

# DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

OIG Project No. 23-1-10HI(a)

January 31, 2024



## District of Columbia Health Benefit Exchange Authority

Management Recommendations for  
the Year Ended September 30, 2023

### ***GUIDING PRINCIPLES***

***ACCOUNTABILITY \* INTEGRITY \* PROFESSIONALISM***

***TRANSPARENCY \* CONTINUOUS IMPROVEMENT \****

***EXCELLENCE***



## OUR MISSION

We independently audit, inspect, and investigate matters pertaining to the District of Columbia government to

- prevent and detect corruption, mismanagement, waste, fraud, and abuse.
- promote economy, efficiency, effectiveness, and accountability.
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

## OUR VISION

Our vision is to be a world-class Office of the Inspector General that is customer-focused and sets the standard for oversight excellence!

## OUR GUIDING PRINCIPLES

- Accountability
- Continuous Improvement
- Excellence
- Integrity
- Professionalism
- Transparency





DISTRICT OF COLUMBIA | OFFICE OF THE INSPECTOR GENERAL

January 31, 2024

The Honorable Muriel Bowser  
Mayor of the District of Columbia  
Mayor's Correspondence Unit  
John A. Wilson Building  
1350 Pennsylvania Avenue, N.W., Suite 316  
Washington, D.C. 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue, N.W., Suite 504  
Washington, D.C. 20004

Subject: **District of Columbia Health Benefit Exchange Authority | 23-1-10HI(a)**

Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the final report *District of Columbia Health Benefit Exchange Authority Management Recommendations for the Year Ended September 30, 2023* (OIG No. 23-1-10HI(a)). McConnell Jones, LLP (MJ) submitted this report as part of our overall contract for the audit of the District of Columbia's general-purpose financial statements for fiscal year 2023.

On January 5, 2024, MJ issued one recommendation intended to improve the effectiveness of internal controls over Health Benefit Exchange Authority (HBX) operations and programs. When addressed, this improvement can increase assurances that HBX runs its operations efficiently and effectively, reports reliable information about its operations, and complies with applicable laws and regulations.

If you have questions about this report, please contact me or Eileen Shanklin-Andrus, Acting Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,



Daniel W. Lucas  
Inspector General

DWL/ws

Enclosure

cc: See Distribution List

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Authority

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Mr. Wayne McConnell, Managing Partner, McConnell & Jones LLP

**DISTRICT OF COLUMBIA  
HEALTH BENEFIT EXCHANGE  
AUTHORITY**

**(A Component Unit of the Government of the District of Columbia)**

**MANAGEMENT RECOMMENDATIONS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**





# McConnell Jones

To the Mayor, Members of the Council of the Government of the District of Columbia, Executive Director and the Executive Board of the District of Columbia Health Benefit Exchange Authority and Inspector General of the Government of the District of Columbia Washington, D.C.

In planning and performing our audit of the financial statements of the Health Benefit Exchange Authority (“the Authority”), as of and for the year ended September 30, 2023, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* as promulgated by the Government Accountability Office (GAO), we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain matters involving the internal control and other operational matters, which are summarized below. This letter does not affect our independent auditor’s report, or our report issued under *Government Auditing Standards*, dated January 5, 2024, on the financial statements of the Authority.

We will review the status of these comments during our next audit engagement. Our findings and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We believe that the implementation of these recommendations will provide the Authority with a stronger system of internal control while also making its operations more efficient. We will review the implementation status of our findings and recommendations during the next audit engagement.

This communication is intended solely for the information and use of management, others within the organization, the Mayor and Members of the Council of the District of Columbia, the Inspector General of the District of Columbia, and Executive Director and the Executive Board of the District of Columbia Health Benefit Exchange Authority and is not intended to be and should not be used by anyone other than these specified parties.

*McConnell Jones LLP*

Washington, D.C.  
January 5, 2024

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**I. CURRENT YEAR FINDINGS**

**DISTRICT OF COLUMBIA HEALTH BENEFIT EXCHANGE AUTHORITY (DCHBX)**

**2023-001 DC Health Link Data Breach**

According to testimony, due to a misconfigured server, DCHBX experienced a data breach where DCHBX customer data, including Personally Identifiable Information (PII), was compromised.

NIST Special Publication 800-53 rev. 5 provides a set of security controls to mitigate risks associated with misconfigurations of security controls.

**CM-6 CONFIGURATION SETTINGS**

Control:

- a. Establish and document configuration settings for components employed within the system that reflect the most restrictive mode consistent with operational requirements using;
- b. Implement the configuration settings;
- c. Identify, document, and approve any deviations from established configuration settings for [organization-defined system components] based on [organization-defined operational requirements]; and
- d. Monitor and control changes to the configuration settings in accordance with organizational policies and procedures.

Lack of adequate controls ensuring secure configurations of servers.

There was a data breach through which two reports containing DCHBX customer PII data were stolen from a misconfigured server.

**Recommendation**

We recommend that DCHBX management update configuration management policies and procedures to ensure that devices are configured securely on the network.

**Management Response**

DCHBX concurs with the Auditor's finding and is in the process of developing a corrective action plan.



**II. PRIOR YEAR FINDINGS**

**STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

None noted.

**REPORT WASTE, FRAUD, ABUSE, AND MISMANAGEMENT.**

 (202) 724-TIPS (8477) and (800) 521-1639

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