

**Independent External Audit:
State of Nevada
July 1, 2024 to June 30, 2025
Audit Findings Report**

Independent External Audit: 2025 Findings Report

TO: CCIIO STATE EXCHANGE GROUP

FROM: BDMP Assurance, LLP (BerryDunn)

DATE: June 26, 2026

SUBJECT: AUDIT FINDINGS REPORT FOR NEVADA

AUDIT PERIOD: JULY 1, 2024 – JUNE 30, 2025

I. Executive Summary

PURPOSE:

The purpose of this independent external audit is to assist the State of Nevada in determining whether the Silver State Health Insurance Exchange (SSHIE, or the Exchange), which is the Nevada state-based marketplace (SBM), is in compliance with the programmatic requirements set forth by the Centers for Medicare & Medicaid Services (CMS) during the audit period.

Name of SBM: Silver State Health Insurance Exchange

State of SBM: Nevada

Name of Auditing Firm: BerryDunn

Our responsibility was to perform a financial and programmatic audit to report on SSHIE's compliance with Title 45, Code of Federal Regulations, Part 155 (45 CFR 155) as described in the CMS memo dated June 18, 2014, Frequently Asked Questions about the Annual Independent External Audit of SBMs. The Program Integrity Rule Part II ("PI, Reg."), 45 CFR 155.1200 (c), states, "The State Exchange must engage an independent qualified auditing entity which follows U.S. generally accepted governmental auditing standards (U.S. GAGAS) to perform an annual independent external programmatic audit and must make such information available to the United States (U.S.) Department of Health and Human Services for review."

SCOPE:

The scope of this engagement included an examination of SSHIE's compliance with the programmatic requirements under 45 CFR 155, Subparts C, D, E, K, and M for the 12-month period July 1, 2024, through June 30, 2025. We conducted our examination in accordance with U.S. generally accepted auditing standards (U.S. GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We completed an examination of SSHIE's compliance with the applicable programmatic requirements under 45 CFR 155 and issued our reports dated June 26, 2026.

We also performed an audit of its financial statements for the year ended June 30, 2025, and issued our report dated April 28, 2026.

We reviewed processes and procedures, read pertinent documents, and performed inquiries, observations, and staff interviews to obtain reasonable assurance regarding whether SSHIE is in compliance with 45 CFR 155 in all material respects. We also selected a sample of eligibility

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and enrollment transactions and tested for compliance with requirements under 45 CFR 155 for eligibility determination, verification of data, and enrollment with a Qualified Health Plan (QHP).

METHODOLOGY:

Audit Firm Background:

BerryDunn is a national consulting and certified public accounting firm with multiple practice groups dedicated to serving state and local government agencies. BerryDunn was formed in 1974 and has experienced sustained growth throughout its 52-year history. Today, BerryDunn employs 900+ personnel with headquarters in Portland, Maine—and office locations in Arizona, Connecticut, Hawaii, Massachusetts, New Hampshire, West Virginia, and Puerto Rico. The firm has experienced professionals who provide a full range of services, including information technology (IT) consulting; management consulting; and audit, accounting, and tax services.

Those services include conducting financial and/or programmatic audits of multiple State-Based Exchanges. We also have completed audits in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, previously referred to as OMB Circular A 133) for several sizable healthcare organizations, many of which receive U.S. Department of Health and Human Services federal grants or funding. In addition, we provide audit services for higher education, social service, and economic development organizations, as well as other entities that receive federal grants and are subject to the Uniform Guidance.

Financial Statement Audit:

We have audited, in accordance with U.S. GAAS and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of SSHIE, for the year ended June 30, 2025, and related notes to the statements, and have issued a report thereon dated April 28, 2026.

Programmatic Audit:

We have examined SSHIE's compliance with the programmatic requirements described in 45 CFR 155 for the year ended June 30, 2025, and have issued a report thereon dated June 26, 2026.

Summary of Programmatic Audit Procedures:

Our audit consisted of specific procedures and objectives to evaluate instances of noncompliance and to test SSHIE's compliance with certain subparts of 45 CFR 155. BerryDunn examined compliance with the requirements under 45 CFR 155, in the following programmatic areas:

- General Functions (Subpart C)
- Eligibility Determinations (Subpart D)
- Enrollment Functions (Subpart E)
- Certification of Qualified Health Plans (QHP) (Subpart K)

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- Oversight and Program Integrity Standards (Subpart M)

We reviewed the processes and procedures under 45 CFR 155, in the following programmatic areas, in order to determine whether they were in compliance with the requirements of the ACA:

- Assistors, Navigators, Certified Application Counselors, and Brokers
- Compliance and Program Integrity
- Contact Center
- Eligibility and Enrollment Processes and Procedures
- Privacy and Security
- QHP Certification

We reviewed the following documentation, which was obtained directly from SSHIE or located on either the SSHIE website or the CMS website:

- Assistors, Navigators, Certified Application Counselors, and Brokers:
 - Authorized Representative Form
 - Broker Code of Conduct
 - CAC Application Form Sample
 - CAC Example Exchange Report
 - CAC List
 - Conflict of Interest Form
 - Member Portal Specifications
 - Navigator Assister CAC Program
 - Navigator Assister Requirements
 - Navigator List
 - Navigator Training Materials
 - Notice of Grant Award
 - Spanish Authorized Rep Form
 - Operator Agreement
- Contact Center:
 - Call Center User Guide
 - Contact Center Information

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- Eligibility and Enrollment:
 - Advanced Premium Tax Credit (APTC) Initial Enrollment Guide
 - SSAP and Eligibility Specifications Manual
 - Desk Guide for Household Composition & Income
 - Enrollment and Premium Payment Processing Guide
 - Federal Poverty Level (FPL) Information
 - Income Information Authorization to Renew Coverage (FTI)
 - NVHL Eligibility Guide
- General Exchange Policies and Procedures:
 - NV HealthLink Outreach Marketing Materials
 - NV HealthLink Outreach Program
 - NVHL Policy Manual
 - User Guide
 - Renewal Notice
 - Verification Notice
 - Eligibility Determination Notice
 - Incomplete Application Notices
 - Renewal Notice Sent to the Consumer
- Organization Chart
- Privacy and Security:
 - Acceptable Use Agreements
 - Acceptable Use Policy
 - Data Sharing Agreements
 - IT Policy
 - Plan of Action and Milestones
 - Privacy Impact Assessment
 - Privacy Policy
 - Security and Privacy Awareness and Training Plan
 - System Security Plan (SSP)
 - Third-Party Independent Security Risk Assessment

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- QHP:
 - QHP Guidance for Participation Manual
 - Rate Filing Guidance
 - Nevada QHP Participation Checklist
 - Nevada QDP Participation Checklist
 - Letter to Issuers
 - Issuer Agreement
 - Plan Certification Guide
 - 2025 Plan List

To understand management and staff responsibilities and processes as they relate to compliance with 45 CFR 155, we interviewed the following SSHIE staff:

- Broker Manager
- Business Process Analyst, Reconciliation Team
- Chief Operations Officer
- Executive Director
- Information Systems Manager
- Navigator Program Manager/Benefit Manager
- Plan Certification Manager
- Policy and Compliance Manager
- Policy and Compliance Analyst
- CAC Program Resource Coordinator
- Contact Center Quality Assurance Officer
- Quality Assurance Manager
- Health Resource and Data Analyst

We interviewed the following staff from agencies other than SSHIE that are involved in functions related to the Exchange:

- Department of Insurance (DOI), Actuarial Analyst

We analyzed the following information to assess SSHIE's compliance with the requirements of 45 CFR 155:

- From a listing of 174,436 eligibility determination transactions completed between July 1, 2023, and June 30, 2024, we selected 125 cases to test for compliance with eligibility

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and QHP enrollment rules and 125 cases to test for compliance with data verification rules.

Confidential Information Omitted

N/A

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II. Programmatic Audit Findings

MATERIAL NONCOMPLIANCE

Finding 2025-001

Criteria

According to 45 CFR §155.345 Coordination with Medicaid, CHIP, the Basic Health Program, and the Preexisting Condition Insurance Plan:

(d) Notification of applicant and State Medicaid agency. If an Exchange identifies an applicant as potentially eligible for Medicaid under paragraph (b) of this section or an applicant requests a full determination for Medicaid under paragraph (c) of this section, the Exchange must—

- (1) Transmit all information provided on the application and any information obtained or verified by the Exchange to the State Medicaid agency, promptly and without undue delay; and
- (2) Notify the applicant of such transmittal.

Condition and Context

SSHIE did not refer individuals with a previous Medicaid denial to Nevada Division of Social Services (DSS) for reassessment when processing renewals. Of the 125 eligibility determinations reviewed for FY25, BerryDunn determined three individuals were renewed for APTC with a Medicaid denial more than 90 days previous to the renewal determination. For example, one household in our sample had a household FPL of 122%, which is below the 138% Medicaid threshold. This household was denied Medicaid in 2022 for an unknown reason, and since then, their APTC eligibility has been automatically renewed each year during the annual open enrollment period without transmitting the application to DSS for its assessment of Medicaid/Nevada Check Up eligibility.

Cause

The Silver State Health Insurance Exchange (SSHIE) reported a system defect where the system automatically renews the APTC eligibility for applicants whose FPL was under the threshold of Medicaid and/or Nevada's Children's Health Insurance Program (Nevada Check Up) eligibility when their applications were rejected and returned from DSS in the past.

Effect

The customers who were denied Medicaid/Nevada Check Up in the past may have been receiving incorrect eligibility determinations at their renewal due to the system defaulting to eligibility for a qualified health plan (QHP) with APTC.

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Finding 2025-002 (Prior Year Finding 2024-003)

Criteria

45 CFR 155.302(b) Medicaid and Nevada Check Up. Notwithstanding the requirements of this subpart, the Exchange may conduct an assessment of eligibility for Medicaid and Nevada Check Up, rather than an eligibility determination for Medicaid and CHIP, provided that—

(1) The Exchange makes such an assessment based on the applicable Medicaid and CHIP MAGI-based income standards and citizenship and immigration status, using verification rules and procedures consistent with 42 CFR parts 435 and 457, without regard to how such standards are implemented by the State Medicaid and CHIP agencies.

(2) Notices and other activities required in connection with an eligibility determination for Medicaid or CHIP are performed by the Exchange consistent with the standards identified in this subpart or the State Medicaid or CHIP agency consistent with applicable law.

(3) Applicants found potentially eligible for Medicaid or CHIP. When the Exchange assesses an applicant as potentially eligible for Medicaid or CHIP consistent with the standards in paragraph (b)(1) of this section, the Exchange transmits all information provided as a part of the application, update, or renewal that initiated the assessment, and any information obtained or verified by the Exchange to the State Medicaid agency or CHIP agency via secure electronic interface, promptly and without undue delay.

(4) Applicants not found potentially eligible for Medicaid and CHIP.

[...]

(ii) To the extent that an applicant described in paragraph (b)(4)(i) of this section requests a full determination of eligibility for Medicaid and CHIP, the Exchange must—

(A) Transmit all information provided as a part of the application, update, or renewal that initiated the assessment, and any information obtained or verified by the Exchange to the State Medicaid agency and CHIP agency via secure electronic interface, promptly and without undue delay.

Condition and Context

BerryDunn identified three cases from a sample selection of 60 where the applicants' applications were:

- Transmitted to the Nevada DSS for assessment in a previous plan year
- Returned to SSHIE as rejected without a reason code
- Made eligible for QHP with APTC
- Automatically renewed during the annual redetermination period for eligibility to enroll in a QHP with APTC without re-assessing Medicaid eligibility

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SSHIE and DSS have established a data transmission process; however, SSHIE reported that it does not always receive DSS' eligibility decision in a timely manner, and when it receives the eligibility decision from DSS, the decision is categorized as either rejected or accepted. The rejected category includes all applicants who were determined ineligible for Medicaid and Nevada Check Up, including those who voluntarily withdrew and those who did not complete the application process. Because DSS does not include the reason code, SSHIE assumes all returned applicants were rejected for a reason that makes them eligible for APTC. SSHIE also assumes the applicant was denied Medicaid/Nevada Check Up when SSHIE does not receive an eligibility decision back from DSS in a timely manner.

BerryDunn followed up on this FY24 finding during the FY25 examination and identified that SSHIE is still working to implement the corrective action plan and the error still existed during the examination period.

Cause

SSHIE reported a system defect where the system automatically renews the APTC eligibility for applicants whose FPL was under the threshold of Medicaid and/or Nevada Check Up eligibility when their applications were rejected and returned from DSS in the past. For example, one household in our sample had a household FPL of 122%, which is below the 138% Medicaid threshold. This household was denied Medicaid in 2022 for an unknown reason, and since then, their APTC eligibility has been automatically renewed each year during the annual open enrollment period without transmitting the application to DSS for its assessment of Medicaid/Nevada Check Up eligibility.

Effect

The customers who were denied Medicaid/Nevada Check Up in the past may have been receiving incorrect eligibility determinations at their renewal due to the system defaulting to eligibility for a QHP with APTC.

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Finding 2025-003 (Prior Year Finding 2024-004)

Criteria

45 CFR 155.302 (c) **Advance payments of the premium tax credit and cost-sharing reductions.** Notwithstanding the requirements of this subpart, the Exchange may implement a determination of eligibility for advance payments of the premium tax credit and cost-sharing reductions made by HHS, provided that—

[...]

(4) The Exchange and HHS enter into an agreement specifying their respective responsibilities in connection with eligibility determinations for advance payments of the premium tax credit and cost-sharing reductions.

45 CFR 155.302(d) **Standards.** To the extent that assessments of eligibility for Medicaid and CHIP based on MAGI or eligibility determinations for advance payments of the premium tax credit and cost-sharing reductions are made in accordance with paragraphs (b) or (c) of this section, the Exchange must ensure that—

(1) Eligibility processes for all insurance affordability programs are streamlined and coordinated across HHS, the Exchange, the State Medicaid agency, and the State CHIP agency, as applicable;

(2) Such arrangement does not increase administrative costs and burdens on applicants, enrollees, beneficiaries, or application filers, or increase delay.

26 CFR § 1.36B-2 Eligibility for premium tax credit.

(a) In general. An applicable taxpayer (within the meaning of paragraph (b) of this section) is allowed a premium assistance amount only for any month that one or more members of the applicable taxpayer's family (the applicable taxpayer or the applicable taxpayer's spouse or dependent)—

[...]

(2) Is not eligible for minimum essential coverage (within the meaning of paragraph (c) of this section) other than coverage described in section 5000A(f)(1)(C) (relating to coverage in the individual market).

(c)(2)(ii) Obligation to complete administrative requirements to obtain coverage. An individual who meets the criteria for eligibility for government-sponsored minimum essential coverage must complete the requirements necessary to receive benefits. An individual who fails by the last day of the third full calendar month following the event that establishes eligibility under paragraph (c)(2)(i) of this section to complete the requirements to obtain government-sponsored minimum essential coverage (other than a veteran's health care program) is treated as eligible for government-sponsored minimum essential coverage as of the first day of the fourth calendar month following the event that establishes eligibility.

Condition and Context

During the FY24 programmatic examination, BerryDunn identified four cases from a sample selection of 60 where the applicants were assessed regarding their eligibility for Medicaid and

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Nevada Check Up, rejected by DSS, and made eligible for APTC. When these cases were rejected and returned by DSS, SSHIE was not informed of the reason for rejection; therefore, SSHIE assumed the applicants were rejected for a reason that makes them eligible for APTC. However, based on further inquiries and research on these cases, SSHIE identified that these four households were made ineligible for Medicaid/Nevada Check Up because the applicants either voluntarily withdrew or did not complete the application process, which would have made them ineligible for APTC. Because Medicaid and Nevada Check Up are minimum essential coverage, if an applicant was eligible for Medicaid and/or Nevada Check Up but chose not to receive the coverage by not completing the application process, the applicant should not be eligible for APTC.

BerryDunn followed up on this FY24 finding during the FY25 examination and identified that SSHIE is still working to implement the corrective action plan and the error still existed during the examination period.

Cause

SSHIE and DSS have established a data transmission process; however, SSHIE reported that DSS does not include a reason code for its rejection of Medicaid/Nevada Check Up eligibility. Not knowing the reason for Medicaid/Nevada Check Up denial causes SSHIE to award a potential incorrect eligibility to its customers.

Effect

Applicants who were denied Medicaid/Nevada Check Up by DSS may have been incorrectly determined APTC eligible.

MATERIAL WEAKNESS IN INTERNAL CONTROL OVER COMPLIANCE

This is a material weakness.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL OVER COMPLIANCE

Programmatic Auditor's Opinion

Qualified

ADDITIONAL COMMENTS

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III. Recommendations

Finding 2025-001

Recommendation

BerryDunn recommends that SSHIE work with its system integrator to fix the known system defect and assess or determine every applicant's eligibility annually during the renewal processes.

Finding 2025-002 (Prior Year Finding 2024-003)

Recommendation

BerryDunn recommends that SSHIE work with its system integrator to fix the known system defect and assess or determine every applicant's eligibility annually.

Finding 2025-003 (Prior Year Finding 2024-004)

Recommendation

BerryDunn recommends that SSHIE continue to work with DSS to obtain the reason code for each rejection.

IV. Financial Statement Auditor's Opinion

We have issued an Independent Auditor's Report on the financial statements for the year ended June 30, 2025, reflecting the following type of opinion:

Unqualified

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V. Conclusion

SIGNATURE OF AUDIT FIRM:

BMP Assurance, LLP

COMPLETION DATE OF AUDIT:

FINDINGS REPORT: June 26, 2026