



Affordable Care Act Implementation: Marketplaces

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Learning Objectives

- Participants will learn about what worked and did not work at the Federal, California (CA), and Connecticut (CT) marketplaces when determining individuals' eligibility for enrollment in qualified health plans (QHPs) under the Affordable Care Act.





Learning Objectives

- We will discuss our findings and recommendations related to our review of internal controls implemented by these marketplaces.

- We will also discuss CMS's progress in implementing our recommendations.



Overall Agenda

- Who We Are
- Mission, Vision, Values
- Marketplace Reviews
- Other OIG Resources





U.S. Department of Health and Human Services

Office of Inspector General (OIG)





OIG – Who We Are





OIG – Who We Are

Mission, Vision, Values





MARKETPLACE REVIEWS





Marketplace Reviews

Mandated Review

Department of Health and Human Services

OFFICE OF
INSPECTOR GENERAL

NOT ALL INTERNAL CONTROLS
IMPLEMENTED BY THE FEDERAL,
CALIFORNIA, AND CONNECTICUT
MARKETPLACES WERE EFFECTIVE IN
ENSURING THAT INDIVIDUALS
WERE ENROLLED IN QUALIFIED HEALTH
PLANS ACCORDING TO FEDERAL
REQUIREMENTS

*Inquiries about this report may be addressed to the Office of Public Affairs at
PublicAffairs@oig.hhs.gov.*



Daniel R. Levinson
Inspector General

June 2014
A-09-14-01000

Continuation Review

Department of Health and Human Services

OFFICE OF
INSPECTOR GENERAL

NOT ALL OF THE FEDERALLY
FACILITATED MARKETPLACE'S
INTERNAL CONTROLS WERE
EFFECTIVE IN ENSURING THAT
INDIVIDUALS WERE PROPERLY
DETERMINED ELIGIBLE FOR
QUALIFIED HEALTH PLANS AND
INSURANCE AFFORDABILITY
PROGRAMS

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Daniel R. Levinson
Inspector General

August 2015
A-09-14-01011





Why We Did The Reviews

Mandated Review (Federal, CA, and CT Marketplaces)

- In response to a congressional mandate.

Continuation Review (Federal Marketplace)

- Continuation of our previous review and includes a review of eligibility verification requirements for insurance affordability programs.
- In response to a congressional request.





Objectives

Mandated Review (Federal, CA, and CT Marketplaces)

To determine whether internal controls implemented by the Federal, CA, and CT marketplaces were effective in ensuring that individuals **were enrolled in QHPs according to Federal requirements.**

Continuation Review (Federal Marketplace)

To determine whether the Federal marketplace's internal controls were effective in ensuring that individuals **were determined eligible for enrollment in QHPs and eligible for insurance affordability programs according to Federal requirements.**



Background

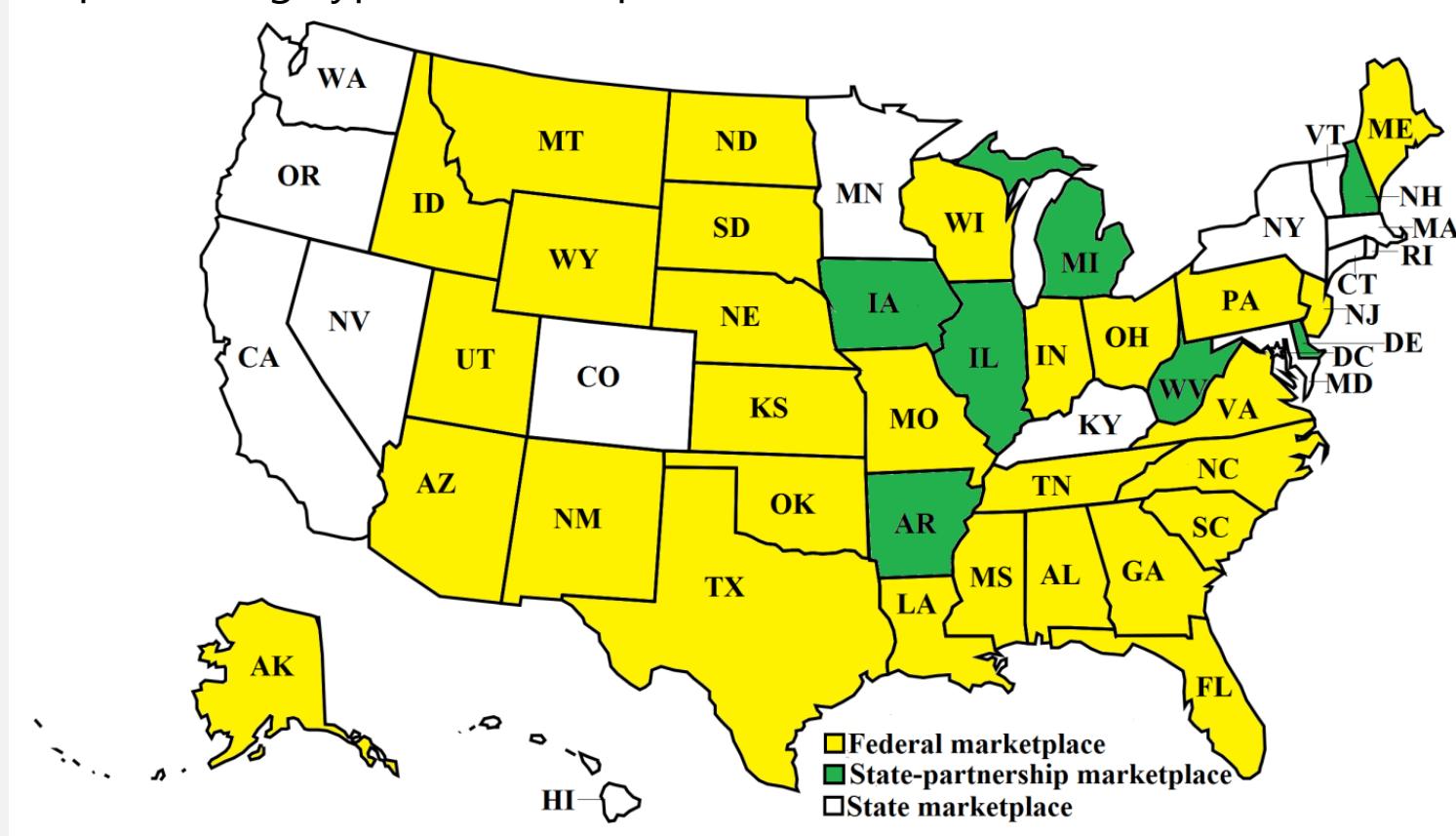
- Three types of marketplaces as of 10/1/2013
 - Federal
 - State
 - State Partnership
- Insurance Affordability Programs
 - Premium Tax Credit
 - Cost-Sharing Reductions





Background

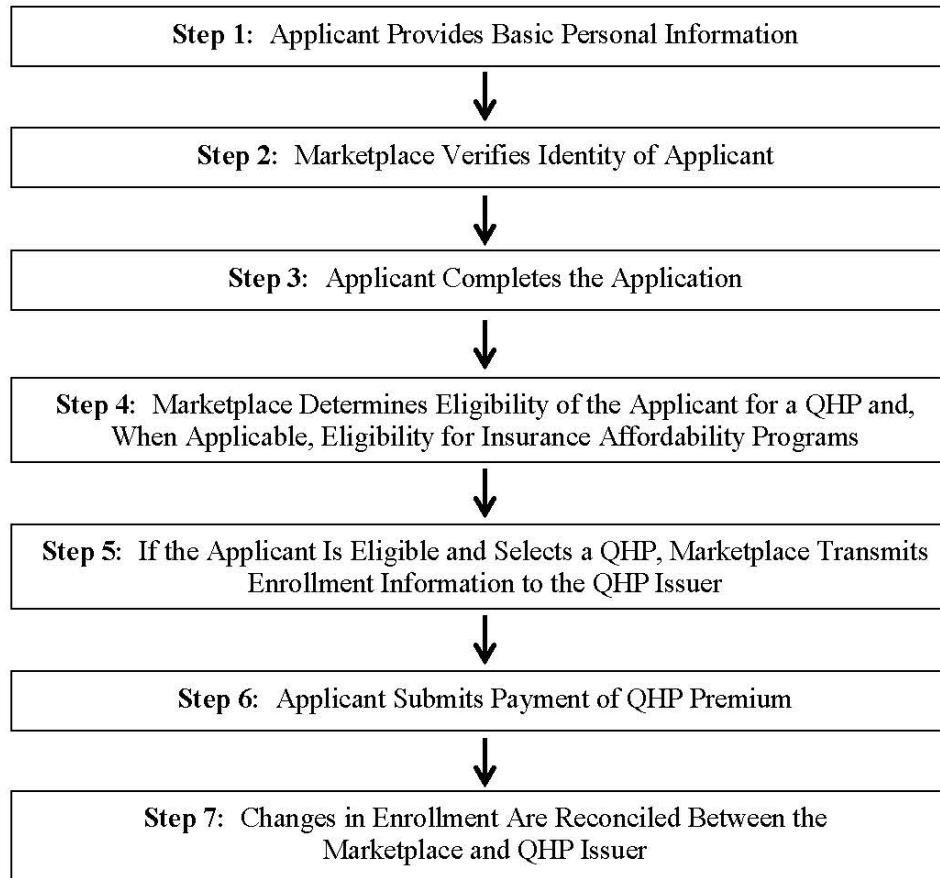
Map Showing Type of Marketplace in Each State as of October 1, 2013





Background

Seven Steps in the Application and Enrollment Process for a QHP



Background

Marketplaces **must verify the following**, as appropriate, when determining eligibility for QHPs and insurance affordability programs (**not an all inclusive list**):

- Social Security Number
- Citizenship
- Lawful Presence
- Family Size



Background

Marketplaces **must verify the following**, as appropriate, when determining eligibility for QHPs and insurance affordability programs (**not an all inclusive list**):

- Annual Household Income
- Eligibility for Minimum Essential Coverage Through Employer-Sponsored Insurance (ESI)
- Eligibility for Minimum Essential Coverage Through Non-ESI





How We Conducted The Reviews

Mandated Review (Federal, CA, and CT Marketplaces)

- Audit Period
Oct. 1 to Dec. 31, 2013

- Sample Items
45 Applicants

Continuation Review (Federal Marketplace)

- Audit Period
Jan. 1 to Apr. 19, 2014

- Sample Items
90 Applicants
(45 Previous and 45 Current)



How We Conducted The Reviews

Limited Reviews To

1. Verifying identity of applicants
2. Determining applicants' eligibility for enrollment in QHPs and eligibility for insurance affordability programs, and
3. Maintaining and **updating*** eligibility and enrollment data.

****Applicable to the mandated review only.***





What We Found (Selected Findings from the Federal Marketplace)

Mandated Review

- Social Security numbers were not always validated through the Social Security Administration (SSA). *Determining Eligibility*
- Inconsistencies in eligibility data were not always resolved. *Determining Eligibility*
- System functionality to allow enrollees to update enrollment information had not been developed. *Maintaining and Updating Data*

Continuation Review

- Social Security numbers were not always validated through the SSA. *Verifying/Determining Eligibility*
- Inconsistencies related to certain eligibility requirements were not always resolved properly. *Resolving and Expiring Inconsistencies*
- Annual household income was not always verified properly. *Verifying/Determining Eligibility*





What We Found (Selected Findings from CA and CT Marketplaces)

Mandated Review

CA

- Information from paper applications was not always entered correctly into enrollment system. *Verifying Identity and Entering Application Information*
- Inconsistencies in eligibility data were not always resolved. *Determining Eligibility*

CT

- Eligibility for insurance affordability programs was not always determined properly.
Determining Eligibility
- Eligibility data were not always properly maintained. *Maintaining and Updating Data*





What We Found

(Selected Procedures That Could Be Improved)

Continuation Review of the Federal Marketplace

We also identified several weaknesses in the Federal marketplace's procedures for resolving inconsistencies.

For example, inconsistency periods were extended indefinitely on the basis of applicants' good-faith efforts to obtain required documentation.





What We Recommend (Selected Recommendations)

Mandated Review (Federal, CA, and CT Marketplaces)

We recommend that CMS, Covered California, and Access Health CT take action to improve internal controls related to:

- Verifying identity of applicants and entering application information.
- Determining applicants' eligibility for enrollment in QHPs and eligibility for insurance affordability programs.
- Maintaining and updating eligibility and enrollment data.

Continuation Review (Federal Marketplace)

We recommend that CMS:

- Take action to improve the Federal marketplace's internal controls related to verifying applicants' eligibility and resolving and expiring inconsistencies to address the specific deficiencies identified.
- Improve procedures related to resolving inconsistencies.





Implementation Status: **Federal Marketplace**

(Mandated and Continuation Reviews)

CMS concurred with our recommendations and provided OIG with actions it had taken or planned to take to address our recommendations.





Want to Learn More About...

Affordable Care Act Reviews

OIG's website includes a consolidated list of reviews that have been issued related to health insurance marketplaces and related programs.

Plans for Future Work

OIG's **Work Plan** sets forth various projects to be addressed during the fiscal year.

Recommendations

OIG's **Compendium of Unimplemented Recommendations**

summarizes significant monetary and nonmonetary recommendations that, when implemented, will result in cost savings and/or improvements in program efficiency and effectiveness.

<http://oig.hhs.gov>

