



**INDEPENDENT EXTERNAL AUDIT:  
2023 AUDIT FINDINGS REPORT  
MINNESOTA HEALTH INSURANCE MARKETPLACE (MNSURE)**



# INDEPENDENT EXTERNAL AUDIT: 2023 FINDINGS REPORT

TO: CCIIO STATE EXCHANGE GROUP

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

DATE: MAY 22, 2024

SUBJECT: AUDIT FINDINGS REPORT FOR MINNESOTA

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 Minnesota in determining whether the Minnesota Health Insurance Marketplace (MNSure, or the Exchange) d/b/a MNSure, which is the Minnesota State-Based Marketplace (SBM), was in compliance with the programmatic requirements set forth by the Centers for Medicare & Medicaid Services (CMS) during the audit period.

Name of SBM: MNSure

State of SBM: Minnesota

Name of Auditing Firm: BerryDunn

Our responsibility was to perform a programmatic audit to report on MNSure'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 U.S. generally accepted governmental auditing standards (GAGAS) to perform an annual independent external 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 examination of MNSure'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. The engagement did not include an audit of the Financial Statements of MNSure nor did it include an examination of MNSure's financial controls and

compliance with the financial accounting and reporting requirements of 45 CFR 155. We completed an examination of MNsure's compliance with the applicable programmatic requirements under 45 CFR 155 and issued our reports dated May 22, 2024.

We reviewed processes and procedures, read pertinent documents, and performed inquiries, observations, and staff interviews to obtain reasonable assurance regarding whether MNsure is in compliance with 45 CFR 155 in all material respects. We also selected a sample of MNsure's eligibility and enrollment transactions 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 Government Consulting Group dedicated to serving state and local government agencies. BerryDunn was formed in 1974 and has experienced sustained growth throughout its 50-year history. Today, BerryDunn employs 800+ 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/or 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.

### **Programmatic Audit:**

We have examined MNsure'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 May 22, 2024.

**Summary of Programmatic Audit Procedures:**

Our audit consisted of specific procedures and objectives to evaluate instances of noncompliance and to test MNsure'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 in order to determine whether they were in compliance with the requirements of the ACA:

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

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

- Brokers:
  - MNsure Broker Manual
- Contact Center:
  - Contact Center Training 2022-23 Final
- Contracts and Amendments:
  - Language Line Contract
- Eligibility and Enrollment:
  - MNsure Verifications Manual
  - Eligibility Notice
- General Exchange Policies and Procedures:
  - Authorized Representative Form
  - MNsure Annual Report
  - Outreach Grant
  - Participant Training Guide
- Navigators:
  - Individual Market Policy Manual
  - Navigator Contract
  - Navigator Contract Template
  - Navigators and Certified Application Counselors (CAC) Excel file

- Navigator In-Person Contract Template
- Navigator IPA Contract
- Navigator Tribal Nation Contract
- Certified Application Counselor (CAC) Contract Template
- Certified Application Counselor (CAC) Agreement
- Certified Application Counselor (CAC) Agreement Application
- Organization Chart
- Privacy and Security:
  - Computer Matching Agreement
  - Data Sharing and Business Associate Agreement Terms and Conditions
  - Data Use Agreement
  - Minimum Acceptable
  - Privacy Impact Assessment (PIA)
  - Record Retention Policy
  - Safeguard Security Report (SSR)
  - System Security Plan (SSP)
  - Third Party Security Assessment
- Qualified Health Plan (QHP)
  - Application for Healthcare Coverage

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

- 1095 & Plan Data Specialist
- Business Operations and Contact Center Director
- Director of Individual Market Policy, Eligibility, and Enrollment
- Manager, Plan Management
- Plan Management & Carrier Relations Director
- Policy Director and Privacy Officer
- Senior Director of Partner Relations

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

Minnesota Department of Health:

- Manager, Manage Care Systems, Health Policy Division
- Principal Regulatory Analyst, Health Policy Division
- Senior Health Care Program Investigator, Health Policy Division

Minnesota Department of Commerce:

- Actuarial Analyst
- Actuarial Consultant
- Chief Health Actuary

- Grant Program Manager
- Health Insurance Supervisor
- Health Rate and Form Coordinator

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

- A listing of 1,599,288 eligibility determination transactions completed between July 1, 2022, and June 30, 2023. We selected 125 cases to test for compliance with eligibility and enrollment rules. We selected 95 cases to test for compliance with verification rules.

**CONFIDENTIAL INFORMATION OMITTED**

N/A

**II. AUDIT FINDINGS****MATERIAL NONCOMPLIANCE**

None

**MATERIAL WEAKNESS IN INTERNAL CONTROL OVER COMPLIANCE**

None

**SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL OVER COMPLIANCE**

None

**PROGRAMMATIC AUDITOR'S OPINION**

QUALIFIED

UNQUALIFIED

ADVERSE

DISCLAIMER

**ADDITIONAL COMMENTS**

N/A

**III. FINANCIAL STATEMENT AUDITOR'S OPINION**

Not included in BerryDunn's Engagement.



**IV. CONCLUSION**

Based on a review of the documentation required for this report, in our opinion, MNsure complied with the requirements of 45 CFR 155, Subparts C, D, E, and K during the year ended June 30, 2023, in all material respects.

**SIGNATURE OF AUDIT FIRM:**Berry Dunn McNeil & Parker, LLC**COMPLETION DATE OF AUDIT  
FINDINGS REPORT:**May 22, 2024



# Minnesota Health Insurance Marketplace d/b/a MNsure

PROGRAMMATIC COMPLIANCE REPORT

Year Ended June 30, 2023

With Independent Accountant's Report



## INDEPENDENT ACCOUNTANT'S REPORT

Minnesota Health Insurance Marketplace d/b/a MNsure  
Board of Directors and Management

### Report on Compliance

We have examined MNsure's (the Exchange), an enterprise fund of the State of Minnesota, assertion that the Exchange operated in compliance with the requirements in Title 45, Code of Federal Regulations, Part 155 (45 CFR 155), Subparts C, D, E, K, and M during the fiscal year July 1, 2022, to June 30, 2023. The Exchange's management is responsible for its assertion. Our responsibility is to express an opinion on the Exchange's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Exchange's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about the Exchange's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Exchange's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Exchange's compliance with specified requirements.

In our opinion, the Exchange's assertion that it complied with the requirements of 45 CFR 155, Subparts C, D, E, K, and M described above during the year ended June 30, 2023, is fairly stated, in all material respects.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, on our consideration of the Exchange's internal control over compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is solely to describe the scope of our testing of internal control over compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Exchange's internal control over compliance. That report is an integral part of an examination performed in accordance with *Government Auditing Standards* in considering the Exchange's internal control over compliance.

Board of Directors and Management  
Minnesota Health Insurance Marketplace d/b/a MNsure

**Intended Use**

This report is intended to describe the scope of our examination of compliance and the results of the examination based on attestation standards established by the AICPA and *Government Auditing Standards* and it is not suitable for any other purpose.

*Berry Dunn McNeil & Parker, LLC*

Portland, Maine  
May 22, 2024



**INDEPENDENT ACCOUNTANT'S REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE WITH REQUIREMENTS OF TITLE 45, PART 155,  
SUBPARTS C, D, E, K, AND M OF THE CODE OF FEDERAL REGULATIONS**

Minnesota Health Insurance Marketplace d/b/a MNsure  
Board of Directors and Management

We have examined, in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the assertion that MNsure (the Exchange), an enterprise fund of the State of Minnesota, operated in compliance with the requirements in Title 45, Code of Federal Regulations, Part 155 (45 CFR 155), Subparts C, D, E, K, and M during the fiscal year July 1, 2022 to June 30, 2023. We have issued our report on the Exchange's assertion of compliance with the above stated requirements dated May 22, 2024, which contained an unmodified opinion.

Management of the Exchange is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements described in 45 CFR 155, Subparts C, D, E, K, and M. In planning and performing our examination of the Exchange's assertion of compliance, we considered the Exchange's internal control over compliance with the requirements described above as a basis for designing examination procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those requirements, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Exchange's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the second paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *Government Auditing Standards*. Accordingly, this report is not suitable for any other purpose.

Board of Directors and Management  
Minnesota Health Insurance Marketplace d/b/a MNsure

*Berry Dunn McNeil & Parker, LLC*

Portland, Maine  
May 22, 2024