

**Independent External Audit:**  
**Washington Health Benefit Exchange**  
**State of Washington**  
**July 1, 2023 to June 30, 2024**  
**Audit Findings Report**

# Independent External Audit: 2024 Findings Report

TO: WASHINGTON HEALTH BENEFIT EXCHANGE

FROM: BDMP Assurance, LLP (BerryDunn)

DATE: April 2, 2025

SUBJECT: AUDIT FINDINGS REPORT FOR WASHINGTON

AUDIT PERIOD: July 1, 2023 – June 30, 2024

## I. EXECUTIVE SUMMARY

### PURPOSE:

The purpose of this independent external audit is to assist the State of Washington in determining whether the Washington Health Benefit Exchange (WAHBE or the Exchange), the Washington State-Based Marketplace (SBM), was in compliance with the financial and programmatic requirements set forth by the Centers for Medicare & Medicaid Services (CMS) during the audit period.

Name of SBM: Washington Health Benefit Exchange (WAHBE)

State of SBM: Washington

Name of Auditing Firm: BerryDunn

Our responsibility was to perform a financial and programmatic audit to report on WAHBE'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 WAHBE's compliance with the programmatic requirements under 45 CFR 155, Subparts C, D, E, K, and M for the 12-month period July 1, 2023, through June 30, 2024. We conducted our examination in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We completed an examination of WAHBE's compliance with the applicable programmatic requirements under 45 CFR 155 and issued our reports dated April 2, 2025.

We reviewed processes and procedures, read pertinent documents, and performed inquiries, observations, and staff interviews to obtain reasonable assurance regarding whether WAHBE is in compliance with 45 CFR 155 in all material respects. We also selected a sample of 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 multiple practice groups 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 900+ personnel with headquarters in Portland, Maine—and office locations in Arizona, Connecticut, Hawaii, 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.

### **Financial Statement Audit:**

We have audited, in accordance with U.S. generally accepted auditing standards (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WAHBE, for the year ended June 30, 2024, and related notes to the statements, and have issued a report thereon dated October 29, 2024.

### **Programmatic Audit:**

We have examined WAHBE's compliance with the programmatic requirements described in 45 CFR 155 for the year ended June 30, 2024, and have issued a report thereon dated April 2, 2025.

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

Our audit consisted of specific procedures and objectives to evaluate instances of noncompliance and test WAHBE'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
- Compliance and Program Integrity
- Contact Center
- Eligibility and Enrollment Processes and Procedures
- Privacy and Security
- Qualified Health Plan (QHP) Certification

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

- Assister Materials
  - Active Brokers List
  - Assister, CAC, Navigator Attestations of Confidentiality/Conflict of Interest/Privacy and Security
  - List of Assisters and their certification dates
  - List of Navigators, IPAs and CACs that operated during the audit period, and certification records
  - Navigator/CAC/Assister Training Materials (QHP Training, PII Training, Metal Level Training, Eligibility Standards Training, etc...)
  - Navigator Code of Ethics
  - Policy/Procedure Manual and Guides for Navigator/CAC/Assister
- Contracts and Amendments:
  - Assister Contract Template
  - CAC Contract Template
  - Language Line Contract
  - Navigator Contract Template
  - WAHBE - User Attestation Agreement
- Eligibility and Enrollment:
  - 2024 Carrier Enrollment and Payment Process Manual
  - 95-Day Conditional Verification period
  - American Indian and Alaskan Native Verification Process
  - Apple Health (Medicaid) Eligibility Factors
  - APTC Calculator
  - Eligibility Policy Manual
  - Incarceration Verification Process
  - Income Verifications Process
  - Lawful Presence and Citizenship Verification
  - Medicare and Conditional Eligibility Verification
  - Minimum Essential Coverage Verification
  - WAHBE Metal Level Guide

- General Exchange Policies and Procedures:
  - 2024 Exchange Notices
  - Application for Health Coverage
  - Disability Access Plan
  - DSHS Consent Form
- Organization Chart
- Privacy and Security:
  - Access Control Policy
  - Data Sharing Agreement
  - IRS Safeguard Security Report
  - Producer Participation Agreement - Healthplanfinder System
  - WAHBE Privacy Impact Assessment (PIA)
- Qualified Health Plan (QHP)
  - Carrier Business Agreement
  - Health Insurance Rate Summary
  - Network Adequacy Requirements
  - QDP Certification Summary
  - QHP Certification Requirements
  - QHP Guidance for Participation Manual

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

- Associate Director of Operations for the Call Center.
- Chief Information Security Officer
- Chief Operating Officer
- Compliance Manager
- Director of Policy and Market Strategy
- Eligibility Manager
- Enrollment Manager
- General Counsel and Chief Strategist
- Navigator Support Manager
- Policy Analyst
- Privacy Manager

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

- A listing of 2,887,317 eligibility determination transactions completed between July 1, 2023 and June 30, 2024. This population included Medicaid determinations due to the Exchange maintain an integrated eligibility system. We selected 60 cases to test for compliance with eligibility rules, 60 cases to test compliance with enrollment rules, and 60 cases to test for compliance with verification rules.

**Confidential Information Omitted**

N/A

## **II. PROGRAMMATIC 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:**

None

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

We have issued an Independent Auditor's Report on the financial statements for the year ended June 30, 2024, reflecting the following type of opinion:

**QUALIFIED**

**UNQUALIFIED**

**ADVERSE**

**DISCLAIMER**

#### **IV. CONCLUSION**

Based on a review of the documentation required for this report, in our opinion, WAHBE complied with the requirements of 45 CFR 155, Subparts C, D, E, K, and M during the year ended June 30, 2024, in all material respects.

**SIGNATURE OF AUDIT FIRM:**

*BDMF Assurance, LLP*

**COMPLETION DATE OF AUDIT:**

FINDINGS REPORT: April 2, 2025