



# AUDIT SUMMARY

## Connecticut Health Insurance Exchange

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Fiscal Years Ended June 30, 2020 and 2021

### ABOUT THE AGENCY



The Connecticut Health Insurance Exchange, which does business as Access Health CT, was created to develop and implement a state-based health insurance marketplace in accordance with the federal Patient Protection and Affordable Care Act. Pursuant to Chapter 12 of the General Statutes, the exchange is classified as a quasi-public agency.

The goal of the exchange is to reduce the number of uninsured individuals in Connecticut and assist them and small employers in the procurement of health insurance by offering easily comparable and understandable information.

### ABOUT THE AUDIT

We have audited certain operations of the Connecticut Health Insurance Exchange in fulfillment of our duties under Sections 1-122 and 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2020 and 2021. The objectives of our audit were to evaluate the:

- Exchange's significant internal controls over compliance and its compliance with policies and procedures internal to the exchange or promulgated by other state agencies, as well as certain legal provisions, including as applicable, but not limited to whether the exchange has complied with its regulations concerning affirmative action, personnel practices, the purchase of goods and services, the use of surplus funds, and the distribution of loans, grants and other financial assistance;
- Exchange's internal controls over certain financial and management functions; and
- Effectiveness, economy, efficiency, and equity of certain management practices and operations, including certain financial transactions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[Link to full report](#)

**6 Findings**

**3 Repeat Findings**

Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, or policies; and a need for improvement in practices and procedures that warrant management's attention.

## NOTEWORTHY FINDINGS



### Findings



### Recommendations

<p><b>1</b> The Connecticut Health Insurance Exchange incurred 51 breaches of clients' personally identifiable information, with one breach affecting 160 clients. The exchange did not report three of the breaches to the Auditors of Public Accounts and the State Comptroller. Additionally, the exchange did not take sufficient actions to ensure the confidentiality, integrity, and security of client data when one of its contractors incurred 14 of the breaches.</p>	<p>The Connecticut Health Insurance Exchange should promptly notify the Auditors of Public Accounts and the State Comptroller of any breach of security, in accordance with Section 4-33a of the General Statutes.</p> <p>The exchange should ensure that it has sufficient internal controls to safeguard clients' personally identifiable information.</p>
<p><b>2</b> The exchange did not track or monitor its staff's eligibility and coverage overrides. The exchange did not require supervisors to approve eligibility and coverage overrides.</p> <p>In addition, our review of 15 eligibility and coverage overrides noted the exchange did not maintain support in its eligibility system to justify the override decisions for three eligibility and coverage determinations.</p>	<p>The exchange should establish and implement internal controls to track and monitor system overrides and ensure that it maintains support for each override in the health insurance exchange eligibility and enrollment system.</p>
<p><b>3</b> In our review of 25 expenditures, we noted the exchange did not comply with established purchasing policies and procedures. Those issues included receiving services prior to obtaining purchase orders, not obtaining price quotations, improper credit card use, and missing purchase orders.</p>	<p>The exchange should strengthen internal controls to ensure compliance with established purchasing policies and procedures.</p>
<p><b>4</b> The exchange did not maintain a list of all Navigator personnel who were required to complete criminal background checks. We were unable to verify whether any personnel who did not undergo a criminal background check participated in the program.</p>	<p>The exchange should maintain sufficient records to document that Navigator personnel with access to personally identifiable information completed criminal background checks.</p>
<p><b>5</b> In our review of 15 nonexempt employees that received 182 hours of overtime we noted three instances in which overtime earned exceeded the amount approved by five, seven, and five hours. The unauthorized overtime totaled \$645.</p>	<p>The exchange should strengthen internal controls to ensure compliance with agency overtime policies.</p>
<p><b>6</b> The exchange did not promptly submit the annual and three quarterly reports as required by Section 1-123 for fiscal year 2021. Additionally, the exchange did not prepare the semi-annual and annual investment reports for fiscal years 2020 and 2021.</p>	<p>The exchange should comply with the reporting requirements in Section 1-123 of the General Statutes and its investment policy.</p>