

MHBE Compliance Program  
SECOND QUARTER FY 2019  
REPORT

TO  
MHBE BOARD OF TRUSTEES  
January 22, 2019

Presented by: Caterina Pañgilinan

# Audit Status Report

## Total Audit Findings

- (3) SMART PY17
- (4) Independent External Audit PY17
- (4) Recruitment Evaluation Division FY17
- (7) IRS 1075 Safeguards FY17
- (9) OLA Finance Performance FY14 - FY17\*

## Open Findings

- SMART– Employer Sponsored Coverage
- IEA-Hierarchy of Denial Reasons

## Corrective Actions Implemented

---

### Recruitment and Evaluation

- ✓ Minimum Educational Requirements
- ✓ Interview Scoring Assessment
- ✓ Above Base Appointments
- ✓ Validate Education Requirements

### IRS Safeguards

- ✓ Physical Security
- ✓ Access Log
- ✓ FTI Tape Labeling
- ✓ Exhibit 7 Language
- ✓ FTI Training
- ✓ Disclosure Awareness
- ✓ IRS Background Checks

### SMART and Independent Audit

- ✓ Periodic Data Matching
- ✓ VLP STEP 3
- ✓ QHP Enrollment Error
- ✓ Incarceration Status
- ✓ Accrual Process

# OLA Audits Period FY2014-FY2017\*

## Findings

## Corrective Actions

### Eligibility

Income Verification



Maryland Automated Benefits System  
Internal Revenue Services  
Federal Data Services HUB

### Access Control

User Access &  
Critical Changes



Create New User Role  
Revamp Privileging Process  
Validate Changes

### IT Systems Controls

Coding Changes &  
Intrusion Data  
Protection Systems



Enhance Tracking System  
Increase Layered Security

# OLA Audits FY2014-FY2017

## Findings

## Corrective Actions

### Procurement

Master Contract/IDIQ Approval

- Address Approval of Task Orders >\$200k
- Quantify Technical Evaluations

Solicitation Timeframe/Bid Security

- Revise Board Procurement Policy  
Enhance Competitive Bid Controls

### Contract Monitoring

Connector Entity Payroll  
CSC Billing Verification

- Backup Documentation

Hosting Monitoring

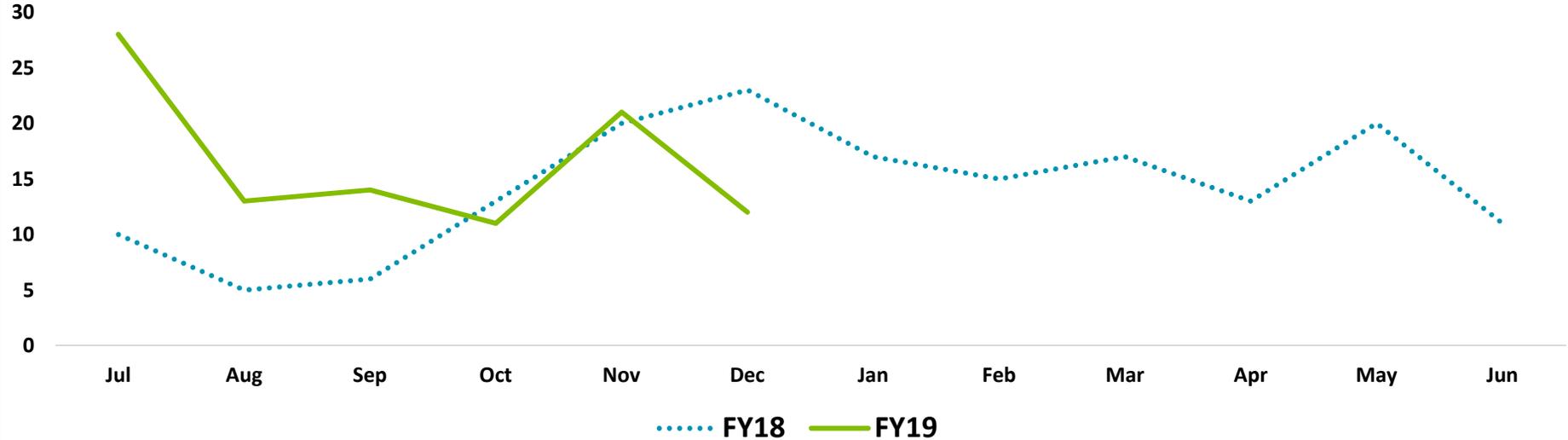
- Require SOC 2 Type2 Audits

### Fiscal Reporting

Discussion Note:  
Report Liabilities to Government  
Accountability Division (GAD)

- Contingent Liability

## Non-Producer Privacy Incidents - FY18 vs. FY19 - Dec



### Privacy Incidents YTD Q2 FY19

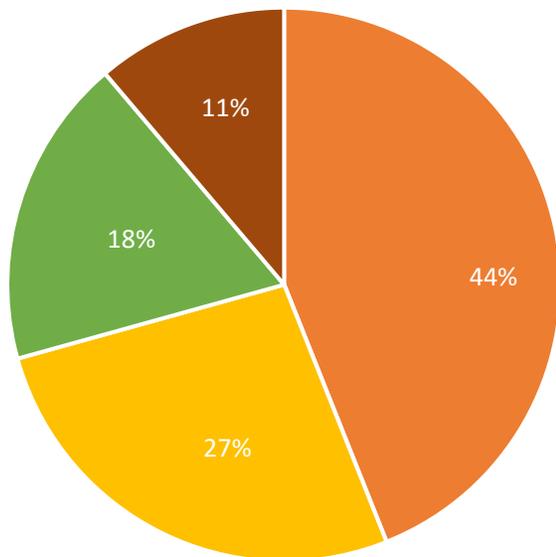
- 102 Reported incidents; 15 Breach notifications
- 34.2% Increase in reported incidents – from 76 to 102
- Misloaded VCLs account for 69% of all Non-Producer Incidents
- 20% Increase of Misloaded documents  
1.78 to 2.10 per 10,000 uploads (**66 in 315k uploads**)
- 21% Reduction in avg. days from Misload to report – 4.2 to 3.3
- 12.5% Increase in CSR error rate  
1.37 to 1.53 per 100,000 calls (**9 in 588k calls**)

### Mitigation Strategies FY19

- ✓ 70% Misloads PII Fully Secured within 24 hours of Notification
- ✓ Breach Notifications sent within 10 days on average
- ✓ Implement Standard Encryption of Producer Inboxes
- ✓ Support MDH Incident Investigations and Follow up
- ✓ NEEA with Carriers (KP/HPS/UHC) and Aetna
- ✓ SOC 2 Type 2 Audits
- ✓ Update NEE Compliance Tool
- ✓ Perform Privacy Gap Analysis between HIPAA and ACA

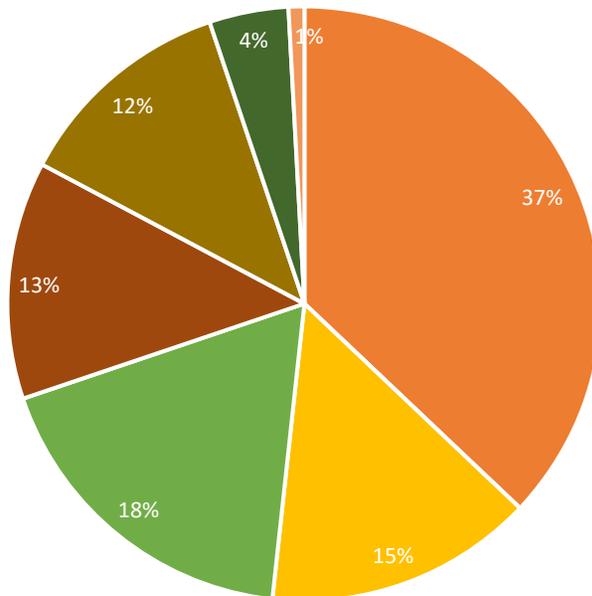
# Privacy Incidents YTD Q2 FY 19

**Reporting Entity**



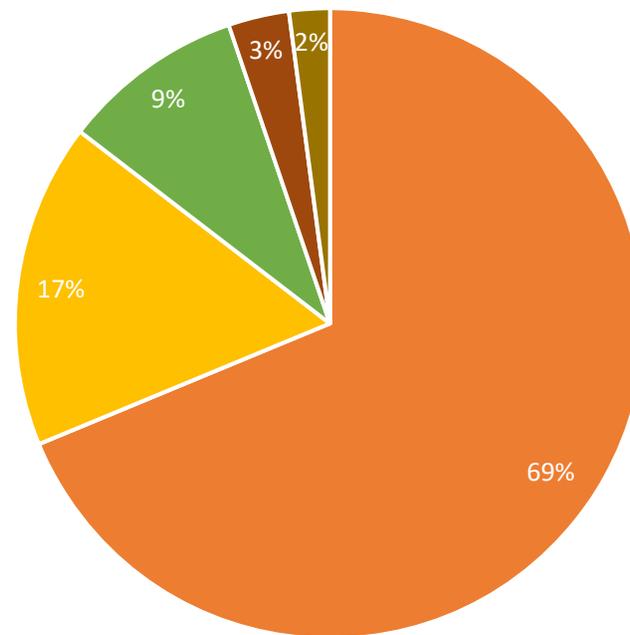
- Partner Government Agency
- MHBE Vendor
- MHBE Internally
- Connector Entity

**Breach Causing Entities**



- Partner Government Agency
- Undetermined
- Producer
- MHBE Vendor
- Connector Entity
- ACSE

**Incidents by Type**

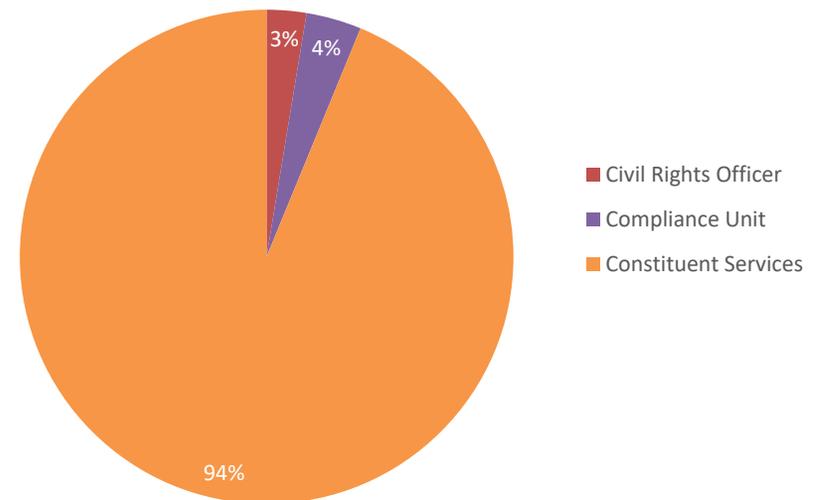


- Misload
- Other
- CSR Error
- Unencrypted email
- Unauthorized Disclosure - Mail

# Compliance Hotline and Fraud Waste & Abuse

## FY19 YTD COMPLIANCE HOTLINE CALLS

Department	# of Calls	Percentage
Civil Rights Officer	5	3%
Compliance Unit	7	4%
Constituent Services	181	94%
Grand Total	193	100%



## FY19 YTD Fraud, Waste & Abuse Reports

- 12 - Allegations
- 5 - Referred to MDH
- 6 - Unfounded
- 1 – Open

QUESTIONS?

THANK YOU!