

## Independent Accountant's Report On Agreed-Upon Procedures

To the Board of Directors and Management of the  
New Mexico Health Insurance Exchange

We have performed the procedures enumerated below to assist the New Mexico Health Insurance Exchange (the "Exchange") in meeting the financial and programmatic reporting requirements as specified by the Centers for Medicare and Medicaid Services (CMS) for the completion of certain aspects of the Exchange's State-based Marketplace Annual Reporting Tool (SMART) submission for the year ended December 31, 2021. The Exchange's management is responsible for the accurate processing and accounting of the beWellnm for Small Business receipts and disbursements in accordance with generally accepted accounting principles (GAAP), compliance with 45 CFR (Code of Federal Regulations) Part 155, as well as for the implementation of adequate policies and procedures to prevent improper eligibility determinations and enrollment transactions and for the timely identification of errors that result from incorrect eligibility determinations for the year ended December 31, 2021.

The Exchange has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of solely to assist the Exchange in meeting the financial and programmatic reporting requirements as specified by the Centers for Medicare and Medicaid Services (CMS) for completion of certain aspects of the Exchange's State-based Marketplace Annual Reporting Tool (SMART) submission for the year ended December 31, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The Exchange, however, may submit this report to CMS in their SMART submission.

*The procedures and the associated findings are as follows:*

- 1) *BeWellnm for Small Business Receipts and Disbursements Procedures:* We selected a statistical sample of 22 premium invoices, based on a 90% confidence level and 10% tolerable deviation, issued between January and December 2021. For each premium invoice selected, we performed the following:
  - a) Traced the premium payment to the beWellnm invoice generated through NFP Health's premium billing system and agreed the premium payment to the applicable amount due and coverage for the period selected.

- b) Traced the premium payment to the Transaction Download Report generated from the NFP system and agreed the amount to the aggregate daily deposit reported on the Bank of Albuquerque premium disbursement account.
- c) Traced the premium remittance to the Transaction Download Report generated from the NFP system and the amount agreed to the aggregate withdrawal reported on the Bank of Albuquerque premium disbursement account and remitted to the appropriate insurance carrier(s).
- d) Inspected the journal entries recorded for the premium invoicing, premium receipt of payment and carrier remittance payment to verify it was posted in accordance with GAAP.

*Findings:* All premium invoices, premium payments, and premium remittances selected were properly recorded in accordance with GAAP. All premium and premium remittance amounts selected agreed with the premium invoice, coverage period, the general ledger, bank statements, and carrier remittance documents, as applicable.

2) *45 CFR Part 155 Compliance Procedures:*

Subpart C

We performed inquiries, observations, walkthroughs, and inspection of documents, where appropriate, to determine if the Exchange had processes, procedures, and controls in place to meet selected compliance requirements set forth in 45 CFR Part 155, Subpart C. Refer to Appendix A for a detailed listing of the specific procedures performed.

*Findings:* During our procedures over 45 CFR 155, Subpart C, no exceptions were found as a result of applying the procedures listed in Appendix A.

The procedures for other areas, as presented in Appendix A, did not result in the identification of findings to report.

Subpart K

In accordance with Section 3, Subsection B of the New Mexico Health Insurance Exchange Act (the "Act"), New Mexico Statutes Annotated 1978, 59A-23F-1 through 23F-8, the Exchange shall not duplicate, impair, enhance, supplant, infringe upon or replace, in whole or in any part, the powers, duties or authority of the New Mexico Superintendent of Insurance, including the Superintendent's authority to review and approve premium rates pursuant to the provisions of the New Mexico Insurance Code. The Exchange does not have the legal authority, either by statute or contract, to perform the federal requirements outlined in Subpart K. As a result, procedures were not performed to determine the Exchanges' compliance with 45 CFR 155, Subpart K.

3) *Eligibility and Enrollment Procedures:* For each of the 22 employer groups selected for the procedures in #1 above, we inspected system documentation to determine that eligibility and enrollment for the 2021 coverage year was performed and documented in compliance with policies and procedures and related regulations at the time of initial enrollment. Specifically, we determined the following:

- a) The employer group consisted of more than one employee, but less than 50 employees; and

- b) The employer group had a valid Employer Identification Number (EIN) and a physical and/or principal address located in New Mexico.

*Findings:* For all employer groups selected, the group consisted of more than one employee but less than 50 employees. Additionally, for all employer groups selected, the group had a valid EIN and either physical or principal address located in New Mexico.

- 4) *Error Identification – Appeal Procedures:* Through discussions with Exchange personnel, we gained an understanding of the reasons the Exchange would have an eligibility-based appeal. We viewed the Exchange’s beWellnm for Small Business Policies and Procedures Manual to determine if it addressed the eligibility appeals process and appeared to comply with applicable CFR regulations.

*Findings:* The Exchange did not have any eligibility-based appeals submitted between January and December 2021. However, the Exchange’s beWellnm for Small Business Policies and Procedures Manual did cover the appeals adjudication process, including the various types of appeals that could be filed, and the process for handling each of them in accordance with CFR requirements.

We were engaged by the Exchange to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accurate processing and accounting of the beWellnm for Small Business receipts and disbursements in accordance with generally accepted accounting principles (GAAP), compliance with 45 CFR Part 155, as well as for the implementation of adequate policies and procedures to prevent improper eligibility determinations and enrollment transactions and for the timely identification of errors that result from incorrect eligibility determinations for the year ended December 31, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Exchange and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of the Exchange and CMS, and is not intended to be and should not be used by anyone other than these specified parties.

**REDW** LLC

Albuquerque, New Mexico

May 27, 2022

**New Mexico Health Insurance Exchange  
APPENDIX A**

CFR Section	Title of Section	Procedures Performed by REDW
<i>Subpart C – General Functions of an Exchange</i>		
155.200	Functions of an Exchange	<ul style="list-style-type: none"> <li>• Discussed the federal requirements with the Exchange’s Deputy CEO/CFO to gain an understanding of the Exchange’s operations and the applicability of the federal requirements.</li> <li>• Determined that the Exchange was not operating on behalf of a Qualified Health Plan (QHP) by viewing the NFP/beWellnm for Small Business website, which supported the fact that the Exchange operates as a virtual marketplace where employers can shop for various QHP’s offered by carriers, and through discussions with the Exchange’s Deputy CEO/CFO, and scanning financial activity in the general ledger.</li> </ul>
155.205	Consumer Assistance Tools and Programs of an Exchange	<ul style="list-style-type: none"> <li>• Discussed the federal requirements with the Exchange’s CEO, Deputy CEO/CFO, and Director of Communication and Outreach to discuss their understanding of the federal requirements and where required information was available to consumers.</li> <li>• Observed the operations of the Exchange’s in-house call center.</li> <li>• Viewed the Exchange’s website, <a href="http://www.bewellnm.com">www.bewellnm.com</a>, observing the following information was displayed: the call center number 1-833-ToBeWell, premium and cost-sharing information, the summary of benefits and coverage, the identification of each level of QHP offered, and the provider directory. We also observed that there was accessibility for those living with disabilities and numerous available language translation services.</li> <li>• Viewed the Plan Comparison tool and the Anonymous Shopping tools on the website and gained an understanding of their functionality.</li> <li>• Viewed the functionality of the toggle feature on the website allowing for different languages.</li> </ul>

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CFR Section	Title of Section	Procedures Performed by REDW
<i>Subpart C – General Functions of an Exchange</i>		
155.220	Ability of States to Permit Agents and Brokers to Assist Qualified Individuals, Qualified Employers, or Qualified Employees Enrolling in QHP’s	<ul style="list-style-type: none"> <li>• Discussed the federal requirement with the Exchange’s Operations Specialist of beWellnm for Small Business and personnel at the New Mexico Office of the Superintendent of Insurance’s Life and Health Division to gain an understanding of the use of Agents and Brokers and to discuss their overall knowledge of the related requirements.</li> <li>• Viewed various training materials over privacy, security, and compliance as well as the Compliance Participant’s Guide.</li> </ul>
155.230	General Standards for Exchange Notices	<ul style="list-style-type: none"> <li>• Discussed the federal requirements with the Exchange’s Deputy CEO/CFO and Operations Specialist to gain an understanding of their knowledge of the requirements and the types of notices received through the beWellnm for Small Business website and methods in which notices are sent to employer groups.</li> <li>• Obtained beWellnm for Small Business’s current system of notices and read them for the required notice language.</li> <li>• Viewed the NFP/beWellnm for Small Business website where notices are sent and received through employer group “in-boxes.”</li> </ul>
155.240	Payment of Premium	<ul style="list-style-type: none"> <li>• Discussed the federal requirements with the Exchange’s Deputy CEO/CFO and Senior Accountant to gain an understanding of their knowledge of the federal requirements and the premium billing and premium remittance process.</li> <li>• Performed a walk-through of the Exchange’s premium billing and carrier remittance transaction cycle.</li> <li>• Performed detailed procedures on a sample of 22 premium bills (see full Agreed-Upon Procedures Report).</li> <li>• Viewed the Plan Comparison Tool on the NFP/beWellnm for Small Business website to assess calculation of premium.</li> </ul>

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<i>Subpart C – General Functions of an Exchange</i>		
155.260	Privacy and Security of Personally Identifiable Information (PII)	<ul style="list-style-type: none"> <li>• Discussed the federal requirements with the Exchange’s Operations Specialist to gain an understanding of the types of PII created/obtained/maintained by the Exchange and the processes and controls for ensuring privacy and security.</li> <li>• Obtained a listing of those employees with access to PII and determined that the access levels were appropriate.</li> <li>• Viewed the Exchange’s Privacy Policy and the link to this policy on the website.</li> <li>• Observed the Exchange’s Deputy CEO/CFO and Senior Accountant logging into the NFP/beWellnm for small business website using unique usernames and passwords.</li> <li>• Observed shred bins onsite at the Exchange that are utilized for accumulating sensitive documents for disposal.</li> <li>• Viewed a vendor contract and identified that specific language concerning confidentiality, privacy and security was included.</li> <li>• Observed compliance notices/signs onsite at the Exchange, including a hotline to report noncompliance and fraud.</li> <li>• Observed one Exchange employment agreement to verify that it contained requirements for complying with applicable security, confidentiality, and other federal and state regulations.</li> <li>• Read the Exchange’s policies and procedures related to the creation, collection, use, and disclosure of PII.</li> </ul>

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CFR Section	Title of Section	Procedures Performed by REDW
<i>Subpart C – General Functions of an Exchange</i>		
155.270	Use of Standards and Protocols for Electronic Transactions	<ul style="list-style-type: none"> <li>• Discussed the federal requirement with the Exchange’s Operations Specialist to gain an understanding of the applicability of these requirements and their knowledge in the area.</li> <li>• Discussed encryption controls and data transfer processes with NFP Health’s Information Security Department.</li> <li>• Viewed the Health Insurance Portability and Accountability Act (HIPAA) and Privacy Breach and Migration training documents.</li> </ul>
155.206, 155.210, 155.215, 155.221, 155.222, 155.225, 155.227, 155.280, and 155.285	Various Sections	<ul style="list-style-type: none"> <li>• For these federal requirements, we inquired with the Exchange’s Deputy CEO/CFO, Director of Communications and Outreach, and Operations Specialist, and all agreed that these sections of the CFR were not applicable to the Exchange and its activities as of December 31, 2021, as the Exchange currently uses the federal healthcare platform for the individual exchange.</li> </ul>