

MHBE Director of Compliance and Privacy

Annual Report to the

Board of Trustees

Presented by

Scott R. Brennan, Director of Compliance and Privacy

July 17, 2023

Compliance Department Metrics and Reports

1. Department of Justice (DOJ) Effective Compliance Program Self-Assessment (Recap from FY 2022)
1. Board Oversight of Compliance and Privacy
1. Fraud, Waste and Abuse Report
1. Privacy, Policies, External Audit Corrective Actions and Internal Reviews



1. Department of Justice (DOJ) Effective
Compliance Program Self-Assessment
(Recap from FY 2022)

DOJ Effective Compliance Program Self-Assessment Components

1

Is the Compliance Program Well Designed?

- Risk Management
- Policies and Procedures
- Training and Communications
- Confidential Reporting Structure
- Third-Party Management

2

Is the Program Being Applied Earnestly and in Good Faith?

- Commitment of Senior and Middle Management
- Autonomy and Resources
- Incentives and Disciplinary Measures

3

Does the Compliance Program work in practice?

- Continuous Improvement
- Investigation of Misconduct
- Analysis and Remediation of Any Underlying Misconduct

DOJ: Is the Compliance Program Well Designed?

Strengths:

- Criticality model to prioritize review of high frequency, high risk
- Inter-department collaboration in the policy and procedure development
- Annual audit plan process which addresses internal reviews
- Ongoing governmental oversight activities
- MHBE oversight of consumer facing program

Suggested Improvements:

- Undergo Third Party DOJ compliance program assessment in the future
- Evaluate Risk Management models
- Use surveys to assess internal stakeholders' and third-party vendors' perceptions
- Improve coordination between the Human Resources, Procurement, and Compliance departments on Code of Conduct violations, as appropriate
- Provide additional modes of communication to anonymously report allegations or concerns
- Increase auditing of third-party vendors

DOJ: Program Applied Earnestly and In Good Faith?

Strengths:

- FY21 Internal Investigation found transparency and collaboration
- Communication with leaders bolstered by quarterly risk management meetings
- Compliance leadership supported by Audit and Privacy Managers
- Ability to create tailored audit plans and report outcomes to Board

Suggested Improvements:

- Evaluate whether to include compliance and ethics behaviors into all employees' job descriptions and performance
- Adopt an “acceptable risk-tolerance” posture
- Implement evidence-based compliance initiatives to foster accountability
- Create Board and Compliance leadership communication mechanism

DOJ: Does the Program Work In Practice?

Strengths:

- Iterative Auditing process
- Normalization of corrective actions
- Improved Internal Controls
- Commitment to Improve Culture of Compliance (Accountability and Ethics)

Suggested Improvements:

- Coordination between Compliance and HR on any violations of misconduct, when appropriate
- Improve contract monitoring process
- Improve root cause analyses, investigations and documentation of incidents
- Increase communication with and feedback from direct line staff, consultants, and third-party vendors

2. Board Oversight of Compliance and Privacy

Board Oversight of the Office of Compliance

- **Ensure Compliance Leadership has direct access to the Board. This is accomplished by regularly reporting to the Board and by establishing an open line of communication.**
 - Director of Compliance and Privacy can report directly to Audit and Finance Committee Chair
 - Established protocol for escalation of significant compliance events
 - Reporting directly to the Board
- **Frequency of Reporting to Board**
 - Quarterly Reporting to the Finance and Audit Committee of the Board (FACB)
 - Annual Reporting to the Board of Trustees
 - Ad hoc reporting to the Chair of the Finance and Audit Committee of the Board, when appropriate (FACB)
- **Maintain independence of Compliance Leadership to manage MHBE's compliance and ethics functions and establish autonomy from management, as necessary.**

3. Fraud, Waste and Abuse

FY23 YTD Hotline Investigations and Monitoring

6 Fraud, Waste, and Abuse Allegations

- 2 Substantiated and Forwarded to MDH for Investigation
- 1 Unfounded and Forwarded to MDH
- 3 Unfounded and Closed

Debarment and Sanctions Screening

✓ HHS OIG LEIE – All clear

- 96 IDIQ Master Contractors
- 49 Vendors
- 4 Carriers
- 63 MHBE Employees

4. Privacy, Policies, External Audit Corrective Actions and Internal Reviews

FY23 PRIVACY OVERVIEW

Executed Agreements

110 IDIQ Master Contractor NEEAs
SNAP Data for MA Renewals MOU

Ongoing Agreements

Comptroller of Maryland MOU
ServiceNow NEEA

Assessments

Privacy Impact Assessment
June 30, 2023

MARS-E V2.2 Self Assessment & Privacy Attestation June 30, 2023

Procedures

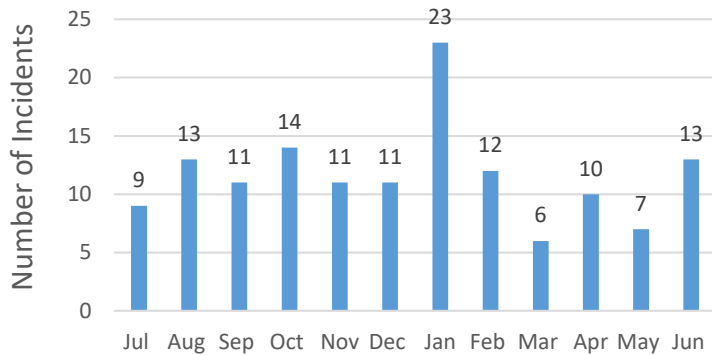
Privacy Incident Management System (PIMS) Phase 2 2023 July

PIMS Phase 3 Requirements
Ongoing

FY23 PRIVACY NUMBERS – 07/01/22 Through 06/30/2023

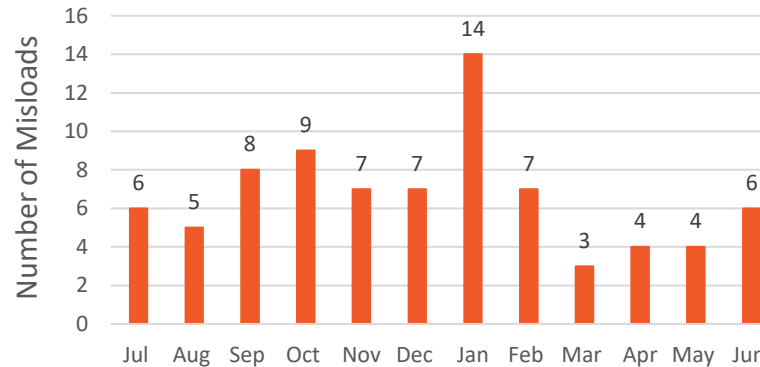
Number of Incidents

FY23 Total = 140
FY22 Total = 170



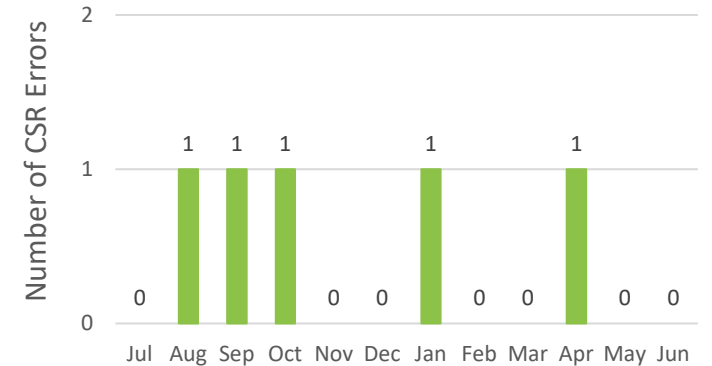
Number of Misloads

FY23 Total = 80
FY22 Total = 85



Number of CSR Errors

FY23 Total = 5
FY22 Total = 7



FY23 Policy and Procedure Update

Updated During FY23

08.06.02 Suspension of Producer Authorization

Review In Progress

02.01.03 Compliance Meetings

02.01.02 Chief Compliance Officer

04.05.02 Acceptable Use Policy

Review Upcoming (through 12/31/23)

02.01.04 Code of Conduct

02.03.09 Accounting of Disclosures

03.03.04 IT IDIQ Request for Resumes

03.03.12 Novation, Change of Name Agreements

04.02.04 Consultant Time and Entry Approval Process

04.05.06 Periodic Recertification of MHBE Access

04.05.08 Password Reset Policy and Procedure

05.03.01 EEO, Discrimination, and Reasonable Accommodations

05.03.03 Recruitment Policy and Procedure

07.02.01 Social Media Policy

07.03.01 MD Public Information Act (PIA) Request

08.01.01 Review of Eligibility Overrides

09.02.02 Mobile Communication Device Policy

MHBE FY23 External Audit Timeline

MHBE Internal Assessment and External Audit Timeline – Fiscal Year 2023																	
Audit Activity	Start Date	End Date	Status	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
EIPM <i>Pilot</i>	7/1/22	5/31/23	Complete	[Blue bar spanning Jul 2022 to May 2023]													
MDH PERM AUDIT RY23	7/1/22	Present	In Progress	[Green bar spanning Jul 2022 to Jun 2023]													
DBM-RED Audit	9/16/22	3/1/23	Complete		[Blue bar spanning Sep 2022 to Feb 2023]												
System Security Report (SSR) / IRS Corrective Action Plan (CAP)	7/1/22	5/31/23	Complete	[Blue bar spanning Jul 2022 to May 2023]													
Independent External Financial Audit - FY 2022	2/1/23	3/30/23	Complete								[Blue bar spanning Feb 2023 to Mar 2023]						
Independent External Programmatic Audit - PY 2022	3/1/23	5/29/23	Complete									[Blue bar spanning Mar 2023 to May 2023]					
SMART – Plan Year 2022	3/1/23	5/29/23	Complete									[Blue bar spanning Mar 2023 to May 2023]					
Office of Legislative Audits (OLA)	6/28/23	12/31/23*	In Progress												[Green bar in Jun 2023]		

*Subject to OLA Discretion

FY23 YTD Audit Status Report

Audit Findings

(2) DBM RED Audit

(1) Independent External Audit

CMS

MDH Payment Error Rate Measurement (PERM)
Audit RY23

JIRA Tickets In Response to Audit Findings and Internal Reviews

Completed During FY23

MH-54847: Unearned Income

MH-60754: Income Verification Failure

MH-62071: Incorrect HH Relationships

MH-62410: Alimony Income not Used

MH-63473: Income Copied from Prior Application

In-Progress

MH-59462: Batch Renewal Failure

MH-62748: Pension Income Error

MH-64044: Additional Income Verification Failure

MH-64121: Issues with Requesting Coverage

FY23 Internal Reviews

Internal Review	Start Date	End Date	Status	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
HR and Organizational Effectiveness	8/16/22	10/22/22	Complete		█											
IDIQ Program	9/28/22	1/9/23	Complete			█										
CSC/Fulfillment Contract Monitoring	11/29/22	2/16/23	Complete					█								
Appeals and Grievances	12/7/22	1/31/23	Complete					█								
Marketing & Communications	1/26/23	6/16/23	Complete							█						
Policy & Plan Management	1/30/23	6/16/23	Complete							█						

Questions?

Thank you for your leadership.