

MHBE Compliance Program

THIRD QUARTER FY 2019  
REPORT

TO

MHBE BOARD OF TRUSTEES

May 20, 2019

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# Audit Status Report

## Total Audit Findings

- (0) Independent External Audit Finance FY18
- (0) Recruitment and Evaluation FY18
- (2) SMART PY17
- (0) Independent External Audit Programmatic PY18
- (7) IRS 1075 Safeguards FY17
- (8) OLA Fiscal Compliance Audit FY14 - FY17

## Open Findings

- OLA
- Medicaid Recipient Income Verification processes
- Board PPP - IDIQ Task Orders ≥ \$200k
- Board PPP - Minimum Solicitation Periods

## Corrective Actions Implemented

### OLA Fiscal Compliance

- ✓ **Create New User Roles**
- ✓ Revamp Privileging Process
- ✓ **Validate Changes to Applications**
- ✓ Enhance Code Tracking System
- ✓ Increase Layered Security
- ✓ **Quantify IDIQ Technical Evaluations**
- ✓ Backup Documentation from Vendors
- ✓ **Enhance Competitive Bid Controls**
- ✓ **Require SOC 2 Type 2 Audits**

### SMART and Independent Audit

- ✓ **Hierarchy of Denial Reasons**
- ✓ **Employer Sponsored Coverage**
- ✓ Periodic Data Matching
- ✓ Accrual Process
- ✓ Incarceration Status
- ✓ QHP Enrollment Error
- ✓ VLP STEP 3

### IRS Safeguards

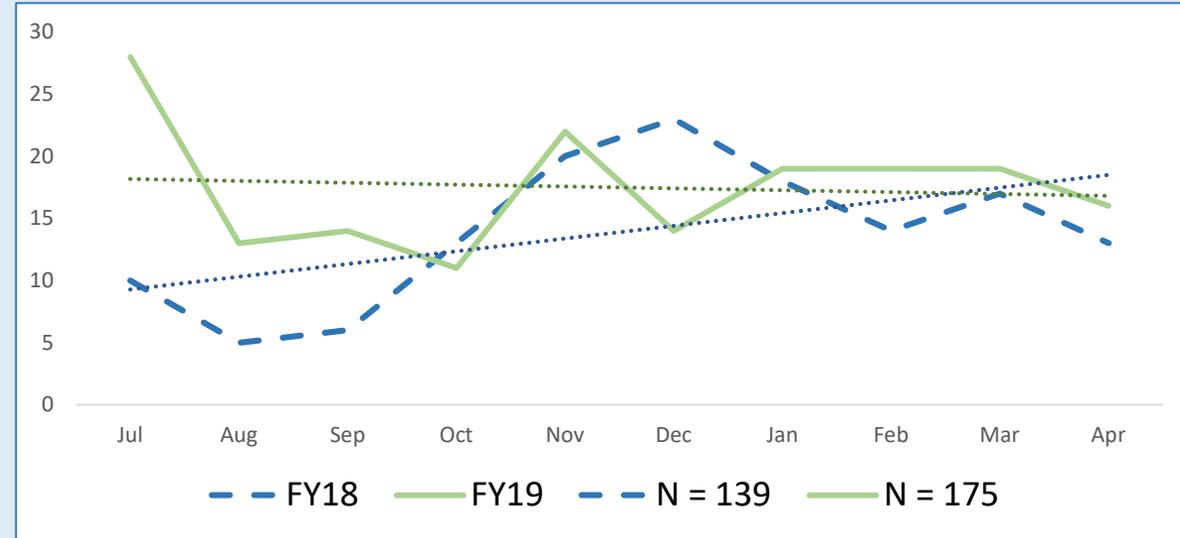
- ✓ Physical Security
- ✓ Access Log
- ✓ FTI Tape Labeling
- ✓ Exhibit 7 Language
- ✓ FTI Training
- ✓ Disclosure Awareness
- ✓ **IRS Background Checks**

\***Bold indicates newly implemented**

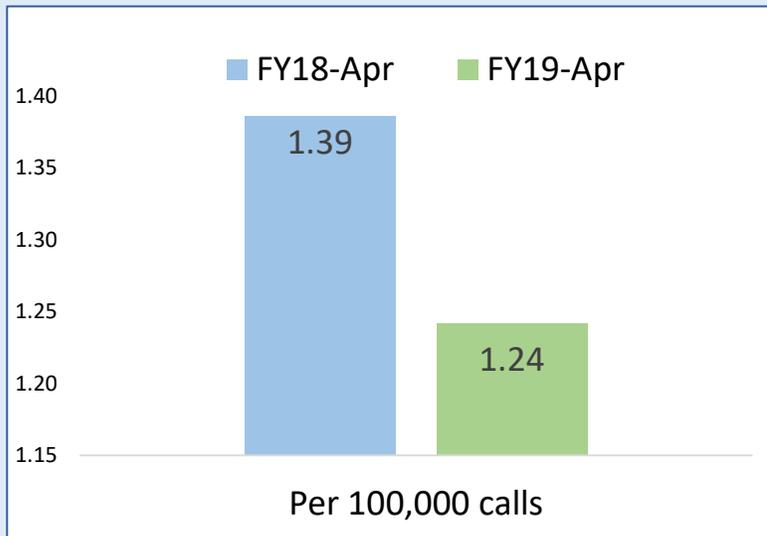
## Privacy Program Highlights

- Support MDH Privacy Incident Investigative Process
- Update Non-Exchange Entity Agreements (NEEA) & Create Template Repository
- Publish & Implement Annual Privacy Training
- Revise NEE Audit Tool and Develop Audit Schedule
- Require and Monitor Vendors' SOC 2 Type 2 Audits
- Develop Salesforce Privacy and Compliance Application

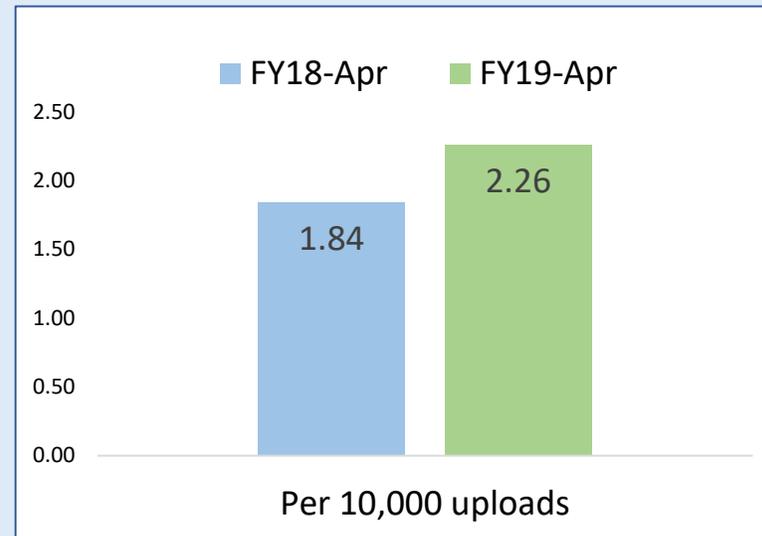
## 26% Increase in Reported Privacy Incidents



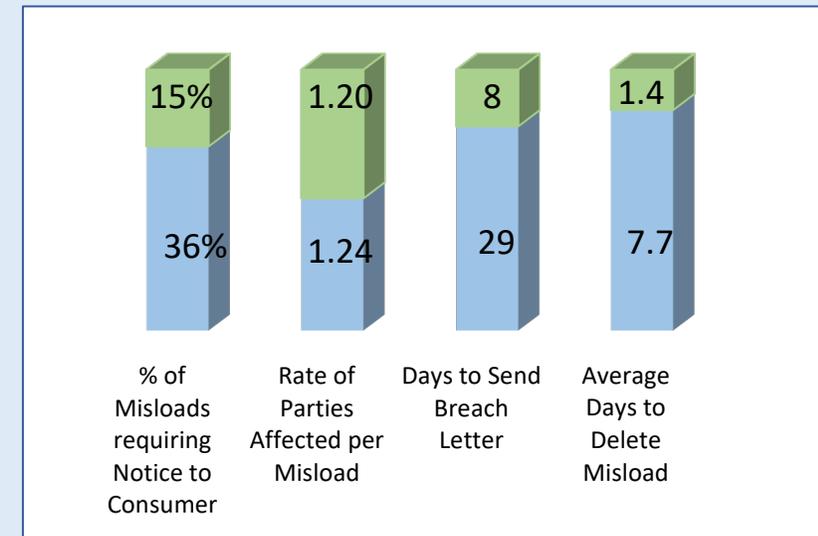
## 10% Decrease in Rate of CSR Errors



## 23% Increase in Rate of Misloads



## Effective Privacy Incident Mitigation



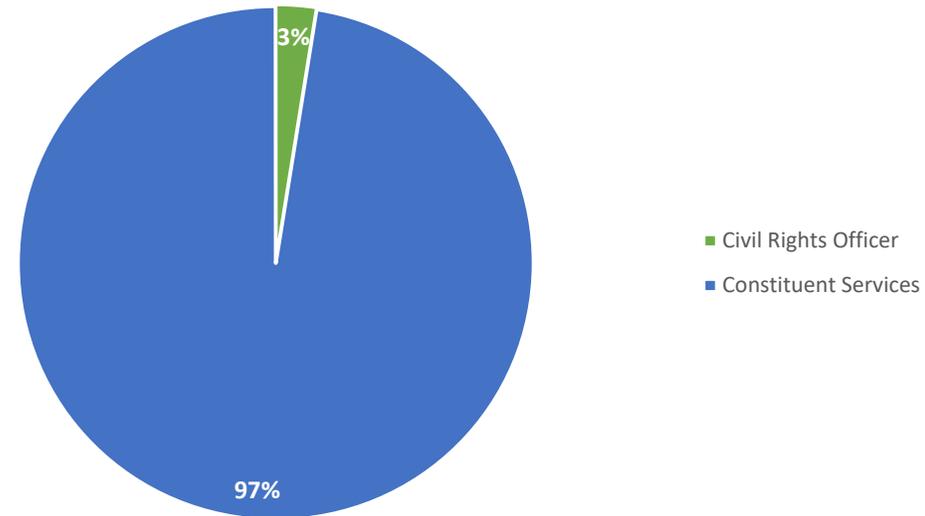
# Assessment and Audit Timeline

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY & AUGUST	SEPT →	DEC
PERM Audit	01/01/19 to 12/31/19								
Ind. Ext. Financial Onsite Audit and Report		02/01/19 to 3/05/19							
PY19 Privacy Impact Assessment and MARSE review		2/1/19 to 3/22/19; 2 <sup>nd</sup> PIA may be due with MARSE 6/28/19							
Ind. Ext. Programmatic Onsite Audit and Report		2/15/19 to 5/30/19							
System Security Report			3/1/18 to 05/30/18						
PY18 SMART			3/15/19 to 5/30/19						
Independent Security and Privacy Assessment Review				03/29/19-05/12/19					
ATC Packet Due				5/12/19					
RED Audit								9/1/19 to 12/31/19	

# Compliance Hotline and Fraud, Waste and Abuse

Department	# Of Calls	% of Calls
Civil Rights Officer	2	3%
Constituent Services	77	97%
<b>Grand Total</b>	<b>79</b>	<b>100%</b>

## 3<sup>rd</sup> QTR FY19 Compliance Hotline Calls



## 3<sup>rd</sup> QTR FY19 Fraud, Waste & Abuse Allegations

- **13 - Allegations**
- **6 - Referred to MDH**
- **6 - Closed/Not Founded**
- **1 - Closed/ No Response**

QUESTIONS?

THANK YOU!