changes, etc. — Reconciliations with QHP issuers and CMS
General Exchange Functions	<ul style="list-style-type: none"> — Interview process owners of key roles in the target general exchange functions, e.g., call center, compliance management, data/records maintenance. — Review process control documentation for these functions. — Conduct process walkthroughs to identify and classify key controls for testing. — Select samples to test design and effectiveness of key controls and document any findings and recommendations. 	<ul style="list-style-type: none"> — Internal control documentation—policies and procedures on general exchange functions — Customer Service Representative performance reports

KPMG reviewed documents, performed inquiries, observed processes, conducted walkthroughs, and held interviews with NYSOH management and key process owners who perform select program functions.

KPMG identified controls through our walkthroughs with NYSOH process owners and reviewed applicable third-party reports relating to applicable program requirements and identified gaps based on process objectives and associated risks. KPMG conducted Tests of Design to consider whether the control, individually or in combination with other controls, is capable of effectively preventing or detecting and correcting noncompliance as well as with the exception of IT Privacy and Security area, and Tests of Operating Effectiveness to consider whether the control was implemented and operates in a manner appropriate to accomplish the control objective. We tested processes and identified controls and oversight activities within the audit scope and identified several findings indicating deficiencies in internal control activities.

Specific to 45 C.F.R. §155.1200(c), our scope of work was designed to assess overall compliance with 45 C.F.R. §155, NYSOH’s processes and procedures designed to prevent improper eligibility determinations and enrollment transactions, and identification of errors that may have resulted in incorrect eligibility determinations.

Approach

The audit was conducted in the following phases: Audit Planning, Information Gathering and Analysis, Audit Execution, and Validation and Reporting. Each phase is described below.

- **Audit Planning:** The first phase of this project involved embedding performance audit project management protocols to effectively conduct the audit, manage stakeholder expectations, and execute communications protocols from the outset. A formal Project Kickoff Meeting was held to introduce key NYSOH stakeholders to the KPMG engagement team and confirm our mutual understanding of the audit scope and objectives for the Year 3 audit. In addition, individual kickoff meetings were held to discuss the audit time line, scope, preliminary risks, and document request lists for each workstream. During the course of the audit, weekly status meetings were conducted with the NYSOH Administrative Officer serving as the principal NYSOH liaison and monthly status meetings were also held with Executive Director Donna Frescatore. Each workstream also held biweekly status calls with their process owners.
- **Information Gathering and Analysis:** Following Audit Planning, this phase involved further developing our understanding of NYSOH’s activities, processes, and controls for the audit period and developing our audit approach. Specifically, we performed the following tasks:
 - Reviewed existing documentation: We obtained background documentation from NYSOH process owners including, where applicable, policies and procedures, process flows, sample management reports, and other background documentation. We reviewed this documentation to augment and refine our team’s understanding of NYSOH’s control environment and control activities.
 - Conducted interviews, walkthroughs, and high-level process reviews: We met with relevant NYSOH process owners, line management, and staff to expand our understanding of the specific and general exchange functions identified in our audit scope. We sought to develop our understanding of the interactions, respective duties, and responsibilities of key roles in targeted general function areas and corresponding key procedures.
- **Audit Execution:** This phase consisted of finalizing our audit program and executing tests of NYSOH’s controls and compliance with regulatory requirements within 45 C.F.R. §155. This involved the following activities:
 - Reviewing and testing select procedures to assess the processes around high-risk IT Privacy and Security control areas following the Minimum Acceptable Risk Standards for Exchanges control catalog
 - Reviewing and testing safeguards over member eligibility determinations, and appeals
 - Reviewing and testing safeguards over enrollment actions such as enrolling individuals in QHP offerings and generating enrollment reporting forms
 - Reviewing and testing specific procedures relating to oversight and financial integrity responsibilities of general exchange functions, including call center operations and vendor management, governance activities, navigator and assister programs, QHP/QDP certification, and the SHOP program.
- **Validation and Reporting:** This phase consisted of validating the draft findings with NYSOH process owners, developing findings and recommendations for improvement, and obtaining NYSOH’s plans for corrective action. Our detailed findings are documented further below in the Results section.

Procedures and methodology

We reviewed the requirements of 45 C.F.R. §155 to identify audit objectives relevant to NYSOH's exchange functions. We performed this engagement in accordance with GAS and developed audit programs and testing procedures in accordance with GAS and KPMG audit methodologies.

- **Document review, interview, and walkthrough procedures:** We reviewed CMS Final Rule 9957 and associated regulations under 45 C.F.R. §155 to identify compliance requirements subject to this audit. KPMG worked with NYSOH management to identify process owners for key activities and performed interviews and walkthroughs to document processes and control activities existing during the audit period. Based on this information, KPMG requested supporting documentation to help confirm our understanding of the process activities and controls identified and developed audit procedures to test the design and operating effectiveness of identified controls.
- **Sample testing approach:** In support of testing the design and effectiveness of select controls, KPMG made sample selections of transactions and other control activities to perform test procedures. One of the factors that one may consider necessary when determining the extent of evidence necessary to persuade us that the control is effective is the risk of failure of the control. As the risk of failure of the control decreases, the evidence that we obtain also decreases. Conversely, as the risk of failure of the control increases, the evidence we obtain also increases such that we might choose to obtain more persuasive audit evidence or otherwise adjust testing procedures. This allows us to vary the evidence obtained for each individual control based on the risk of failure of the individual control.
- **Consideration of fraud, illegal acts, misconduct, and abuse:** In planning the audit, we had a responsibility to gather and review information to identify and assess the risk of fraud occurring that is significant within the context of audit objectives. When fraud risk factors were identified that the engagement team believed were significant within the context of the audit objectives, we had the responsibility to design procedures to provide reasonable assurance of detecting if such fraud occurred or is likely to have occurred. Assessing the risk of fraud is an ongoing process throughout the audit and relates not only to planning the audit but also to evaluating evidence obtained during the audit. We considered the risks of potential fraud, misconduct, and abuse within each testing area and adjusted testing procedures and sample sizes accordingly based on potential risks. Examples of approach modifications we applied for higher-risk testing areas included increasing sample size, adjusting timing of testing procedures to focus on higher-risk periods, applying judgmental selection of samples, applying analytic procedures, and applying more precise tests. We also conducted specific discussions with the Executive Director and Chief Administrative Officer regarding potential exposures for fraud risk.

Results - Findings and recommendations

Introduction

In accordance with GAS, KPMG prepared this report communicating the results of the completed audit, including relevant findings and recommendations. The findings presented as part of this engagement are restricted to the use stipulated in our contract. We disclaim any intention or obligation to update or revise the findings whether as a result of new information, future events, or otherwise. Should additional documentation or other information become available that impacts the findings reached in our deliverable, we reserve the right to amend our findings and summary documents accordingly.

Summary of findings

Our detailed findings are noted below. Please note that each finding is split into five areas:

Condition: Explains the issue found as part of the audit

Criteria: Explains the requirements related to the issue and a determination of how criteria and processes should be executed

Cause: Assessment of the source of the risk area

Effect: Potential result if the condition continues

Recommendation: A short discussion on what should be done to improve the identified condition.

As a result of our audit procedures, we identified findings relating to specific controls and processes that were subject to review. These findings are detailed further below and on the following page.

CMS Rule 9957 generally requires state exchanges to perform oversight and financial integrity activities over exchange operations, keep an accurate accounting of receipts and expenditures, and perform monitoring and reporting activities on exchange-related activities. GAS further defines internal controls to include the processes and procedures for planning, organizing, directing, and controlling program operations and management's system for measuring, reporting, and monitoring program performance. KPMG identified controls through our walk-throughs with NYSOH process owners and identified gaps based on process objectives and associated risks. We tested identified processes and controls, and oversight activities within the audit scope and identified several findings indicating deficiencies in internal control activities. These deficiencies could increase NYSOH's risks of ineffective oversight and program integrity practices.

Finding #2016-01 – Navigator conflicts of interest (remediated)

Condition: NYSOH did not appear to annually perform Navigator program grantee/sub-recipient conflict-of-interest checks until the last calendar quarter of the audit period.

Criteria: Standards for reporting on Navigators/Assisters conflicts of interest are defined in 45 C.F.R. 155.210(d) and 155.210(E)(iv), which states that the Exchange must ensure that a Navigator must not have a conflict of interest during the term as Navigator.

Cause: NYSOH did not appear to have an established process to monitor potential conflicts of interest throughout the duration of the navigator service arrangement until the last calendar quarter of the audit period.

Effect: NYSOH may not be able to identify and remediate conflicts of interest impacting Navigator grantee organizations and/or their subrecipients, potentially resulting in incidents of noncompliance.

Recommendation: Develop a procedure to perform periodic monitoring of potential conflicts of interest of Navigator grantee organizations (and their subrecipients) throughout the contract term on an ongoing basis.

Finding #2016-02 – CMS reporting (repeat)

Condition: NYSOH did not maintain documentation supporting the accuracy and completeness of supporting data used to compile weekly, monthly, quarterly, and ad-hoc reports submitted to CMS.

Criteria: CMS reporting requirements as defined in 45 C.F.R. 155.1200(b) require that a State Exchange must collect and report to HHS performance monitoring data and, per 45 C.F.R. § 155.1210, the Exchange must maintain documents, records, and other evidence which is sufficient to accommodate periodic auditing of the Exchange.

Cause: Limitations with the current technology supporting the reporting function prevent the ability to test the completeness and accuracy of audit data when compiling CMS reports.

Effect: Inability to provide evidence and supporting data sufficient for audit puts NYSOH at risk of noncompliance with federal health benefit exchange regulations.

Recommendation: Consider the following:

- Revise existing technology platform to allow capability to re-performance of data aggregation and report compilation.

Finding #2016-03 – Appeals processing (repeat)

Condition: NYSOH is not timely resolving appeals. Based on the samples selected and tested:

- There were 3 instances where the appeals resolution notice was sent between 91 and 99 days following receipt of the appeal request.
- There were 8 instances where the appeals resolution notice was sent between 101 and 150 days following receipt of the appeal request.
- There were 12 instances where the appeals resolution notice was sent between 151 and 199 days following receipt of the appeal request.
- There were 6 instances where the appeals decision notification was issued more than 200 days after the initial appeal request, with 246 days as the longest length in time.

Criteria: Under §155.520(b)–(c), the Exchange must issue written notice of appeals decisions to appellants within 90 days of the date of an appeal request, as administratively feasible.

Cause: Based on conversations with NYSOH, the Appeals Unit was short on staff during the audit period and was unable to process appeals cases on a timely basis within the scope of the regulation. The scheduling of hearings was the component of the appeals resolution process that caused most significant delays. In the case where the notice of appeal resolution was sent 199 days after the appeal request, this case had required additional legal research to be conducted, which delayed the Notice of Decision.

Effect: Appellant may not be aware of his/her appeal decision and may not have an opportunity to timely challenge the eligibility determination potentially impacting his/her ability to obtain health insurance coverage. The lack of staff may also create customer service and satisfaction issues.

Recommendation: Consider augmenting staff, modifying processes and incorporating technology enhancements to help ensure all appeals are resolved timely.

Management's response and corrective action plan

Finding #2016-01 – Navigator conflicts of interest (remediated)

Report recommendation: Develop a procedure to perform periodic monitoring of potential conflicts of interest of Navigator grantee organizations (and their subrecipients) throughout the contract term on an ongoing basis.

Description of remediation: On December 22, 2016, a request was sent to Navigator agencies to provide an updated conflict of interest disclosure statement for their agency and their subcontractors.

Milestone, target to complete, actual completion date: All conflict of interest disclosure statements for Navigator agencies and their subcontractors have been received.

Plans to monitor and validate: Conflict of interest disclosure statements are provided to NY State of Health legal staff for review.

Responsible person/entity: Director, Bureau of Child Health Plus Policy and Exchange Consumer Assistance

Finding #2016-02 – CMS reporting (repeat)

Report recommendation: Consider the following:

- Revise existing technology platform to allow capability to re-performance of data aggregation and report compilation.

Description of remediation: NYSOH produces weekly, monthly, and quarterly reports using CMS required templates. Data aggregation and report compilation is compliant with federal reporting requirements and the accuracy, and completeness of the reports is thoroughly testing by both NYSOH Policy & Planning staff, and NYSOH's IT vendor. NYSOH's eligibility and enrollment data is stored in compliance with Federal Maintenance of Records requirements.

Data used to generate the reports is contained a database, and NYSOH used Cognos to retrieve these reports. The auditors observed NYSOH staff present a snapshot of weekly and monthly reports, but sought to independently recreate past reports and were not able to because of how the data is currently stored. Ongoing IT enhancements planned for 2017 and 2018 will permit auditors to create past reports.

Milestone, target to complete, actual completion date: NYSOH will continue to develop functionality during 2017 that will enable manual recreation of CMS metrics submissions.

Plans to monitor and validate: NYSOH Policy and Planning staff will work closely with NY State of Health systems staff to continue to monitor the development of functionality that will allow retrospective creation of CMS metrics submissions.

Responsible person/entity: NYSOH Director of Policy and Planning

Finding #2016-03 – Appeals processing (repeat)

Report recommendation: Consider augmenting staff, modifying processes and incorporating technology enhancements to help ensure all appeals are resolved timely.

Description of remediation:

- Augmenting staff – Appeals Unit Hearing Officers have increased from nine to eleven since the review period. The Unit has requested hearing officers and support staff.

- Modifying processes and incorporating technology enhancements – in September 2016 the Unit began a pilot project to identify individuals waiting in line for an appeal to be scheduled who no longer needed their appeal. The purpose was to reduce wait time for those who actually need a hearing. The project was developed based on monthly hearing data indicating that more than 60% of appellants were withdrawing at the time of their hearing or defaulting on their hearing because they no longer needed it. The project has been very successful. Approximately 45% of hearings are removed from the queue based on the new process. This has reduced the default and withdrawal rate from 60% to under 30% and had improved timely access to hearings for those who need them.

Milestone, target to complete, actual completion date: Four Hearing Officers have been hired since the fall of 2016. NYSOH must follow Civil Service procedures to hire additional Hearing Officers and support staff. We anticipate two additional Hearing Officers and three support staff to be hired by September 2017.

Plans to monitor and validate: The Appeals Unit Director is working closely with the Department of Health's Human Resources office, the Department of Civil Service and the Director of the Office of Marketplace Counsel to ensure that qualified applicants are interviewed, evaluated, and processed efficiently.

Responsible person/entity: Director, Office of Marketplace Counsel

Appendix A – List of interviewed personnel

Title
Director of Quality Management and Change Control
Bureau Director, CHPlus Policy and Exchange Customer Assistance
Division Director, Eligibility and Marketplace Integration
Director of Finance
Administrative Officer
Human Resources Manager
Project Coordinator/Assistant Health Care Management Systems Analyst
Executive Director, NYSOH
Project Coordinator
Principal Hearing Officer
Deputy Director, NYSOH
Project Coordinator/Assistant Public Information Officer
Project Coordinator/Medical Assistance Specialist 2
Deputy Director, NYSOH Systems
Associate Counsel
Project Coordinator
Associate Internal Auditor/Project Coordinator
Director, SHOP
Regional Representative
Acting Director, Office of Quality and Patient Safety
Assistant Director, Policy and Planning
PeopleSoft Specialist – HBITS Contractor
Contract Management Specialist
Health Program Administrator II
Special Assistant

Appendix B – Glossary of terms

ACA	Patient Protection and Affordable Care Act
C.F.R.	Code of Federal Regulations
CHP	Child Health Plus
CMS	Centers for Medicare and Medicaid Services
CSR	Customer Service Representative
GAS	Government Auditing Standards
HHS	Health and Human Services
IT	Information Technology
NYSOH	New York State of Health
QDP	Qualified Dental Plan
QHP	Qualified Health Plan
SBM	State-based Marketplace
SHOP	Small Business Health Options Program

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