

# MHBE Director of Compliance and Privacy

## Annual Report to the

### Board of Trustees

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Presented by  
Scott R. Brennan, Director of Compliance and Privacy  
September 16, 2024

# Compliance Department Metrics, Reports and Initiatives

1. Board Oversight of Compliance and Privacy
2. MHBE Policy Update and Revision Initiative
3. Fraud, Waste and Abuse Report
4. Privacy Program Metrics, External Audits, Corrective Actions and Internal Reviews

# 1. Board Oversight of Compliance and Privacy

## Board Oversight 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.
- Adhere to an established reporting schedule to the Board. Currently, quarterly Board Finance & Audit Committee report and annual Compliance public board report.
- Maintain the independence of Compliance Leadership to manage MHBE's compliance and ethics functions and establish autonomy from management, as necessary.



## 2. MHBE Policy Update and Revision Initiative

# FY24 Policy and Procedure Reviews, Revisions, and Updates

- The Compliance Department is responsible for policy and procedure oversight.
- A formal policy update and revision process is projected to be completed by December 31, 2024.
- A defined protocol is in place which culminates in finalizing policies through bi-monthly Compliance Committee meetings.
- After Compliance Committee review, policies undergo legal sufficiency review, as well as grammar and form review and before execution.
- Policies are then saved in a location accessible to all employees and stakeholders and are disseminated as appropriate.
- MHBE has approximately **89** policies that govern the Exchange.

# FY24 Policy and Procedure Reviews, Revisions, and Updates (cont'd)

## Executed & Posted

1. Policy on Policies
2. Authorized Use & Disclosure of PII
3. Incident Handling & Breach Notification
4. Director of Compliance and Privacy
5. FTI Access
6. Acceptable Use Policy
7. Background Checks
8. Invoice Processing
9. Emergency Procurement
10. Contract Modification
11. Novation
12. Visitor Security & Physical Access Controls

## Under Final Review Prior to Execution

1. Procurement Review Group
2. General Accounting Procedures
3. Fiscal Year-End Accruals
4. Intergovernmental Cooperative Purchasing
5. Sole Source Procurement
6. Faxing PII and FTI
7. Accounting of Disclosures
8. 1095 A Reconciliation
9. Capital Inventory
10. Code of Conduct
11. Plan Certification
12. Plan Decertification
13. Compliance Meetings
14. ACSE Authorization
15. CE Grant Solicitation
16. Mobile Device Communication

## 4. Fraud, Waste and Abuse



# FY24 Fraud, Waste, & Abuse Investigations and Monitoring

## 15 FWA Allegations (via the Compliance Hotline), No other FWA Allegations

- 1 Substantiated and forwarded to MDH for investigation
- 1 Unfounded and forwarded to MDH for update
- 13 Unsubstantiated and closed

## Debarment and Sanctions Screening

- ✓ **HHS OIG LEIE – All clear**
  - 110 IDIQ Master Contractors
  - All non-IDIQ Vendors
  - 6 Carriers
  - 67 MHBE Employees

## 4. Privacy Program Metrics, External Audits, Corrective Actions and Internal Reviews

# FY24 PRIVACY OVERVIEW

## Executed Agreements

DHS Eligibility & Enrollment DUA  
University of Pittsburgh DUA  
Wellpoint NEEA  
Hamilton Enterprises

## Assessments

Privacy Impact Assessment  
MARS-E Self Assessment & Privacy Attestation

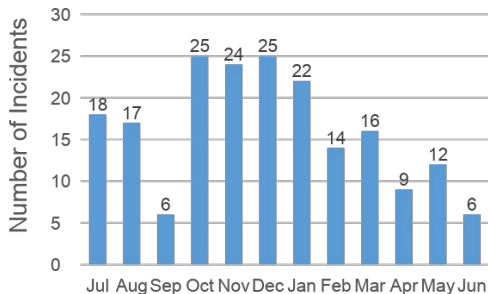
## Procedures

Annual Compliance, Privacy, FWA and Cybersecurity Training  
Role-based Trainings (MHBE & MD Think FTI Training & Attestation)

## FY24 PRIVACY NUMBERS – 07/01/23 Through 06/30/2024

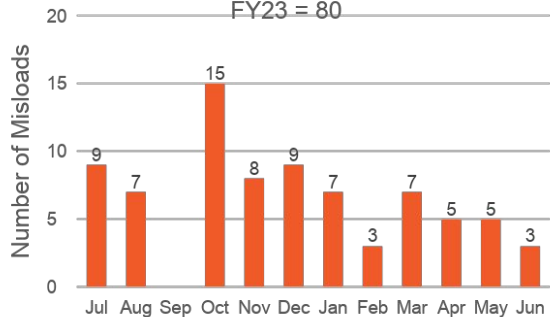
### Number of Incidents

FY24 = 194  
FY23 = 140



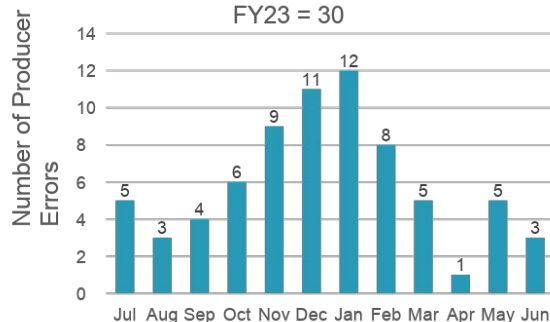
### Number of Misloads

FY24 = 78  
FY23 = 80



### Number of Producer Errors

FY24 = 72  
FY23 = 30



# MHBE FY24 External Audit Timeline

MHBE Internal Assessment and External Audit Timeline - Fiscal Year 2024																
Audit Activity	Start Date	End Date	Status	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Improper Payment Pre-Testing and Assessment	1/18/2024	Present	In Progress													
MDH PERM AUDIT PY23	7/1/2023	Present	In Progress													
DBM-RED Audit	11/14/2023	1/31/2024	Complete													
System Security Report / IRS Corrective Action Plan	7/1/2022	5/31/2024	Complete													
Independent External - Financial Audit - FY 2023	2/14/2024	3/21/2024	Complete													
Independent External - Programmatic Audit - PY 2023	2/14/2024	5/30/2024	Complete													
SMART – Plan Year 2023	1/1/2024	7/1/2024	Complete													
Office of Legislative Audits (OLA)	6/28/2023	Present	In Progress													

# FY24 Audit Status Report: Findings and Corrective Actions

## Audit Findings

- (1) Independent External Audit – Corrective Action Underway
- (4) DBM - RED Audit – Corrective Action Underway
- (3) CMS - MDH Payment Error Rate Measurement (PERM) FY24 – Corrective Action Underway

## Internal Reviews

- Internal Reviews were paused for FY24 at the discretion of the Executive Director and Director of Compliance and Privacy due to the intensive commitment required for the Office of Legislative Affairs Audit and departmental resource issues.
- Internal Reviews are scheduled to resume in September 2024, with OLA due to have concluded its triennial audit.

# Questions?

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