

Connect for Health Colorado

Performance Audit

September 2025

2465P



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September 16, 2025

Members of the Legislative Audit Committee:

This report contains the results of a performance audit of Connect for Health Colorado. The audit was conducted pursuant to Section 2-3-108, C.R.S., which requires the State Auditor to conduct a special audit requested by a member of the General Assembly or the Governor, when approved by a majority vote of the Legislative Audit Committee. The Legislative Audit Committee approved this audit in response to a legislative request that expressed concerns with Connect for Health's financial management, specifically a concern that Connect for Health is spending money on political fundraisers. The report presents our findings, conclusions, and recommendations, and the responses of Connect for Health Colorado.

Kerri L. Hunter



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Report Highlights

Connect for Health Colorado

Performance Audit • September 2025 • 2465P



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Key Concern

The General Assembly requested this audit in response to concerns that Connect for Health Colorado (Connect for Health) may be donating money to political fundraisers, following its sponsorship of a fundraiser for a progressive political advocacy organization in 2023. In our testing of a sample of Connect for Health's other sponsorships during July 1, 2023 through December 31, 2024, we did not identify any instances in which Connect for Health sponsored an event for or donated money to a political fundraiser or political fundraising organization. However, we found that Connect for Health did not consistently comply with its sponsorship policies and procedures and should improve its processes to ensure its sponsorships align with its mission. In addition, we found that Connect for Health has improved its financial management practices since our 2017 audit, but should refine its financial policies and procedures and its overall approach to policy management.

Key Findings

- Connect for Health did not consistently follow its own criteria for selecting and sponsoring events/organizations. For example, 15 of the 49 sponsorships (31 percent) that we reviewed did not address a target audience. Additionally, Connect for Health did not consistently document its decision-making processes by retaining documentation to support leadership's approval of sponsorships, anticipated outcomes and attendance for sponsorships, or whether sponsorships met their objectives.
- Connect for Health lacked sufficient criteria and documentation requirements to support that certain sponsorships aligned with its mission to improve healthcare access, affordability, and choice. Specifically, we identified sponsorships for networking and fundraising events, such as the Denver Zoo Flock Party and a golf tournament, that lacked a documented rationale connecting the activity to Connect for Health's mission.
- Connect for Health did not consistently maintain documentation to support approvals or justification for credit card expenditures, vendor selection, and large procurements. In addition, we found gaps in Connect for Health's oversight of the executive administration's use of credit cards, unclear and inconsistent financial policies, and a lack of policy management to ensure policy revisions are complete, consistent, and relevant.
- Connect for Health did not accurately report its Calendar Year 2023 public awareness and outreach campaign expenditures as required by Senate Bill 22-081.

Background

- Connect for Health is a quasi-governmental, nonprofit organization that operates Colorado's official state-based health insurance marketplace with the intent to increase healthcare access, affordability, and choice. Through the marketplace, Coloradans may access state and federal financial assistance programs for purchasing health care insurance. During 2025's open enrollment period, Connect for Health enrolled about 300,000 Coloradans in health insurance plans.
- Connect for Health sponsors events and organizations to provide education on its services, generate brand awareness, and build referral channels and relationships. Senate Bill 22-081 dedicated additional revenue for Connect for Health to

provide outreach and education, including sponsorships. So far, Connect for Health has received \$1.9 and \$1.8 million in Fiscal Years 2023 and 2024, respectively, through Senate Bill 22-081.

- In Fiscal Year 2024, Connect for Health had about \$60 million of revenue and about \$54 million of expenses, including \$5.8 million for marketing and outreach activities.

| Audit Recommendations Made | Agency Responses | | |
|----------------------------|------------------|-----------------|----------|
| | Agree | Partially Agree | Disagree |
| 5 | 5 | 0 | 0 |

Chapter 1

Overview of Connect for Health Colorado

The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) authorized federal funding to establish state health insurance exchanges [42 USC 18031(a)]. According to the Centers for Medicare and Medicaid Services (CMS) within the federal Department of Health and Human Services (HHS), a health insurance exchange is an organized marketplace that helps consumers shop for and compare available health plans based on prices and benefits, and helps reduce the overall costs of health plans by spreading risk across a large pool of consumers. The Affordable Care Act also required state exchanges to become financially self-sustaining by January 1, 2015 [42 USC 18031(d)(5)(A)].

Colorado's Health Insurance Exchange

The Colorado Health Benefit Exchange, also known as Connect for Health Colorado, or Connect for Health, is Colorado's official state-based health insurance marketplace. Connect for Health performs functions required by federal laws and regulations, including operating a web-based shopping and health insurance enrollment portal, administering federal financial assistance programs, conducting outreach activities, and providing customer service; as well as functions required by state law, such as administering state financial assistance programs. Connect for Health's plans operate on an annual basis, called a plan year, which aligns with the calendar year, while Connect for Health's fiscal year runs from July 1 to June 30.

The General Assembly created Connect for Health in 2011 as a nonprofit organization outside of state government to "...increase access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado" [Section 10-22-102, C.R.S.]. Connect for Health offered its first open enrollment for health plans in October 2013 for the 2014 plan year, and most recently concluded its 12th annual open enrollment period, for the 2025 plan year. Over that period, the organization has continued to grow and evolve its operations.

Connect for Health's Primary Activities

Health and Dental Insurance Marketplaces. Connect for Health provides centralized virtual marketplaces where customers can browse multiple plans and insurers simultaneously, and where eligible individuals can receive state and federal financial assistance for purchasing insurance. In Plan Year 2025, Connect for Health offered 143 health plans and 12 dental plans to individuals and

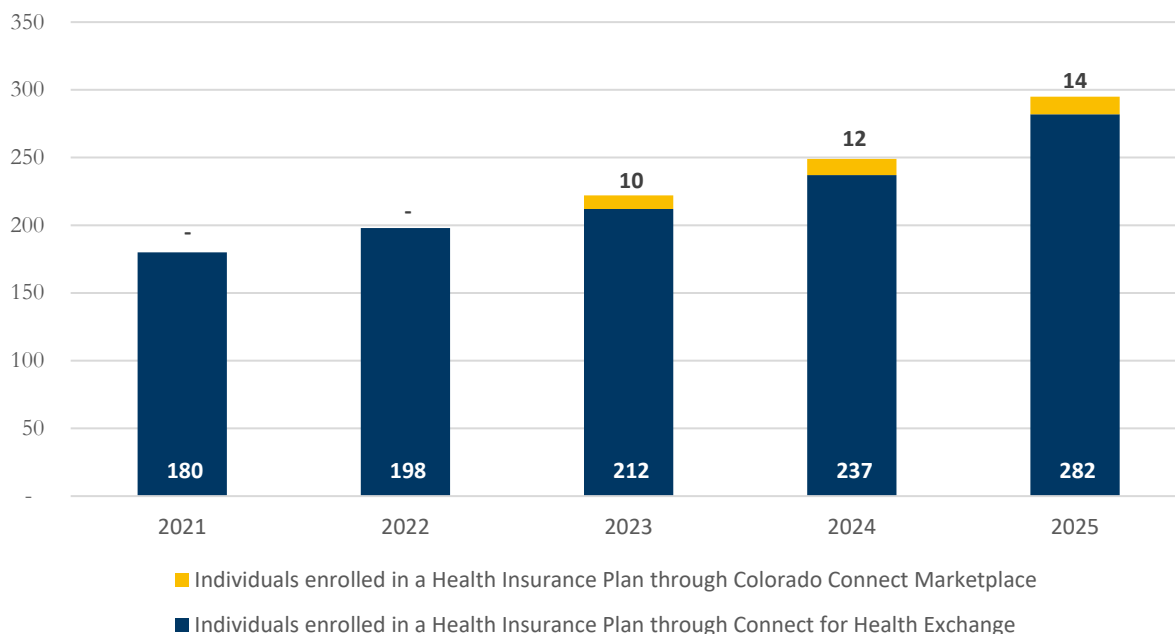
families, from six health insurers and four dental insurers, and enrolled 80 percent of its customers in various state and federal financial assistance programs.

Connect for Health operates two distinct health insurance marketplaces: a primary marketplace known as the “main exchange” and a much smaller marketplace known as Colorado Connect. Connect for Health also develops digital platforms for its marketplaces. Connect for Health’s main exchange enrolled between 180,000 and 282,000 individuals annually in recent years and is the only place where eligible individuals in Colorado can receive federal financial assistance. In 2020, following the passage of Senate Bill 20-215, Connect for Health also created a public benefit corporation, Colorado Connect, as a wholly-owned subsidiary of Connect for Health. Colorado Connect operates a distinct marketplace outside of federal oversight and administers state-funded subsidies, primarily for undocumented individuals who are not eligible for federally-funded financial assistance. Its marketplace has operated since the 2023 plan year and enrolled between 10,000 and 14,000 individuals annually. The Colorado Connect marketplace uses many of the same digital tools as the main exchange, but its systems and data are completely separate from the main exchange and it does not interface with federal systems.

About 300,000 individuals enrolled in a 2025 health plan through Connect for Health and Colorado Connect. Total enrollment has increased since 2021 by 65 percent, as shown in Exhibit 1.1.

Exhibit 1.1

Health Plan Enrollment (in Thousands) for Connect for Health and Colorado Connect During Open Enrollment 2021-2025

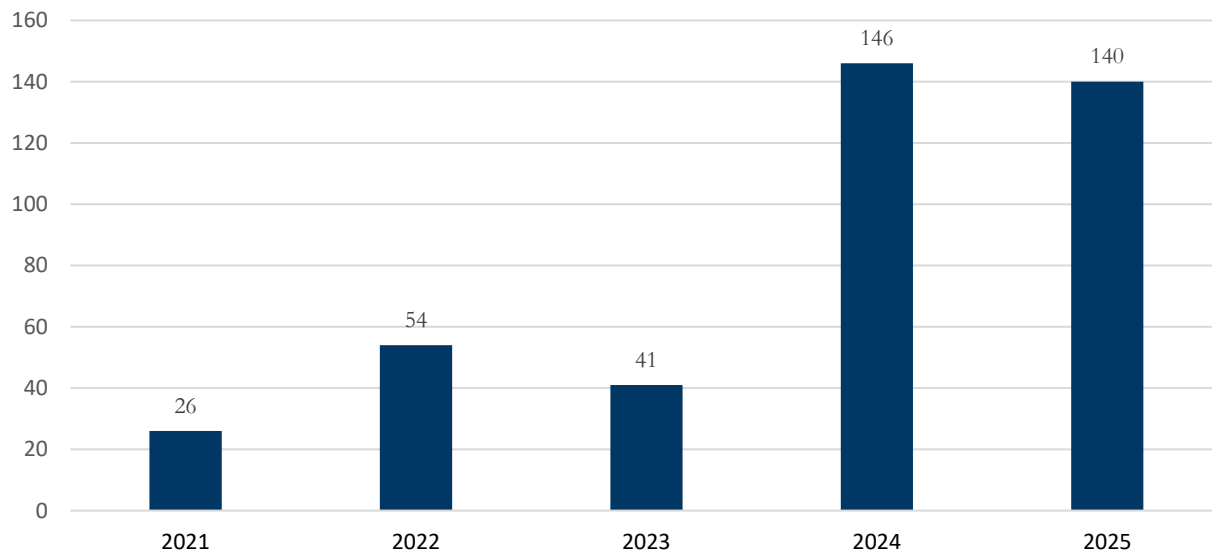


Source: Office of the State Auditor analysis of Connect for Health Annual Enrollment Reports, 2021-2025. This analysis rounds figures to the nearest whole thousand.

The Exhibit 1.1 data reflect enrollments, not actual participants. For example, some individuals counted here may have enrolled via a marketplace, but failed to pay for and activate their insurance coverage. Additionally, a number of individuals may enroll through Connect for Health marketplaces outside of the open enrollment period based on life changes, such as marriage, change of employment status, or the birth of a baby. These individuals are not counted here, but still obtained health insurance through Connect for Health at other times throughout each year.

Enrollment Assistance and Outreach. Connect for Health works with community organizations and insurance brokers to connect people who need insurance with its marketplaces. Since 2017, Connect for Health has relied on contract agreements to fund assistance for consumers with community partners throughout the state. These partners make up Connect for Health’s network of “assisters and brokers,” or local community organizations and insurance brokers, that have completed training on how to provide assistance through Connect for Health. Exhibit 1.2 shows the number of Connect for Health outreach events held during the 2021 through 2025 plan years. The purpose of these outreach events is to provide education on its services, generate brand awareness, and build referral channels and relationships.

Exhibit 1.2
Number of Outreach Events in Plan Years 2021-2025



Source: Office of the State Auditor analysis of Connect for Health Annual Enrollment Reports, 2021-2025.

Marketing and Sponsorship. Connect for Health engages in various marketing and sponsorship activities to increase its brand awareness and encourage uninsured Coloradans to get insurance. Connect for Health sponsors a variety of events with community organizations by, for example, providing funds in exchange for speaking opportunities at the event, staffing informational booths to connect with event attendees, or placing Connect for Health’s logo on event materials. Connect

for Health has also initiated ambassador partnerships with social media influencers, launched an animated video campaign, engaged in email marketing, expanded its social media presence to new platforms, and utilized print publications to spread awareness.

Customer Service. Connect for Health provides assistance and support to the customers, assisters, and brokers using its platforms. Prior to 2022, Connect for Health contracted with outside companies to provide customer assistance, but has since transitioned to providing customer service using its own staff for year-round service as well as temporary contractors to increase its capacity during open enrollment periods.

Administration

Connect for Health is administered by a Chief Executive Officer (CEO) who is responsible for daily management of the organization. Connect for Health's administrative structure has continued to evolve since its creation. For example, since 2017, it has brought many product and software development functions in-house, in addition to its year-round customer service function, increasing the number of staff and departments within the organization. Staffing levels have grown from about 78 full-time staff in 2017, to 211 full-time staff in 2025—an increase of 171 percent.

Connect for Health's Board of Directors (Board) provides oversight and governance [45 CFR 155.110(c)]. The Board is comprised of nine voting and three nonvoting members. The Governor appoints five voting members and General Assembly leadership appoints the remaining four voting members [Section 10-22-105(1), C.R.S.]. The three nonvoting board members are the Executive Director of the Department of Health Care Policy and Financing, the Commissioner of Insurance, and the Director of the Governor's Office of Economic Development and International Trade, or a designee from any of those three positions [Section 10-22-105(1)(c), C.R.S.].

According to statute, the Board's key duties and responsibilities include appointing Connect for Health's CEO, creating financial and operational plans, reporting on open enrollment to the Governor and General Assembly annually, and providing the organization technical and advisory assistance [Section 10-22-106, C.R.S.]. The Board also sets the administrative fee rate that Connect for Health levies on premiums based on factors such as projected health plan enrollment, operational expenses, and average premiums. The Board and its committees meet monthly to review Connect for Health's operations, contracts, and expenditures.

Revenues and Expenditures

Revenues. Early in Connect for Health's history, it received substantial direct state and federal funding for its operations. However, in line with federal requirements to become financially self-sustaining by 2015, Connect for Health's primary revenue sources are now administrative fees. In

Fiscal Year 2024, Connect for Health reported total revenue of about \$60 million. Connect for Health's primary funding sources include:

- Administrative fees charged on each plan sold through the exchange, currently set at 3.5 percent of the annual premium. These fees have accounted for between 74 and 81 percent of Connect for Health's revenues since Fiscal Year 2022.
- Donations from insurers that count as dollar-for-dollar tax credits for those insurers. Because the State's tax credit program results in decreased state general fund revenue, we consider this revenue indirect state funding. This revenue also includes insurer donations authorized by Senate Bill 22-081, which expanded the tax credit program to fund a new Connect for Health public awareness and education campaign.
- Federal funds passed through the Department of Health Care Policy and Financing for reimbursements of costs associated with administering Medicaid.

Connect for Health has also received a small amount of additional state funding through grant payments from the State's Health Insurance Affordability Enterprise (HIAE) within the Department of Regulatory Agencies' Division of Insurance for the implementation of systems designed to increase health benefit plan enrollment. The HIAE collects fees assessed on health insurers and hospitals to fund projects designed to decrease the cost of individual health insurance plans for consumers. Combined, state direct and indirect sources have accounted for between 19 and 26 percent of Connect for Health's revenues since Fiscal Year 2022.

Expenditures. Connect for Health reported almost \$54 million in operating expenses for Fiscal Year 2024.

Exhibit 1.3 depicts Connect for Health's total operating expenditures and operating revenue as reported in audited financial statements over the last 5 fiscal years.

Exhibit 1.3

Connect for Health Revenue and Expenditures (in Millions) for Fiscal Years 2020-2024

| | Fiscal Year | 2020 | 2021 | 2022 | 2023 | 2024 | Percent Change 2020-2024 |
|--------------|---------------------------------|---------------|---------------|---------------|---------------|---------------|--------------------------|
| Revenue | Grants and Contributions | \$0.5 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | -100% |
| | Program Revenue ¹ | \$11.2 | \$11.7 | \$12.0 | \$13.7 | \$11.5 | 3% |
| | Fees for service | \$33.4 | \$31.0 | \$34.0 | \$38.2 | \$48.1 | 44% |
| | Other revenue ² | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.1 | N/A |
| | Total Revenue | \$45.1 | \$42.7 | \$46.0 | \$51.9 | \$59.7 | 32% |
| Expenditures | Customer service ³ | \$17.0 | \$11.8 | \$9.3 | \$9.5 | \$9.4 | -45% |
| | Technology | \$11.1 | \$11.5 | \$10.1 | \$9.2 | \$9.6 | -14% |
| | Personnel ⁴ | \$9.3 | \$10.1 | \$13.3 | \$17.1 | \$20.8 | 124% |
| | Marketing and Outreach | \$3.9 | \$3.7 | \$5.3 | \$5.0 | \$5.8 | 49% |
| | Other expenditures ⁵ | \$4.7 | \$5.4 | \$6.6 | \$9.1 | \$8.3 | 77% |
| | Total Expenditures | \$46.0 | \$42.5 | \$44.6 | \$49.9 | \$53.9 | 17% |

Source: Office of the State Auditor analysis of Connect for Health Annual Financial Reports, Fiscal Years 2020–2024.

Note 1: The program revenue category includes Medicaid reimbursements, insurance carrier donations (tax credits), and state grants.

Note 2: The other revenue category includes interest income and non-federal grants that are not included in the Grants and Contributions category.

Note 3: The customer service expenditures category includes call center costs such as temporary staffing contracts and operating supplies.

Note 4: The personnel expenditures category includes permanent staff salary and benefits.

Note 5: The other expenditures category includes depreciation and amortization, support services, and facilities expenses.

Audit Purpose, Scope, and Methodology

We conducted this performance audit pursuant to Section 2-3-108, C.R.S., which requires the State Auditor to conduct an audit requested by a member of the General Assembly or the Governor, when approved by a majority vote of the Legislative Audit Committee. The Legislative Audit Committee approved this audit in response to a legislative request, which expressed concerns with Connect for Health’s financial management, specifically a concern that Connect for Health is “spending money on political fundraisers rather than using that money to facilitate the offering of affordable health care to Coloradans.” Audit work was performed from October 2024 through August 2025. We appreciate the cooperation and assistance provided by the management and staff of Connect for Health during this audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The key objectives of the audit were to determine whether Connect for Health:

- Has sufficient controls in place to administer the public funds it receives and to procure goods and services in compliance with applicable laws, regulations, grant awards, and internal policies and procedures.
- Implemented the recommendations from our June 2017 Colorado Health Insurance Benefits Exchange: Connect for Health Colorado, Performance Audit.

The scope of this audit did not include operational areas outside Connect for Health's sponsorship and outreach activities and Connect for Health's previously identified financial management risk areas, including documentation practices to support expenditures, contract management, and credit card use.

To accomplish our audit objectives, we performed the following audit work:

- Reviewed applicable laws, rules, and internal policies and procedures governing Connect for Health's sponsorship and financial management practices.
- Interviewed Connect for Health staff and management.
- Analyzed Connect for Health financial records and reviewed Connect for Health contracting data for transactions completed between July 1, 2023 through December 31, 2024.
- Analyzed the population of all sponsorships completed by Connect for Health between July 1, 2023 and December 31, 2024, and reviewed all retained management approval documentation for Connect for Health's sponsorship activities.
- Reviewed the supporting documentation and approval records for samples of contracted, non-contracted, and credit card expenditures made between July 1, 2023 through December 31, 2024, and assessed compliance with applicable procurement policies and procedures.
- Reviewed a sample of sponsorships completed by Connect for Health between July 1, 2023 through December 31, 2024. For each sponsorship in the sample, we reviewed documentation retained by Connect for Health; researched the nature of the sponsorship, the tax status of the recipient, and the business standing of the recipient according to Secretary of State records; and assessed compliance with Connect for Health vetting criteria.

- Reviewed Connect for Health’s reporting to the Colorado Health Insurance Exchange Oversight Committee concerning its expenditure of Senate Bill 22-081 funding and analyzed Connect for Health financial data to determine actual expenditures for Calendar Year and Fiscal Year 2023.
- Reviewed prior internal audits and external audits conducted by Plante Moran, under contract with Connect for Health, and the Office of the State Auditor to assess Connect for Health’s implementation of financial management recommendations from our 2017 performance audit.

We relied on the following random samples to support our audit work:

- A random sample of 49 sponsorships drawn from Connect for Health sponsorship records from the period between July 2023 through December 2024, exclusive of the 25 sponsorships that had been recently reviewed by Connect for Health’s internal audit function in order to avoid duplicative review. We originally drew 50 sponsorships in our sample, but later learned that one sponsorship record was a duplicate of another in our sample. We determined that our sample had sufficient coverage of the population and did not draw another sponsorship to replace the duplicate record.
- A random sample of 35 contracted expenditures that Connect for Health made between July 2023 through December 2024. A contracted expenditure is defined as an expenditure resulting from an executed contract.
- A random sample of 35 non-contract expenditures that Connect for Health made between July 2023 through December 2024. A non-contract expenditure is defined as an expenditure that is not associated with an executed contract and was not made by credit card.
- A random sample of 35 credit card expenditures that Connect for Health staff made between July 2023 through December 2024.

The results of our random samples cannot be projected to the population. However, the sample results are valid for confirming problems with sponsorships and expenditures, and, along with the other audit work performed, provide sufficient, reliable evidence as the basis for our findings, conclusions, and recommendations.

As required by auditing standards, we planned our audit work to assess the effectiveness of those internal controls that were significant to our audit objectives. Details about the audit work supporting our findings and conclusions, including any deficiencies in internal control that were significant to our audit objectives, are described in the remainder of this report.

A draft of this report was reviewed by Connect for Health. Obtaining the views of responsible officials is an important part of the Office of the State Auditor’s (OSA) commitment to ensuring that the report is accurate, complete, and objective. The OSA was solely responsible for determining whether and how to revise the report, if appropriate, based on Connect for Health’s comments. The written responses to the recommendations and the related implementation dates were the sole responsibility of the Connect for Health.

Chapter 2

Sponsorships and Financial Activities

The General Assembly created Connect for Health as a nonprofit organization that operates independently of state government to provide access to health insurance for Colorado residents and businesses [Sections 10-22-102 and 104, C.R.S.]. According to its management, legislators intentionally selected this approach to allow Connect for Health flexibility in its operations and outreach activities. Connect for Health is currently financially self-sustaining, and operates independently of direct federal and state funding. However, Connect for Health relies on revenue sources created in statute. Statute requires insurance carriers to pay fees, which account for the majority of Connect for Health's revenue, and incentivizes insurance carrier donations to Connect for Health through a state tax credit program [Sections 10-22-109 and 110, C.R.S.]. Statute also requires Connect for Health to report on its outreach activities and expenditures to the Colorado Health Insurance Exchange Oversight Committee [Section 10-22-115, C.R.S.]. As a quasi-governmental entity, Connect for Health is not subject to the same financial management and outreach requirements as other state agencies, but is subject to legislative oversight.

The OSA audited Connect for Health's operations in 2014 and 2017. In both audits, we identified considerable financial management issues. However, in our 2017 audit, we found that Connect for Health had made some financial management improvements, such as controlling administrative and contract costs, increasing revenue, and monitoring its financial position to ensure its operations are sustainable. Since 2017, the organization has grown and changed significantly, increasing both health insurance enrollments as well as the overall size and functions of the organization. Connect for Health uses sponsorships, which provide financial support to nonprofit fundraising and community events, as a key component of outreach to increase health insurance enrollments. The General Assembly's Legislative Audit Committee approved this audit in response to legislative concerns that Connect for Health may be donating money to political fundraisers, following its sponsorship of a fundraiser for a progressive political advocacy organization in 2023.

In our testing of a sample of Connect for Health's other sponsorships during July 1, 2023 through December 31, 2024, we did not identify any instances in which Connect for Health sponsored an event for or donated money to a political fundraiser or political fundraising organization. However, we identified improvements Connect for Health should make related to adhering to its sponsorship policies and procedures and ensuring sponsorships align with its mission. We also found that Connect for Health has continued to improve its financial management practices, but should take additional steps to refine its financial policies and procedures and its overall approach to policy management. We further found that Connect for Health did not satisfy its 2024 statutory reporting requirement regarding its outreach expenditures.

The rest of this chapter contains the results of our audit work, and our findings and recommendations to Connect for Health.

Finding 1—Sponsorship Management

As part of its normal business activities, Connect for Health routinely sponsors various events and organizations throughout Colorado to increase awareness of the organization and to encourage uninsured individuals to obtain health and dental insurance through the State’s exchange. Connect for Health’s internal strategy document outlines that sponsorships are intended to provide education to the public, generate brand awareness, build referral channels, create and strengthen partnerships, and/or facilitate leadership visibility.

Connect for Health sponsors a variety of events and recipients, such as:

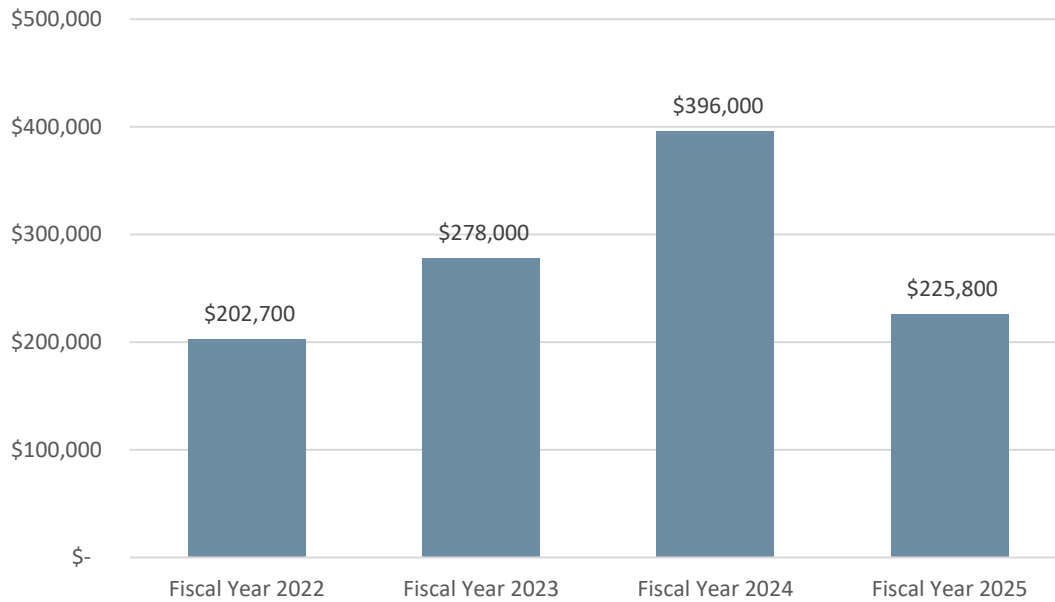
- Chambers of commerce, regional groups, and other business community events
- Community nonprofit organizations
- Community events and festivals, such as farmer’s markets, running races, and exhibitions
- Fundraisers, galas, and banquets
- Educational events and conferences
- Events with elected officials and community leaders

Typically, Connect for Health identifies sponsorships itself or it uses external consultants to help identify sponsorship opportunities and sometimes staff the tables at the events. Depending on the sponsorship, Connect for Health staff or leadership, or other Connect for Health partners, may attend the sponsored events. Connect for Health’s role at these events varies from speaking at the event to staffing informational booths or tables.

Sponsorships usually range from less than a hundred dollars to a few thousand dollars each. Connect for Health has spent between \$200,000 and \$400,000 on sponsorships and outreach annually in each of the last 4 fiscal years. Exhibit 2.1 shows Connect for Health’s outreach expenditures for Fiscal Year 2022 through December 2024, which include both sponsorship fees as well as various other outreach expenses, such as catering for events, speaking fees, and supplies. Connect for Health increased its outreach expenditures following the passage of Senate Bill 22-081, which created a tax credit incentivizing health insurers to donate up to \$4 million annually in additional insurance carrier donation revenue to Connect for Health to help fund a public awareness and education campaign (this tax credit is scheduled to expire in August 2028). Connect for Health received about \$2 million in additional funding in each of the first 2 fiscal years of this expansion, some of which it has used for outreach activities.

Exhibit 2.1

Connect for Health Outreach Expenditures, Fiscal Year 2022 to Fiscal Year 2025¹



Source: Office of State Auditor analysis of Connect for Health general ledger data.

¹Fiscal Year 2025 expenditures July 1, 2024 to December 31, 2024.

What was the purpose of our audit work and what work was performed?

The purpose of our work was to determine whether Connect for Health has sufficient controls in place to administer sponsorship funds in compliance with applicable laws and policies and procedures. We reviewed a sample of Connect for Health sponsorships to determine if the sponsorships met applicable criteria, were appropriate (i.e., not for a political fundraiser or to a political fundraising organization), and whether Connect for Health staff had properly vetted the sponsorships and retained necessary documentation. Specifically, we selected a random sample of records for 49 of 261 sponsorships (19 percent) paid by Connect for Health for the period between July 1, 2023 and December 31, 2024, which was the most recent data available at the time of our test work. These sponsorships totaled \$125,246 of about \$467,900 that Connect for Health paid to various organizations for sponsorships during the period.

For each paid sponsorship, we reviewed invoices, reviewed sponsorship vetting materials and all supporting documentation on file, and researched the nature of the sponsorship and recipient using websites related to the sponsorship, public tax filings, and Secretary of State records. We assessed each sponsorship for compliance with Connect for Health's internal vetting criteria and the overall appropriateness of the sponsorship in relation to Connect for Health's mission and its outreach

program objectives. We also evaluated whether each of the sponsorships in our sample were for a political fundraiser or to a political fundraising organization.

As part of our work, we also reviewed applicable laws and regulations, and Connect for Health's written procedures and general financial controls. Additionally, we interviewed Connect for Health management and staff to understand the purpose of the sampled sponsorships and the organization's practices for its outreach activities.

How were the results of the audit work measured?

We applied the following criteria to assess Connect for Health's sponsorships:

Connect for Health policies and procedures require that:

- Each sponsorship meets a Connect for Health: (1) outreach goal, (2) initiative, and (3) target audience.
- Staff research the business nature of the entity being considered for sponsorships, including the type of entity; any associations with political activity such as Political Action Committees, advocacy, and lobbying; and business standing according to public Secretary of State records. Connect for Health added these criteria in November 2023.
- Senior Connect for Health leadership approve each sponsorship. Typically, staff request approval for potential sponsorships on a weekly basis via email. These emails must include information about the proposed sponsorship, including cost, host organization, requestor, tax filing status, Secretary of State standing, and benefits of the sponsorship. Connect for Health added this approval process in November 2023.

Exhibit 2.2 provides the specific outreach goals, initiatives, and target audiences named in Connect for Health's Sponsorship Procedures. According to Connect for Health written procedures, each sponsorship must satisfy at least one option in each of these three categories. Connect for Health created these criteria; Colorado statute does not address Connect for Health's sponsorship activities or require Connect for Health sponsorships to be limited to particular goals, initiatives, or audiences. According to Connect for Health's Sponsorship strategy document, the target audiences were identified because they "...are typically under insured or uninsured according to the Colorado Access Survey [a biennial, statewide health care access survey published by the Colorado Health Institute]." The Colorado Health Institute is a nonprofit public health institute with a mission that states it "...strengthens communities and systems with trusted analysis and collaborative solutions to improve health." The Colorado Health Institute notes on its website that it has a "nonpartisan ethic" and does not endorse bills, ballot initiatives, or candidates.

Exhibit 2.2

Connect for Health Outreach Goals, Initiatives, and Target Audiences

| Outreach Goals Each sponsorship must have at least one of the following outcomes: | Initiatives Each sponsorship must provide outreach to organizations that work with at least one of the following programs or groups: | Target Audiences Each sponsorship must target at least one of the following populations: |
|--|--|---|
| <ul style="list-style-type: none"> • Increase brand awareness • Build new partnerships or strengthen existing partnerships • Educate potential customers • Create referral channels • Increase leadership visibility • Relate to the Connect for Health Strategic Plan | <p>Cover All Coloradans—Colorado program that expanded public insurance coverage for low-income children and pregnant people, irrespective of immigration status. House Bill 22-1289 created this program and the Department of Health Care Policy and Financing administers it.</p> <p>Federal Deferred Action for Childhood Arrivals policy (DACA)—Initiative to extend eligibility for federal subsidies on health insurance exchanges to DACA recipients (individuals without documentation who came to the United States as children).</p> <p>Federal Family Glitch policy—Initiative to expand eligibility for federal subsidies on health insurance exchanges by taking into account the cost to add family members when determining the affordability of an employer-sponsored plan.</p> <p>General Open Enrollment and Special Enrollment Period—Almost all Coloradans are eligible to enroll in a Connect for Health plan during Open Enrollment, and may be eligible for special enrollment periods depending on life circumstances.</p> <p>OmniSalud—An alternative insurance marketplace primarily for undocumented people in Colorado, that is affiliated with and administered by Connect for Health staff. House Bill 21-1232 created this program.</p> <p>Pregnancy Special Enrollment Period—Special enrollment period on health insurance exchanges for pregnancy.</p> <p>Small Businesses</p> <p>Tax Time Enrollment—Special enrollment period on health insurance exchanges for eligible people who opt-in when filing their income tax return.</p> | <ul style="list-style-type: none"> • Rural Coloradans • Small Businesses • Immigrants and Refugees • LGBTQIA individuals¹ • Black and African Americans • Latinx individuals |

Source: Office of State Auditor analysis of Connect for Health Sponsorship Procedures.

¹Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual.

We also considered the overall reasonableness and appropriateness of sponsorships in relation to Connect for Health’s programmatic needs and mission, which are based on the legislative intent in Connect for Health’s enacting legislation. According to statute, Connect for Health is intended, “...to increase access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado” [Section 10-22-102, C.R.S.]. Further, its financial policies require Connect for Health to manage financial operations to “...maintain public confidence in [Connect for Health’s] financial integrity and ability to achieve its mission” [Connect for Health Financial Operations Guiding Policy].

Finally, we referred to guidance on leading management practices from the Standards for Internal Control in the Federal Government (Green Book), a U.S. Government Accountability Office (GAO) publication that represents accepted best practices for internal controls in the public sector, and guidance specific to the management of nonprofit organizations in Principles & Practices for Nonprofit Excellence in Colorado (Principles & Practices for Nonprofit Excellence), 4th Edition, a Colorado Nonprofit Association publication that provides guidance for nonprofit operations in Colorado. Specifically, these standards hold that:

- “Management should use quality information to achieve the entity’s objectives” and should design “...a process that uses the entity’s objectives and related risks to identify the information requirements needed to achieve the objectives and address the risks” [Green Book, Principle 13].
- “Nonprofits have an obligation to act as responsible stewards of their financial resources” [Principles & Practices for Nonprofit Excellence, Financial Management Principles].
- “Nonprofits should use their financial resources to accomplish their missions in an effective and efficient manner, and should establish clear policies and practices to regularly monitor how funds are used” [Principles & Practices for Nonprofit Excellence, Financial Management Principles].

What problems did the audit work identify?

This legislative audit request raised concerns that Connect for Health donated money to political fundraisers or political fundraising organizations through sponsorships. We did not identify any instances in our sample in which Connect for Health donated money to political fundraisers or political fundraising organizations. However, we did find that Connect for Health did not consistently follow its own policies and procedures when vetting sponsorships and lacked the necessary sponsorship documentation to ensure compliance with policies and assess their effectiveness. Additionally, we found that Connect for Health lacked sufficient criteria and documentation practices to demonstrate that networking-oriented sponsorships align with its statutorily-established intent, as well as programmatic needs, as discussed in detail below.

Connect for Health did not consistently follow its policies and procedures when vetting sponsorships. Connect for Health has established written procedures that its sponsorships must meet, but we found that staff did not consistently follow some of these procedures in practice:

- 15 of the 49 sponsorships (31 percent) did not satisfy Connect for Health’s target audience criteria, which requires that all sponsorships be responsive to at least one of its target audiences.
- Of the 8 sponsorships for which we expected to see vetting of the recipient’s business standing using Secretary of State records, as required, 6 sponsorships (75 percent) did not have evidence that staff had conducted this vetting.
- 2 nonprofit sponsorship recipients in the sample lacked evidence that Connect for Health had closely reviewed the business nature of the sponsored entity, including researching and accurately identifying their business structure. For example, one recipient had a lapsed 990 federal tax filing, a tax return that nonprofit organizations must make available for public inspection, potentially indicating that it had lost its tax-exempt status. The other recipient is legally organized under a separate fiscal sponsor, but Connect for Health records did not note the name of this sponsor or show any indication that staff had researched it when vetting the sponsorship.

Connect for Health lacked documentation to support its sponsorships. We found that Connect for Health’s documentation related to sponsorships was often missing important information:

- Connect for Health did not consistently retain key documentation of sponsorship vetting and senior leadership approval. Because Connect for Health changed its internal sponsorship vetting and approval procedures during our testing period, we only expected documentation for 32 of the 49 sponsorships in our sample. However, we found that Connect for Health did not retain records for 24 of those 32 sponsorships (75 percent).
- Connect for Health did not consistently maintain records to support that its sponsorships met its target audience criteria. Staff did not document that 29 of 49 sponsorships (59 percent) met Connect for Health’s target audience criteria. Based on our review, we determined, however, that 15 of these 29 sponsorships appeared to meet the criteria despite not being designated as such; the remaining 14 did not meet the criteria.
- Connect for Health did not consistently retain key information about the nature of sponsorships and sponsorship recipients to support the selection and vetting of its sponsorships, such as anticipated outcomes and attendance. It also had limited documentation that could be used to assess sponsorship performance, including whether a given sponsorship met its objectives, how well attended the sponsorship event was, and what staff and resources supported the sponsorship.

Connect for Health lacked sufficient criteria and documentation requirements to support that networking-oriented sponsorships aligned with Connect for Health’s mission and programmatic needs. Although most of the sponsorships that we reviewed provided outreach directly to potential Connect for Health customers, such as small business owners or populations that it believes are more likely to be uninsured, some of the sponsorships in our sample did not directly address an eligible customer population but instead provided leadership visibility and built or strengthened partnerships with various organizations. Collectively, we refer to such sponsorships as “networking” sponsorships. According to Connect for Health, these networking sponsorships are a critical component of its enrollment strategy, allowing it to connect with and leverage community organizations that work directly with eligible customer populations. As part of our sample, we reviewed several sponsorships that we categorized as being networking-oriented that lacked a documented rationale connecting the activity to Connect for Health’s mission of improving healthcare access, affordability, and choice. These included:

- A \$5,000 sponsorship of the Denver Zoo Flock Party, a ticketed fundraising gala.
- A \$7,500 sponsorship of the Mile High United Way Women United Luncheon, a ticketed banquet that raises funds for the Women United Initiative and featured a keynote address by a famous actress.
- A \$2,510 winning auction bid at the 20th Anniversary Gala for the DSST Foundation, a private foundation established to support the operations of DSST Public Schools (formerly known as Denver School of Science and Technology), a charter school operator in the Denver metro area. Connect for Health’s bid was for a catered dinner and evening with a notable couple with a \$1,500 fair market value.
- Three separate sponsorships, totaling \$7,500, \$3,500, and \$1,036, respectively, for fundraising events held by CASA (Court Appointed Special Advocates) of Adams and Broomfield Counties, a nonprofit that provides volunteer advocacy and support for at-risk children and youth, and one of many CASA organizations in the State.
- Sponsorships of various other fundraising events, including a \$2,000 sponsorship of a golf-tournament fundraiser for Thriving Families, a nonprofit that offers support to expecting and new mothers; a \$1,500 sponsorship of a fundraiser for Immunize Colorado, a nonprofit that works to protect Coloradans from vaccine-preventable diseases; and two sponsorships, for \$2,500 and \$1,000 respectively, of fundraising galas for two community nonprofit organizations, each of which Connect for Health has a separate contracting relationship with to provide enrollment assistance services.

Most of these sponsorships do not meet Connect for Health’s target audience criteria. However, existing Connect for Health policies otherwise allow these sponsorships because they all can be broadly construed as providing leadership visibility or building or strengthening partnerships. Connect for Health staff told us that each of these sponsorships served a business need. For many

of these sponsorships, staff told us that they were necessary because they provided a venue for Connect for Health to network with particular persons or groups. For instance, staff told us that they would rarely have the chance to meet with some leaders from parts of rural Colorado that attended the Women United Luncheon. Similarly, staff told us that Connect for Health participation in the DSST Foundation Gala allowed leadership to connect with leaders and human resource professionals in public education.

Regardless of the extent to which these sponsorships may further Connect for Health's business needs and objectives, we found that Connect for Health had insufficient documentation of its objectives in pursuing such sponsorships. We found no record of who attended these networking events, no written rationale justifying why Connect for Health chose one networking event or fundraiser over another, and no written documentation of how Connect for Health quantified the cost of a given sponsorship with the networking benefits it expected to receive. We did identify information in the supporting documentation that indicates some of these sponsorships originated by request of Connect for Health's Chief Executive Officer (CEO) or a member of Connect for Health's Board of Directors (Board).

Why did these problems occur?

These problems largely occurred because Connect for Health's policies and procedures were not sufficiently responsive to the needs and potential risks of its sponsorship program. Specifically, staff report that Connect for Health's policies contain provisions that are inconsistent with their practice and the needs of the program, such as the target audience requirement. Connect for Health staff also told us that, despite this requirement being part of its written procedures, it is Connect for Health's current practice to not require sponsorships to meet a target audience. Additionally, sponsorship policies do not provide clear expectations around the extent of necessary documentation to support business decisions and program evaluation and do not provide sufficient guidance for vetting networking-oriented sponsorships. Connect for Health's outreach team has experienced some staff turnover and is currently operating with several vacancies, which may have resulted in inconsistent application of vetting criteria and document retention. Finally, according to Connect for Health, it perceived a need to expend the additional carrier donation revenue authorized by Senate Bill 22-081 in a timely manner, which may have resulted in some rushed sponsorship decisions.

Connect for Health's internal audit function reviewed the sponsorship program in July 2024 and provided program staff with several recommendations, which program staff have not yet implemented, including updating internal processes and procedures, revising internal strategy documents, and strengthening documentation around the rationale for sponsorships. These recommendations, when implemented, would address many of the problems we identified.

Why do these problems matter?

Connect for Health may risk reputational damage and the potential misuse of sponsorship funds if it fails to adhere to its own criteria regarding the types of allowable sponsorships and the vetting they must receive, and fails to maintain sufficient documentation of its decision-making related to sponsorship activities. Likewise, failing to develop clear parameters around networking and other types of sponsorships to ensure that these sponsorships directly and clearly align with its mission and are not to political fundraising organizations may also lead to diminished public trust in the organization from legislative and other stakeholders. For example, sponsorships that do not clearly align with increasing insurance plan enrollments could affect insurance carriers' willingness to provide financial donations specific to Connect for Health's public awareness and education program if the carriers determine the program is ineffective in increasing new business.

In the event of staff turnover or other loss of institutional knowledge, Connect for Health also risks disruption to its sponsorship program if it fails to fully develop and consistently follow its written procedures and document the nature and performance of prior sponsorships. Without consistently documenting why a sponsorship was chosen, and whether the sponsorship provided the expected outcomes, any new staff members would be unable to determine whether a sponsorship from a prior year should continue.

Specific to sponsorships associated with networking outcomes, there is a risk that Connect for Health's sponsorship activities could have the appearance of impropriety. For example, sponsorships could appear to be chosen based on the personal relationships between the recipient and Connect for Health leadership, or based on the benefits or perks staff would expect to receive by attending the sponsored event.

Recommendation 1

Connect for Health Colorado should improve its current sponsorship strategy to more directly align with its mission and programmatic needs by:

- A. Revising and expanding its written policies to be consistent with its actual and intended sponsorship vetting procedures and to mitigate potential perception risks that may arise from sponsorships with benefits to attendees, sponsorships of organizations affiliated with Connect for Health and its staff, and sponsorships with primarily networking outcomes.
- B. Retaining and documenting records on sponsorship vetting and approval, and expanding documentation on the nature of sponsorships, the rationale for sponsorship selection, and whether a sponsorship met its intended outcomes.

Response

Connect for Health Colorado

A. Agree

Implementation Date: January 2026

Written policies are being revised to reflect current sponsorship vetting procedures and goals. These revisions will capture the consistently demonstrated direct connection between selected sponsorships and the organization's mission and goals. They will also explain different types of sponsorships necessary to achieve these goals. These include enrollment events, relationship building, and advertising sponsorships.

B. Agree

Implementation Date: November 2025

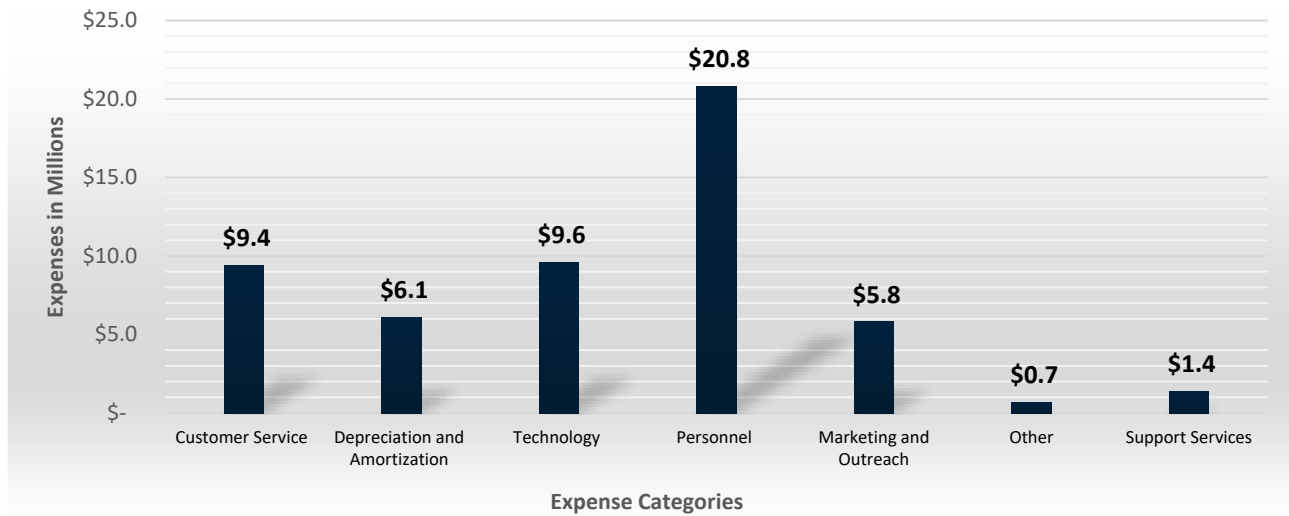
Connect for Health Colorado has already developed new processes to ensure that records on sponsorship vetting and approval are consistently retained with centralized documentation. These records include the nature of the sponsorships and the rationale for selection. Connect for Health Colorado will update its centralized documentation on sponsorships to reflect the organization's assessment of whether a sponsorship met its intended outcomes.

Finding 2—Procurement and Financial Management Practices

Connect for Health expends funds in support of its mission to increase access, affordability, and choice in Colorado's health insurance market. According to its Fiscal Year 2024 financial statements, Connect for Health's primary expenses are staffing and payroll costs. Exhibit 2.3 shows Connect for Health's Fiscal Year 2024 operating expenses, which is the most recent, audited year available.

Exhibit 2.3

Connect for Health Operating Expenditures, Fiscal Year 2024



Source: Office of the State Auditor analysis of Connect for Health’s Fiscal Year 2024 audited financial statements.

Except for staffing and depreciation costs, Connect for Health relies on a variety of different procurement processes to facilitate its expenditures. The scope and amount of each purchase determine which procurement method staff should use, including contracts, non-contracts (i.e., purchase orders), or credit cards. Contracts provide more structure for longer-term and more complex purchases like information technology development and security services, while non-contracts are appropriate for simpler, one-time purchases like office supplies. Staff typically use credit cards to manage incidental expenses such as team-building lunches or low-cost office and event supplies that are needed quickly. The purchase amount also determines whether staff must competitively source the items or services or rely on non-competitive or “sole source” methods, which specific approvals to obtain, and which documentation procedures to follow.

Connect for Health uses a software system called Procurify to manage and approve all contract and non-contract procurement requests and payments. Procurify allows for customized approval workflows by procurement type for purchase requests. Once all required staff review and approve the purchase request, Finance Department staff apply invoices for payment against the corresponding requests. Each invoice progresses through a similar automated workflow for review and approval before payment.

Connect for Health uses a web-based and mobile application to manage credit cards known as Divvy. Typically, staff request funds for specific purposes through the Divvy application. Finance Department staff authorize their cards for the amounts requested and approve purchases and supporting documentation as staff complete them. Only the CEO, Chief Financial Officer (CFO), and Chief Operations Officer (COO) are allowed to have credit cards that are not subject to pre-

approval procedures by the Finance Department. As of July 9, 2025, only the CEO and CFO have this type of Connect for Health credit card.

In June 2017, when the OSA last audited Connect for Health, the organization had not fully implemented some of the financial control recommendations we made in our 2014 performance audit, specifically related to supporting its expenditures with documentation, contract execution and payment, and credit card use. For example, in 2017, we found that Connect for Health paid vendors and grantees without documenting the nature and scope of work provided; exceeded authorized contract amounts without documenting why or seeking additional approvals; and used credit cards for purposes it had not clearly outlined in its policies and procedures.

According to Connect for Health, it fully implemented the OSA's recommendations in 2018 to address these risk areas. However, since then, Connect for Health has expanded its operations to include new departments focused on customer service and IT functions. Connect for Health also changed some of its 2018 reported practices. For example, it removed a required monitoring checklist for program staff related to contract management and changed the frequency of policy and process reviews from quarterly to annually, or as-needed. Because of these operational changes and its history of financial control issues, Connect for Health may have ongoing risks related to its procurement and financial management practices.

What was the purpose of our audit work and what work was performed?

The purpose of our work was to determine whether Connect for Health implemented sufficient controls to address the risks in procurement and financial management that we identified in our 2017 performance audit.

We reviewed three procurement transaction samples of expenditures made by Connect for Health between July 1, 2023 and December 31, 2024, which was the most recent data available at the time of our test work. We selected random samples to determine if the transactions met applicable criteria:

- 35 transactions for contracts from a population of 1,902 contract-related expenditures, totaling a little more than \$30 million. Expenditures in the contract sample totaled \$548,800, or 2 percent of total contract expenditures.
- 35 transactions for non-contracts (i.e., purchase orders) from a population of 833 non-contract-related expenditures, totaling almost \$3.7 million. Expenditures in the non-contract sample totaled \$119,100, or 3 percent of total noncontract expenditures.
- 35 transactions for credit card purchases from a population of 1,479 credit card expenditures, totaling almost \$500,000. These 35 transactions totaled \$8,400. We expanded this sample to test

one of Connect for Health's specific controls for high-dollar purchases by selecting a random sample of 3 transactions from the 10 credit card transactions that were over \$5,000 within the total population of 1,479 credit card expenditures. Expenditures in our sample of 38 transactions totaled \$19,300, or 6 percent of credit card expenditures.

As part of our work, we also analyzed Connect for Health's general ledger data to identify trends in expenditures and assess the reliability of the data we used to identify samples. Based on trends in credit card use, we reviewed 265 additional credit card transactions for the CEO and 6 additional transactions for the CFO completed between July 1, 2023 and December 31, 2024. We focused on categories at risk for potential misuse and fraud, including travel, meals, lodging, outreach services, professional development, training, and conferences. Of these additional transactions, 7 overlapped with our random sample of 38 credit card transactions.

We also reviewed applicable laws, regulations, and other requirements and evaluated Connect for Health's written procedures and general financial controls. Finally, we interviewed Connect for Health management and staff to understand their financial management practices and expectations.

How were the results of the audit work measured?

Because Connect for Health is a quasi-governmental entity, we used multiple sources of criteria to establish expectations for its internal controls and financial management practices, including federal and state requirements as well as leading management practices for nonprofit organizations. We applied the following criteria to assess Connect for Health's internal controls over financial management and procurement and to determine its compliance with those controls.

Federal Regulations for Health Exchange Financial Management. Federal requirements in the United States Code (USC) direct state health exchanges to operate as financially self-sustaining [42 USC 18031]. Program integrity regulations in the Code of Federal Regulations (CFR) further require that state health exchanges keep an accurate accounting of revenues and expenses; conduct performance monitoring activities; prepare financial statements and other reports; subject themselves to Generally Accepted Government Auditing Standards (GAGAS)-compliant external audits; and maintain sufficient documentation and records to allow for such audits [45 CFR 155.1200 and 1210].

Colorado's State Fiscal Rules. Although not directly applicable to Connect for Health's operations because the General Assembly created Connect for Health and provided for its primary funding mechanisms in statute [Section 10-22-104, C.R.S. and Sections 10-22-109 through 110, C.R.S.], we relied on State Fiscal Rules in the Colorado Code of Regulations to establish general expectations for the reasonableness of Connect for Health's financial management controls. In some cases, the rules also provide examples for the type of detail required in supporting documentation. For example, State Fiscal Rules require expenditures to be reasonable and necessary [1 CCR 101-1, Rule 2-1(3.2) and (3.4)]; public agencies to keep food and beverage costs to a minimum and document sufficient justification including a list of attendees [1 CCR 101-1, Rule 2-4(3.1) and (3.3)];

and, prohibit travelers from purchasing alcohol and requesting reimbursement in excess of established per diem rates [1 CCR 101-1, Rule 5-1(7.2) and (8.1)]. The rules generally require receipts to support costs other than those included in per diem rates [1 CCR 101-1, Rule 5-1(10.3)].

Leading management practices for public entities and nonprofit organizations. To assess Connect for Health’s financial management controls and written policies, we referred to guidance on leading management practices from the Green Book, the GAO’s publication that represents accepted best practices for internal controls in the public sector, and the Principles & Practices for Nonprofit Excellence in Colorado (Principles & Practices for Nonprofit Excellence), 4th Edition, a Colorado Nonprofit Association publication, which offers guidance for nonprofit operations in Colorado. Specifically, these standards hold that:

- Management should design control activities to achieve objectives, respond to risks, and implement these through detailed policies that allow the organization to monitor for effectiveness and take corrective actions. Management should periodically review policies, procedures, and related control activities for continued relevance and effectiveness, including when significant changes occur in the operation [Green Book, Principles 10 and 12].
- Nonprofits should effectively and efficiently use their financial resources to accomplish their missions and establish clear policies and practices to regularly monitor that use. Financial policies should outline review, approval, and oversight procedures; provide clear expectations for expenses and supporting documentation; and ensure operations continue regardless of changes in staff [Principles & Practices for Nonprofit Excellence, Financial Management Principles].

Connect for Health’s Financial and Procurement Policies, Procedures, and Other Guidance.

We reviewed Connect for Health’s financial policies, procurement policies and procedures, contract management procedures, accounts payable procedures, and other related policy guidance referenced by these documents. We also reviewed Connect for Health’s training content for procurement, credit cards, and expense reimbursements. Collectively, we refer to these sources as policy guidance.

We identified key requirements from the policy guidance to test sampled transactions. We tested each sample for different requirements but policy guidance relevant to the problems we identified generally required appropriate interim and final approvals, data, supporting documentation, and overall reasonableness. Exhibit 2.4 provides additional detail for each type of requirement.

Exhibit 2.4

Connect for Health Policy Requirements for Procurement Transactions

| Type of Requirement | Policy Description |
|-----------------------------|---|
| Interim and final approvals | Program staff, Finance Department staff, legal staff, executive management, and Connect for Health's Board review and approve procurement requests and payments at different stages of the process based on the type of procurement and the amounts. The Board also reviews CEO credit card use. |
| Required data | Program and Finance Department staff ensure data fields contain complete and appropriate information depending on the procurement type, including the vendor justification field. |
| Supporting documentation | Connect for Health must maintain supporting documentation for each procurement type including contracts, amendments, invoices, receipts, and transaction notes. Generally, this documentation should support key details of the transaction like date, amount, vendor, a description of goods and services purchased, and the business reason for the purchase. |
| Allowed use | Policy guidance limits certain purchases to specific staff and procurement types. For example, only Connect for Health's C-suite employees, such as the CEO, may purchase alcohol. |
| Overall reasonableness | Connect for Health should manage its finances and expenses in a way that maintains financial solvency and public confidence in its financial integrity and maximizes the value of dollars spent. As a result, Connect for Health should ensure expenditures are for reasonable business purposes, such that an average member of the public should be able to see a clear connection between an expense and Connect for Health's mission and purpose. |

Source: Office of the State Auditor analysis of Connect for Health's financial and procurement policy guidance.

What problems did the audit work identify?

Overall, we found that Connect for Health has implemented reasonable financial management practices over procurement since the 2017 performance audit, including: relying on contracts instead of grants for managing partnerships with insurance brokers and community organizations; implementing monthly and quarterly financial reviews with the Board and internal departments; conducting internal and external audits and program reviews; and implementing new automated payment and approval processes for contracts, non-contracts, and credit cards. Generally, the problems we identified in the current audit are less significant in terms of prevalence, risk, and impact than those described in our 2017 performance audit. However, we identified some instances where Connect for Health staff did not follow established policies related to documenting appropriate approvals or justification for expenditures. In addition, we found gaps in Connect for Health's oversight of the executive administration's use of credit cards.

Connect for Health did not consistently maintain documentation to support approvals, decision-making, and business reasons for its expenditures. Connect for Health's policy guidance requires documentation to support approvals, decision-making, and business reasons for each type of procurement method we reviewed. However, staff did not consistently comply with these requirements. For example:

- **Credit Card Pre-Approvals.** We identified issues with the approval and documented support in Divvy for 22 of the 38 items (58 percent) in our credit card sample. For 15 transactions (39 percent), Divvy did not contain the pre-approval email for the transaction, as required by Connect for Health policies. For the other 7 transactions (18 percent), Divvy included required pre-approvals, but the requests indicated a purpose unrelated to the transaction item. For example, staff purchased a team lunch in one case and gift cards in another case, both with leftover funds from previously approved travel requests. These 22 transactions totaled almost \$6,000.
- **Credit Card Receipts.** Credit card users did not consistently upload receipts to Divvy that supported the transaction, as required. For 5 of the 38 sampled transactions (13 percent), users did not include a receipt. For 2 of the 33 transactions with a receipt (6 percent), the receipt did not fully support the transaction. One receipt supported a purchase of about \$60 but did not match the transaction amount of about \$150, a difference of about \$90. Another receipt supported the purchase amount of about \$70, but did not clearly indicate the goods and services provided.
- **Business Purpose for Credit Card Purchases.** Credit card users did not consistently provide a clear business reason and other information to justify the expense in the transaction notes. For 7 of the 38 transactions (18 percent) users did not include details in the documentation to clearly link the purchase to a business purpose or justify the amount as reasonable. For example, staff entered transaction notes indicating meals and travel, such as "Meals in Boston," "Lodging," and "Food in Grand Junction" but did not include the number of people involved or the purpose of travel. These 7 transactions totaled almost \$6,800.
- **Vendor Selection Justification for Contract and Non-Contracts.** Program staff responsible for creating purchase requests in Procurify did not consistently follow guidance on documenting justification to support vendor selection. Across both the contract and non-contract samples, 33 transactions should have had vendor justification notes. For 8 of 33 transactions (24 percent) staff included vendor justification notes that did not provide the correct type of justification based on policy guidance. For example, instead of explaining why a price was reasonable, staff noted they selected the vendor because it had been used previously. In other cases, staff made notes about the purpose of the contract but did not reference why they chose the specific vendor for the purchase.
- **Documentation of Board Approval for Contracts and Non-Contracts.** Program staff did not consistently document board approval for contract and non-contract requests over \$250,000

in Procurify with the other required approvals. For 3 of the 4 procurements over \$250,000 in the samples (75 percent), Procurify did not include documentation to show board approval.

Connect for Health did not sufficiently oversee and review executive administration’s use of credit cards. Connect for Health’s policy requires the Board’s treasurer or chair to periodically review the CEO’s monthly credit card statements. However, from July 1, 2023 through December 31, 2024, Connect for Health’s CEO spent a little more than \$64,000 on travel, meals, and lodging and we identified inconsistent board oversight practices, both in terms of extent and frequency, for CEO credit card use.

Specifically, from July 1, 2023 through December 31, 2024, two board members exercised different levels of review of the CEO’s credit card use. For example, one board member took 3 minutes to reply to a request by Finance Department staff to review the CEO’s credit card transactions spanning 6 months with a total of 159 transactions, indicating that this member conducted a superficial review of the transactions. The other board member generally took longer to respond to each request to review the CEO’s transactions and made comments in their response related to specific transactions, indicating that they conducted a more thorough review. Finance Department staff requested these reviews at varying frequencies, ranging from 2 to 5 months between each request to the Board for review, resulting in up to 7 months between a transaction’s posted date and the date the Board reviewed and approved it. Staff also provided varying levels of detail in these requests – sometimes noting their own review of the expenses, and indicating whether the transaction included supporting receipts, or highlighting high-dollar transactions for the Board’s attention.

Additionally, Connect for Health’s financial reporting to the Board does not include information on overall spending for the CEO’s networking responsibilities. Budget documents include department- and category-level amounts for the three categories likely to include this spending: travel, meals, and lodging; outreach and sponsorships; and professional development; but Connect for Health does not provide the Board with information on CEO expenditures. The CEO may occasionally provide reports to the Board regarding trips and their outcomes but these do not include costs, and board meeting minutes do not capture consistent details from the CEO’s verbal report.

Finally, no one provides oversight over the CFO and COO credit card expenditures. While we did not identify issues with the CFO’s card use—which totaled about \$450 for travel, meals, and lodging during our review period—through our sample testing, and the COO had not requested a card as of the time of our testing, this lack of oversight creates a risk of misuse of credit cards for these two positions.

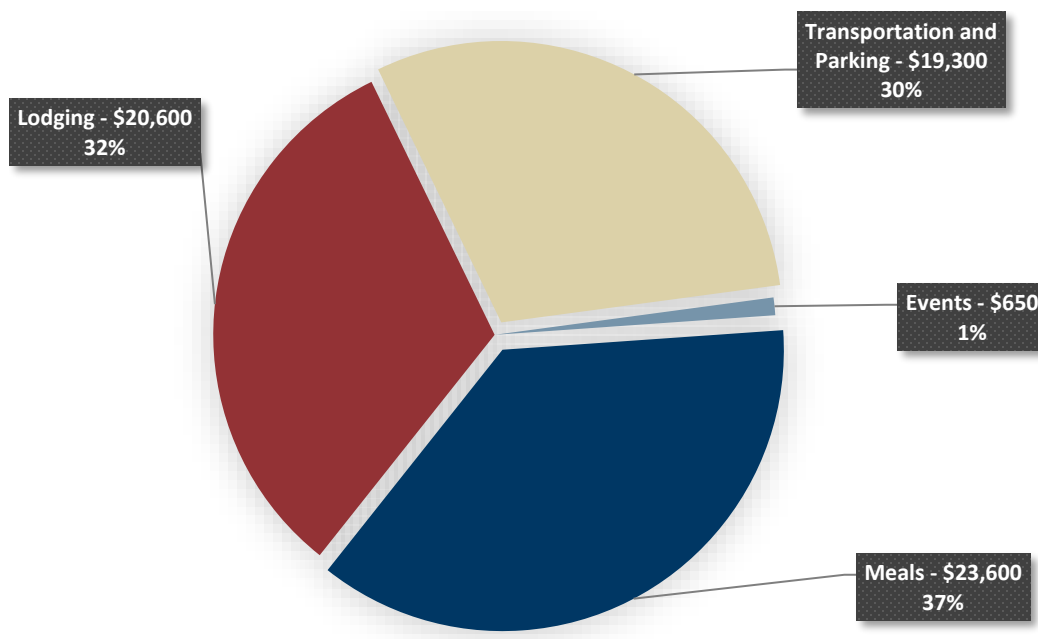
Connect for Health’s executive administration provided inconsistent documentation to support high-dollar credit card purchases. During our review of CEO and CFO credit card transactions completed between July 1, 2023 and December 31, 2024, we identified high-dollar credit card transactions in the executive administration department for categories such as travel, meals, lodging, outreach, and professional development. We reviewed these categories specifically as

they can be at-risk for potential misuse and fraud and we identified gaps in Connect for Health's oversight of the executive administration's credit card use.

As we previously discussed, we did not identify issues with the CFO's credit card spending through our sample testing. The CEO made the majority of these at-risk transactions. Exhibit 2.5 provides the distribution of the CEO's expenses for each category.

Exhibit 2.5

CEO Spending in Travel¹, Meals², Lodging³, and Events⁴ July 1, 2023 through December 31, 2024



Source: Office of State Auditor analysis of Connect for Health general ledger data.

Note 1: Travel expenses include airfare, parking costs, and ground transportation such as rental cars, ride-shares, and toll fees.

Note 2: Meal expenses includes food and beverage purchases.

Note 3: Lodging expenses includes hotel charges.

Note 4: Event expenses include the cost of admission with meal and drink tickets for an event the CEO attended. We present this expenditure separately because the receipt did not itemize individual costs.

The CEO's position expectations include performance goals related to CEO visibility and networking, which justifies reasonable expenses for networking and social activities included in these categories. Additionally, Connect for Health's credit card procedures allow the CEO to purchase alcohol using a company credit card. Generally, we found that the CEO's travel and lodging costs appeared reasonable for each transaction based on transaction notes and the amounts expended per transaction. However, we found that expenses for meals and alcohol purchased by the CEO included high-dollar transactions with inconsistent documentation to justify the business purpose and amount.

Specifically, we reviewed 94 transactions involving meals. For 13 of the 94 meal transactions (14 percent), the CEO did not upload a receipt to Divvy or the receipt provided did not include enough detail to support the expense. Another 20 of the 94 meal transactions (21 percent) included notes that simply stated “Meal/Drinks” with no information about the purpose of the meal or who attended.

Transactions at high-dollar vendors with limited support to justify business purposes and amounts included:

- One meal with alcohol costing a total of \$1,400 at Carmine’s in Washington D.C.;
- One meal with alcohol costing a total of \$1,250 at the Chophouse in Denver; and
- Three meals with alcohol on different dates at the Broadmoor Hotel in Colorado Springs that cost, in total, about \$400, \$900, and \$1,400, respectively.

Each total includes both food and drinks. We estimate that the CEO spent between \$3,000 and \$4,000 specifically on alcohol associated with the total \$23,600 spent on these 94 meals.

We also found examples in which the note addresses a business purpose but omits other key details. For example, Connect for Health hosted two staff appreciation parties to celebrate the holidays and the end of its open enrollment period. The CEO purchased alcohol for these events—almost \$4,000 for one and a little more than \$5,000 for the other—with both transactions coded as professional development expenses. Connect for Health credit card procedures allow the CEO to purchase alcohol; however, neither transaction included the number of staff attending, which would have helped justify whether these amounts were reasonable.

Why did these problems occur?

The reasons for the problems that we found with staff not properly documenting support for their expenditures and Connect for Health’s oversight of its executive credit card use is that Connect for Health has incomplete and unclear policy requirements.

Connect for Health’s guidance for some procurement activities is incomplete, unclear, or potentially irrelevant. We identified gaps in Connect for Health’s financial and procurement guidance and areas where policy documents lacked sufficient detail or clarity. In other areas, staff told us that they do not follow the documented guidance in practice based on other mitigating factors, like being on a small team with direct knowledge of individual transactions, not wanting to burden program staff, or having access to emails with the missing information.

- **Credit Card Pre-Approval Documentation.** According to Finance Department staff, in practice, they allow exceptions for retention of pre-approval support for credit card purchases as they have access to their emails if questions arise. However, this exception is not documented in

its procedures and weakens Connect for Health's controls over spending. If Connect for Health allows exceptions to approval requirements, it should document the allowed exceptions in its procedures and implement mitigating safeguards to ensure it retains necessary information. For example, Connect for Health auto-deletes emails after 90 days, which means no email record of the stated purpose and approval is accessible after that point or in the interim should unexpected staff turnover occur.

For the issues we identified regarding pre-approval for a different stated purpose than the actual expenditure, Connect for Health does not have procedures to monitor unspent balances from prior credit card requests. Finance Department staff encourage card users to request higher estimates for their needs to avoid additional requests and delays. This practice results in unspent balances, which staff may use to make purchases without Finance Department pre-approval.

These two exceptions to the pre-approval requirement weaken Connect for Health's controls over credit card use and makes post-purchase review and justification notes more important. However, as we noted, we found that staff did not consistently document the reasons and business purpose for their expenses.

- **Credit Card Supporting Documentation.** Credit card receipts provide support for what staff purchased while transaction notes in Divvy support how the purchase is relevant to a business need. Both receipts and transaction notes supply details to demonstrate that the amount spent is appropriate.

However, Connect for Health's credit card procedures do not include expectations for the amount of detail that staff should include in receipts to support their purchases, such as itemized receipts that list the items purchased. Without sufficient receipt detail, the credit card expense approvers cannot ascertain whether transactions are appropriate. Although Connect for Health's procurement procedures for contracts and non-contracts include provisions for both the amount of detail required in an invoice and alternative documentation for when an invoice is missing, its credit card procedures do not include this information. Invoices and alternative documentation for contracts and non-contracts should list the items purchased, the vendor name, the amount, and the date. We identified one "best practice" example in the credit card transactions we reviewed in which the card user could not locate the receipt to upload, so this user followed the procurement invoice requirements to create alternative supporting documentation that listed the items purchased, amounts, date, and the card user's signature. To be consistent with other procurement requirements, Connect for Health should have credit card requirements for the details needed in receipts and guidance for alternative documentation when a receipt is missing.

Finance Department staff also allow exceptions to the requirement for receipt retention if the transaction involves subscriptions and other recurring credit card expenses. Again, procedures do not note this exception, but should if staff allow it in practice.

Finally, Connect for Health has not clearly set and enforced expectations for the level of detail needed in transaction notes to justify the business purposes and amounts for credit card transactions, although a prior version of the policy guidance addressed general expectations for out-of-pocket expenses including providing dates, names of individuals, and business purpose. Revisions to the policy guidance created a gap regarding expectations for reasonable employee expenses and reimbursements. The updated version that took effect in November 2024 omits the employee expense reimbursement sections that provided these expectations. According to management, Connect for Health did not intend to create a gap when it updated guidance but it did not implement new policies addressing these expectations along with the change to existing guidance. According to Finance Department staff, they are a small enough team to typically be aware of the business purpose for each transaction and want to keep the requirements from becoming burdensome for staff. However, documenting the business purpose and other details to justify spending ensures that Connect for Health spends funds in a way that furthers its mission and protects its financial solvency.

- **Vendor Selection Justification for Contract and Non-Contracts.** Connect for Health policy guidance for which procurement method and corresponding vendor justification requirements apply are complicated and may be difficult to interpret. The guidance does not define sole source procurement by amount as it does for other procurement types including small purchases and competitive source purchases. Guidance defines sole source procurement by only the lack of competitive sourcing. It notes sole source requirements may also apply to procurement that would otherwise be made by small purchase procedures and defines micro-purchases by both the lack of competition and an amount. Because the guidance does not provide mutually exclusive definitions, staff may have difficulty selecting which procurement type and applicable documentation requirements apply. According to Finance Department staff, they are planning additional training on this topic for program staff.
- **Documentation of Board Approval for Contracts and Non-Contracts.** Connect for Health policy guidance for large sole source procurements is not consistent with request for proposal (RFP) requirements. RFPs have the same threshold amount as large sole source procurements, which is \$250,000, and require staff to document board approval in Procurify. While policy requires board approval for sole source procurements exceeding \$250,000, it does not require staff to document board approval in Procurify. We confirmed from meeting minutes that the Board approved the large procurements in our sample. However, Connect for Health could improve the overall strength and efficiency of its procurement controls by consistently noting board approval in the Procurify record when policy requires it, along with all of the other required approvals. It may reduce confusion for staff as to when documentation of board approval is required and where, as well as reduce the risk of inadvertently executing a purchase prior to board approval.
- **Executive Credit Card Oversight.** Connect for Health has not established sufficient policies and procedures for oversight of executive administration credit card use. The procedures outlined for board review of the CEO's monthly credit card statements provide limited guidance

beyond requiring periodic review and Connect for Health has not otherwise established or communicated its expectations to board members for what their review should involve. Connect for Health also does not provide guidance to Finance Department staff on what details to provide to board members. Further, Connect for Health has not adopted any required financial planning or reporting practices to provide the Board with more transparent oversight into its high-risk spending. Additionally, although we did not observe issues related to CFO or COO credit card spending, the existing procedures do not address any review or oversight of the positions' use of credit cards. These gaps in oversight procedures represent weaknesses in Connect for Health's financial management practices.

Connect for Health's approach to policy management does not sufficiently ensure the quality and completeness of its guidance. Its current approach assigns individual departments primary responsibility for managing their policies and procedures and includes a centralized inventory of policies and procedures as well as a process document to guide staff titled, "Process to Develop and Maintain Policies and Procedures."

However, the policy management process does not include requirements that address quality, such as reviews for the completeness, clarity, consistency, and relevancy of individual policy documents as well as all related and referenced policy documents. Additionally, it does not detail who has responsibility for or the timing of quality control reviews of the approved policy or changes to ensure the guidance is relevant, consistent, and finalized before implementation.

Connect for Health is in the process of changing how it stores and makes policies accessible to staff. As part of that change, staff have not kept the policy management process document and the policies and procedures inventory up to date. According to staff, the policy management process document is not frequently used and Connect for Health does not require training on it because Connect for Health rarely creates new policies or updates existing ones. However, the policy management process document addresses policy maintenance and the evidence we found indicates that departments are not effectively maintaining their policies.

For example, according to the policies and procedures inventory, Finance Department staff reviewed the majority of the financial policies and procedures in 2024. When we reviewed the 2024 policies, some documents still included pending approval, missing signatures, unaccepted tracked changes, and red-lined text indicating Connect for Health had not finalized the changes. The Financial Policies also refer to outdated policy documents that no longer contain relevant information, including the deleted expense reimbursement sections and a deleted retention schedule for supporting procurement and expense documentation in policy guidance. In addition, procurement guidance does not address the use of blanket purchase orders, which are a type of non-contract procurement that involves long-term agreements for recurring purchases authorized under a single purchase request. Specifically, guidance does not address when staff should use these over other long-term and more structured methods, like contracts. However, our samples identified blanket purchase orders as a fairly common practice that overlaps with the use of contracts. Other issues in the financial policies included undefined expectations for recording transactions timely,

references to approval roles in some guidance but not in other related guidance, and unclear expectations for when credit cards should be used over the expense reimbursement process.

To mitigate these issues, Connect for Health should refine its overall approach to policy management to emphasize requirements that address quality, including completeness, clarity, and consistency of individual and all related policy documents. Its approach should also incorporate training for relevant staff on these requirements and quality control reviews.

Why do these problems matter?

By not consistently maintaining documentation to support expenditure approvals, decision-making, and business reasons, Connect for Health cannot ensure appropriate oversight of purchases and that staff spend funds in line with the organization's stated principles to protect financial solvency and maintain public confidence in its integrity and ability to achieve its mission. Without sufficient and consistent documentation, Connect for Health puts itself at risk for loss of institutional knowledge and disruptions to operations caused by staff turnover.

Although we did not identify any indication that fraud had occurred, insufficient oversight of high-risk expenses exposes Connect for Health to both fraud risks and perception issues. Spending categories such as meals, entertainment, and travel are often at risk for misuse and fraud. Given the risk for potential misuse, thorough and consistent oversight procedures are a critical safeguard for these expenses. Management and the Board have the responsibility to ensure the organization has implemented effective safeguards to prevent misuse of funds and protect its reputation.

Recommendation 2

Connect for Health Colorado should improve its controls over financial management to help ensure that expenditures are appropriate by:

- A. Reviewing and revising its financial management policies and procedures to address the specific instances of missing, unclear and potentially irrelevant guidance by:
 - i. Developing and implementing guidance related to maintaining documentation to support the approval and business reason for credit card transactions; monitoring unused credit card balances; and review and oversight procedures for executive administration use of credit cards; and
 - ii. Reviewing and revising procurement guidance to remove outdated references and clarify requirements for the Vendor Justification field as well as how staff should document approval from Connect for Health's Board of Directors for large purchases.

- B. Refining its approach to policy management to ensure that policies, procedures, and training comprehensively, clearly, and consistently address key activities by:
- i. Updating the current guidance in its “Process to Develop and Maintain Policies and Procedures” to ensure staff tasked with maintaining guidance review for the completeness, clarity, and consistency of individual policy documents as well as all related and referenced policy documents.
 - ii. Developing and providing training to staff tasked with policy management to ensure they understand the requirements and their applicability to both developing and revising guidance.
 - iii. Implementing a pre-implementation quality control review of policies, procedures, and guidance for key activities to ensure their relevance and effectiveness.

Response

Connect for Health Colorado

A. Agree

Implementation Date: December 2025

Guidance is being updated and implemented to improve documentation of business reason for credit card transactions and related approval process of credit card transactions. Additional procedural guidance for oversight of executive administration use of credit cards is being developed and will be implemented. The finance team will work with the payment card vendor in developing a monitoring and control process to improve management of unused credit card balances. Vendor justification documentation guidance and related training is being reviewed and will be revised to clarify the information needed in the vendor justification field in the procurement system. Included with this documentation guidance and training revision will be directions on how to document Board of Directors approval for large purchases.

B. Agree

Implementation Date: June 2026

Connect for Health Colorado will review and update the internal guidance for the development and maintenance of policies and procedures. Improvements will be made to this guidance to further emphasize the need for completeness, clarity, and consistency in the development and maintenance of policies and procedures. Additional training will be developed and provided to financial staff to reinforce their understanding of the requirements in developing and revising policies and procedures, and any related guidance. The finance team will formalize and incorporate quality control steps in its review process of key policies, procedures, and guidance.

Finding 3—Senate Bill 22-081 Reporting

In 2022, the General Assembly passed Senate Bill 22-081 (Senate Bill 81), which expanded an existing insurance premium tax credit to provide additional funding for Connect for Health to conduct a public awareness and education campaign. Specifically, Senate Bill 81 increased the existing insurance premium state tax credit cap for insurance carriers from \$5 million to \$9 million; insurance carriers may claim the tax credit for donations they make to Connect for Health. The additional donations allowed by Senate Bill 81 must be for activities associated with the public awareness and education campaign. In both Fiscal Years 2023 and 2024, the first 2 years the expanded credit has been in effect, Connect for Health received \$6.9 and \$6.8 million in total each year, with \$1.9 and \$1.8 million of each year’s respective total restricted to the public awareness and education campaign.

With these funds, Connect for Health has engaged in various public awareness and education activities, including expansion of health literacy education and enrollment assistance, advertising, and collaboration with the Department of Health Care Policy and Financing, and has also increased its sponsorship budget. Connect for Health is required to annually report on its Senate Bill 81 funded expenditures and activities to the Colorado Health Insurance Exchange Oversight Committee (Committee). Connect for Health presented its first annual report to the Committee on August 1, 2024 and plans to present its next annual report during the Committee’s next meeting, which will likely be during the regular 2026 Legislative Session due to recent legislative budget reductions cancelling interim committee meetings in 2025.

How were the results of the audit work measured, what audit work was performed, and what was the purpose?

Statute created by Senate Bill 81 requires Connect for Health to annually report on the activities of the public awareness and outreach campaign to the Committee, starting in 2024. This reporting has to include “[t]he amount of money spent on the campaign in the prior calendar year and a detailed accounting of how the money was spent...” [Section 10-22-115 (2)(b), C.R.S.].

We reviewed Connect for Health’s August 2024 Senate Bill 81 report to the Committee, assessed the overall quality of the report and its compliance with statutory requirements, and attempted to verify its reported revenues and expenditures using Connect for Health financial data. The purpose of our work was to verify Connect for Health’s compliance with statute and to understand Connect for Health’s use of this indirect state funding.

What problems did the audit work identify?

We found that Connect for Health’s 2024 report did not satisfy the statutory requirement to report its spending on Senate Bill 81-required campaigns in the preceding calendar year (Calendar Year

2023) and did not accurately report on actual Fiscal Year 2023 expenditures (the period the report claimed to cover). Specifically, while statute requires Connect for Health to report on expenditures made in the “prior calendar year,” the report instead provided figures approximating Senate Bill 81 expenditures in Fiscal Year 2023, which readers might reasonably infer as actual expenditures from Fiscal Year 2023. However, we found that the figures Connect for Health presented in the report did not match either Connect for Health’s Senate Bill 81 expenditures in Calendar Year 2023, or in Fiscal Year 2023. As shown in Exhibit 2.6, Connect for Health reported that it had expenditures of approximately \$543,000 more than its recorded Calendar Year 2023 expenditures and \$745,000 more than its recorded Fiscal Year 2023 expenditures.

Exhibit 2.6

Connect for Health Senate Bill 22-081, General Ledger Expenditures Versus Reported Expenditures

| General Ledger Expenditures Calendar Year 2023 January 1, 2023 to December 31, 2023 | General Ledger Expenditures Fiscal Year 2023 July 1, 2022 to June 30, 2023 | Connect for Health Fiscal Year 2023 Expenditures, as Reported in SB 81 Report |
|--|---|--|
| \$1,126,100 | \$923,800 | \$1,669,000 |

Source: Office of the State Auditor analysis of Connect for Health general ledger data and August 1, 2024 Presentation to the Colorado Health Insurance Exchange Oversight Committee by Connect for Health.

Connect for Health did not disclose any information regarding how it approximated expenditures for Fiscal Year 2023 in either the written materials or the oral presentation it provided to the Committee.

Why did these problems occur?

This discrepancy occurred because Connect for Health did not have a process in place to ensure it reported its actual prior-calendar year expenditures to the Committee, as required by statute. Connect for Health staff told us that Connect for Health instead employed a “hybrid approach” to approximate its Calendar Year 2023 expenditures by combining actual Fiscal Year 2023 expenditures with “committed expenditures” at the end of Fiscal Year 2023 because audited financial data for the second half of Calendar Year 2023 was not yet available when it created the report. Connect for Health told us “committed expenditures” are funds that had been, “committed for spending in 2024.”

However, this methodology is problematic, as it includes all expenditures from the first half of Fiscal Year 2023, which were expended during the last half of Calendar Year 2022—before Calendar Year 2023—and did not include actual expenditures in the second half of Calendar Year 2023, after Fiscal

Year 2023 concluded. Connect for Health told us that it wanted to report only audited figures to the Committee, but there is no statutory requirement for its reports to use audited figures.

Why do these problems matter?

It is important that Connect for Health provide accurate and transparent data to the Committee and meet its specific statutory reporting requirements. Without accurate and transparent data on Senate Bill 81 expenditures, the Committee is not able to exercise appropriate oversight over Connect for Health's use of Senate Bill 81-funding and related public awareness and education campaign activity.

Recommendation 3

Connect for Health Colorado should revise its methodology for its statutorily-required reporting of its public awareness and outreach campaign expenditures and activities to the Colorado Health Insurance Exchange Oversight Committee to provide an accurate, detailed accounting of actual expenditures on a calendar year-basis, as required by Section 10-22-115 (2)(b), C.R.S. If audited financials are not yet available at the time of reporting, Connect for Health could use unaudited figures to satisfy this requirement, provided that it also discloses any limitations to the results created by its reporting methodology.

Response

Connect for Health Colorado

Agree

Implementation Date: March 2026

The Oversight Committee meeting has not been scheduled but is expected to occur in the 1st quarter of 2026. At this meeting, and all future meetings or upon request, Connect for Health Colorado will provide Senate Bill 22-081 related expenditure reporting for the most recent completed calendar year. Since the expenditure reporting will cross the organization's audited fiscal year, we will use interim "unaudited" financial data if a portion of the calendar year has not undergone an audit by our external auditor. If there are any material limitations caused by the use of interim financial information, it will be disclosed in the reporting.



**Office of the State Auditor
State Services Building
1525 Sherman Street, 7th Floor
Denver, CO 80203**

tel.
303.869.2800

email
osa.ga@coleg.gov

website
www.colorado.gov/auditor

linkedin
www.linkedin.com/company/colorado-state-auditor