



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, 2017–December 31, 2017

March, 2018

kpmg.com



KPMG LLP
515 Broadway
Albany, NY 12207-2974

March 30, 2018

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 testwork during the period September 21, 2017 through March 15, 2018 and our results, reported herein, are as of the 12-month audit period ended December 31, 2017.

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

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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 testwork.

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, 2017.

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
 - Quality Reporting Standards (QRS)
 - 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 testwork.
- **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 June 1, 2017 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 #2017-01 – CMS reporting (repeat)

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

Finding #2017-02 – Appeals processing (repeat and remediated)

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

- One appeal was resolved in over 90 days, but in less than 99 days following receipt of the appeals request.
- There were 11 instances where appeals were resolved in over 100 days following receipt of the appeals request.

Finding #2017-03 – Immigration status verification

NYSOH processed two cases where an I-797C form was accepted for verification of lawful immigration status within the allowable 90 day period without other supporting documentation (such as an Employment Authorization Document). An I-797C form, depending upon its content, may not indicate lawful presence on its own, and further documentation is necessary to validate immigration status in those instances.

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, 2017.

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, 2017 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 walk-throughs 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 walk-throughs 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 walk-throughs 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 walk-throughs 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 walk-throughs, and held interviews with NYSOH management and key process owners who perform select program functions.

KPMG identified controls through our walk-throughs 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 4 audit. In addition, individual kickoff meetings were held to discuss the audit time line, scope, preliminary risks, and document request lists for each work stream. During the course of the audit, weekly status meetings were conducted with the NYSOH Administrative Officer serving as the principal NYSOH liaison.
- **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, walk-throughs, 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 walk-through 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 walk-throughs 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 selected 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 #2017-01 – CMS reporting (repeat)

Condition: NYSOH did not maintain documentation supporting the accuracy and completeness of supporting data used to compile weekly, monthly, 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 revising the existing technology platform to allow capability to re-perform data aggregation and report compilation.

Finding #2017-02 – Appeals processing (repeat & remediated)

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

- One appeal was resolved in over 90 days, but in less than 99 days following receipt of the appeals request.
- There were 11 instances where appeals were resolved in over 100 days following receipt of the appeals request.

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: The Appeals Unit endured a staff shortage during the early part of the audit period and was unable to process appeals cases on a timely basis within the scope of the regulation. During the course of the audit year, however, the Appeals Unit made corrective changes, including hiring additional hearing officers and support staff. Unit leaders also worked with their Call Center vendor to implement a new Appeals Scheduling Outreach Process oriented toward confirming appellant appointments and reducing late cancellations or no-shows.

Effect: An 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: Please note that this finding was remediated during the second half of the calendar year. Consider acquiring and implementing a case management tool to better enable unit management to perform this oversight effectively and efficiently.

Finding #2017-03 – Immigration status verification

Condition: NYSOH processed two cases where an I-797C form was accepted as verification of lawful immigration status without other supporting documentation (such as an Employment Authorization Document) within the allowable 90 day period. An I-797C form may not on its own indicate lawful presence and, as such, further documentation may be necessary to validate immigration status in those instances.

Criteria: 45 CFR §155.315 (f) requires the Exchange to provide applicants 90 days to verify inconsistencies between self-attested information and information obtained from automated data sources. If the Exchange is unable to resolve the inconsistency within 90 days, it must determine the applicant's eligibility based on information obtained from supplemental data sources and notify the applicant of the failure to verify the attestation. Furthermore USCIS guidance indicates that the I-797C is only a receipt proving an applicant has submitted a benefit request and does not reflect whether the applicant is eligible for an immigration benefit. (See also content of Department of Homeland Security Form I-797C, Notice of Action)

Cause: The issues were caused by a customer service representative (CSR) processing error.

Effect: The applicants were permitted to enroll in coverage without adequate verification of their immigration status.

Recommendation: Consider the following actions:

- Investigate possibilities for creating one or more edit checks into the NYSOH system to prompt a request to solicit additional documentation from immigrant noncitizen applicants who may need to provide more than one document to verify/validate their Permanently Residing Under the Color of Law (PRUCOL) status.
- Refine immigration guidance documents to help ensure that customer service staff understand what the I-797C represents, and which applicants need to provide a valid Employment Authorization Document (EAD) in addition to an I-797C.
- Update the Immigration Documentation Desk Guide to provide additional clarification for CSR staff when interacting with members and applicants providing manual verification documentation.

Management's response and corrective action plan

Finding #2017-01 – CMS reporting (repeat)

Recommendation: Consider revising the existing technology platform to allow capability to re-perform data aggregation and report compilation.

Description of remediation: NYSOH continues to produce weekly, monthly and ad-hoc reports using CMS required templates while remaining compliant with federal reporting requirements related to Data aggregation and report compilation. Reporting and data maintenance is subject to thorough accuracy, and completeness checks by both NYSOH Policy & Planning staff, and NYSOH's IT vendor. Additionally, NYSOH's eligibility and enrollment data is stored in compliance with Federal Maintenance of Records requirements.

Data used to generate the reports is contained in a relational database which is updated frequently to maintain the most current, accurate information for reporting and NYSOH uses 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 there is currently no platform for them to access and manipulate the data. Ongoing IT enhancements planned for 2018 and 2019 will permit auditors to create past reports.

Milestone, target to complete, actual completion date: NYSOH will continue to develop functionality during 2018 that will enable manual recreation of CMS metrics submissions.

Plans to monitor and validate: NYSOH Policy and Planning staff will continue to work closely with NY State systems staff 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 #2017-02 – Appeals processing (repeat & remediated)

Report recommendation: Please note that this finding was remediated during the second half of the calendar year. Consider acquiring and implementing a case management tool to better enable unit management to perform this oversight effectively and efficiently.

Description of the remediation: During the course of the audit year, the Appeals Unit made corrective changes, including hiring additional hearing officers and support staff. Unit leaders also worked with their Call Center vendor to implement a new Appeals Scheduling Outreach Process oriented toward confirming appellant appointments and reducing late cancellations or no-shows.

Milestone, target to complete, actual completion date: Additional hearing officers and support staff were hired throughout the year to meet consumer demand for appeal hearings. The Appeals Scheduling Outreach Process has been fully implemented and continues on an ongoing basis.

Plans to monitor and validate: The Appeals Unit will continue to assess hearing volume and staffing levels and will hire additional staff as needed. Unit leaders will also continue to monitor the Appeals Scheduling Outreach Process with the Call Center vendor.

Responsible person/entity: Director, NY State of Health Appeals Unit.

Finding #2017-03 – Immigration status verification

Report recommendation

— Consider the following actions:

- Investigate possibilities for creating one or more edit checks into the NYSOH system to prompt a request to solicit additional documentation from immigrant noncitizen applicants who may need to provide more than one document to verify/validate their Permanently Residing Under the Color of Law (PRUCOL) status.
- Refine immigration guidance documents to help ensure that customer service staff understand what the I-797C represents, and which applicants need to provide a valid Employment Authorization Document (EAD) in addition to an I-797C.
- Update the Immigration Documentation Desk Guide to provide additional clarification for CSR staff when interacting with members and applicants providing manual verification documentation.

Description of remediation

Department of Health (DOH) Immigration Policy staff will investigate possibilities for building one or more edits into the NYSOH system to prompt a request, with revisions to consumer notices and key messages, to solicit additional documentation from immigrant non-citizen consumers who need to provide more than one document to verify/validate their PRUCOL status.

The Immigration Documentation Desk Guide has been updated and is going through the approval process. Once approved, additional clarification will be provided to ensure Customer Service staff and Certified Assistors are clear on when to delineate between PRUCOL and Residual PRUCOL, and when to inform a consumer that additional documentation of immigration status must be provided.

DOH Immigration Policy staff have incorporated language and resources into policy documents to ensure that all staff clearly understand that the I-797 (regardless of the suffix) must be reviewed to identify;

— the specific action that USCIS has taken

— when the status of a non-citizen's application to USCIS is pending or awaiting further action

— when additional documents must be provided to determine a consumer's immigration status

Milestone, target date to complete

DOH Immigration Policy staff will issue the updated Immigration Documentation Desk Guide, corresponding General Information System (GIS) message and provide additional clarification to Customer Service and Certified Assistor staff by June 1, 2018.

Plans to monitor and validate

DOH monitors Customer Service's validation of verification documentation on a monthly basis as part of its quality assurance oversight. This process will continue.

Responsible person/entity

Director, Bureau of Eligibility Operations, Oversight and Support

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 III
Special Assistant

Appendix B – Glossary of terms

(PP)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
QRS	Quality Reporting Standards
SBM	State-Based Marketplace
SHOP	Small Business Health Options Program
USCIS	United States Citizenship and Immigration Services

Contact us

Rory Costello

Principal

+ (518) 427 4826
rcostello@kpmg.com

David Gmelich

Director

+ (617) 988 1047
dgmelich@kpmg.com

www.kpmg.com

kpmg.com/socialmedia



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