

Access Health CT



ENGAGEMENT OVERVIEW AND PLAN JUNE 30, 2016

DECEMBER 5, 2016



WHITTLESEY & HADLEY, P.C.
Certified Public Accountants/Consultants

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Access Heath CT Whittlesey & Hadley's Engagement Team

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- Edward Sullivan, CPA – Partner
 - (860)524-4446; esullivan@whcpa.com
- Jean Callan, CPA - Manager
 - (860)524-4447; jcallan@whcpa.com
- Alex McCabe– Senior Associate
 - (860)524-4440; amccabe@whcpa.com

Whittlesey & Hadley, P.C.
280 Trumbull Street, 24th Floor
Hartford, CT 06103

Access Health CT Engagement Objectives

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- Conduct an audit of the financial statements of Access Health CT as of June 30, 2016 in accordance with auditing standards generally accepted in the United States of America.
- Federal Single Audit, Programmatic Audit and Transitional Audit.
- Identify and communicate best business practices.
- Consult regarding accounting, internal control and reporting matters as needed throughout the year.
- Ensure that the Audit Committee is kept appropriately informed of the AHCT's financial reporting matters and comply with professional standards as to communications with the Audit Committee.

Access Health CT Auditors' Responsibility

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- We are not aware of any relationships between our Firm and the Access Health CT that, in our professional judgment, impairs our independence.
- We have a responsibility to conduct our audit in accordance with generally accepted auditing standards.
- In carrying out this responsibility, we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- We have no responsibility to obtain reasonable assurance that misstatements that are not material are detected.
- Our audit approach will focus on tests of internal controls and performing substantive and analytical procedures with respect to certain transactions, account balances, and accounting estimates, typically in areas that carry higher risk.

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Management's Audit Responsibility

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- Presenting fairly the financial statements in conformity with generally accepted accounting principles
- Design and implementation of internal controls
- Selection and application of appropriate accounting policies
- Providing the auditor with a letter confirming certain representations made during the audit

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Engagement Overview – Programmatic Audit

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- **The scope of the engagement covers all subparts of 45 CFR Part 155, but CMS guidance suggested focus on specific processes and procedures for:**
- General procedures
- Eligibility
- Enrollment
- Certification of Qualified Health Plans

The objectives are:

- Program effectiveness and results
- Compliance with laws and regulations
- Analysis
- Internal controls – 1)safeguarding sensitive information,2) Management information is complete and accurate3) Integrity of computer systems is maintained including back ups

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Engagement Overview – Transitional Reinsurance

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Requirements include:

- Standard operating procedures and protocols for receipt and controls of reinsurance funds, payment processing, and payments appeals
- Documentation demonstrating the verification and validation that payments made by the reinsurance entity match Edge outbound reports
- Records of accounting procedures and financial statements with respect to the transitional reinsurance program

AHCT – Significant Audit Areas

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Significant Audit Areas	Anticipated Approach
Cash	Controls/Substantive
Accounts Receivable	Controls/Substantive
Compensation, Benefits and Related Accruals	Controls/Substantive
Consultants	Controls/Substantive
Government Grants and Contracts	Controls/Substantive
Marketplace Assessment	Controls/Substantive
Compliance with Federal Grant Requirements	Controls
Programmatic Audit	Controls
Reinsurance	Controls

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Engagement Overview - Reporting

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- Prepare draft financial statements and management letters.
- Discuss results of audit and financial statements with management and the audit committee.
- Review “Communication with Those Charged with Governance” letter and comments.
- Prepare draft reports for Transitional and Programmatic Audits.
- Discuss results and findings with management and the audit committee.