MetroPlusHealth

AUDIT & COMPLIANCE COMMITTEE MEETING
Thursday, September 17th @ 10:30 A.M.
50 Water Street, 12th Floor Conference Room
New York, N.Y. 10004

AGENDA

Call To Order	**Kathleen Shure**
Old Business	
Adoption of Minutes | June 10th, 2026	**Kathleen Shure**
KPMG | Audit Plan Presentation	**J. Eric Crossett**
New Business	
Quarterly Cybersecurity Update	**Robert Micillo**
Internal Audit Executive Summary	**Joseph Sorbello**
Compliance Executive Summary	**Raven Ryan Solon**
Executive Session	
Adjournment	**Kathleen Shure**

Minutes
of
June 10th, 2026
Audit & Compliance Committee
Meeting

MetroPlus Health Plan, Inc.
Audit & Compliance Committee Meeting
Wednesday, June 10th, 2026

MetroPlusHealth Audit & Compliance Committee Minutes

The meeting of the Audit & Compliance Committee of the MetroPlus Health Plan, Inc. (hereafter "MetroPlus or the Plan") was held in the 7th Floor Boardroom at 50 Water Street, New York, NY 10004, the 10th day of June 2026 at 10:30 A.M., pursuant to a notice which was sent to all the Committee Members of the Corporation by the Secretary. The following Committee Members were present in-person:

Dr. Talya Schwartz
Vallencia Lloyd
Kathleen Shure
Karla Silverman

Kathleen Shure, Chair of the Audit & Compliance Committee, called the meeting to order at 10:32 A.M. and Angela Minerva kept the minutes thereof.

ADOPTION OF THE MINUTES

The minutes of the Audit & Compliance meeting held on June 10th, 2026, were presented to the Committee. On a motion by Kathleen Shure and duly seconded, the Committee adopted the minutes.

NEW BUSINESS

QUARTERLY CYBERSECURITY UPDATE

Kathleen Shure asked Robert Micillo, Chief Information Officer, to present the Quarterly Cybersecurity Update. Robert discussed Training & Awareness, System Health, Security Investigations Update, Business Continuity & Disaster Recovery, Application Development Lifecyle and Security and Program Measurements.

Dr. Talya Schwartz, President & CEO, asked a question regarding awareness of external emails; Robert Micillo responded.

Board members asked questions regarding phishing emails and staff education; Robert Micillo responded and Raven Ryan Solon, Chief Compliance & Regulatory Officer responded.

Board members asked questions regarding the DentaQuest breach; Rover Micillo responded.

INTERNAL AUDIT SUMMARY

Kathleen Shure asked Joseph Sorbello, Director of Internal Audits, to present the Internal Audit Summary. Joseph Sorbello discussed the 2026 Audit Plan and Internal Audit Follow-Up.

COMPLIANCE EXECUTIVE SUMMARY

Kathleen Shure asked to move on to the Compliance Executive Summary. Raven Ryan Solon, Chief Compliance & Regulatory Officer discussed the 2025 Work Plan Status – Corporate Compliance, 2025 Work Plan Status – Privacy and 2025 Work Plan Status – Vendor Compliance.

Anthony Spaventa, Director of SIU discussed the 2025 Work Plan Status – Special Investigations Unit.

Raven Ryan Solon went on to discuss the 2025 Work Plan Status – Product Compliance.

Board members asked questions regarding scheduling; Raven Ryan Solon, Lauren Leverich Castaldo, Chief Financial Officer and Dr. Talya Schwartz responded.

Raven Ryan Solon discussed the 2025 Work Plan Status - Business Process Monitoring, Compliance Highlights which included Activities – Corporate Compliance, Privacy, Compliance Ops Policy & Procedure and Implementations Summary, NY State 2026 Budget Actions and Key Changes.

Board members asked questions regarding data information requests by the state and payments; Raven Ryan Solon responded.

Raven Ryan Solon then discussed Medicare Regulatory Highlights, State Regulatory Highlights and Commercial/EP/QHP Regulatory Highlights.

EXECUTIVE SESSION

Kathleen Shure called the meeting into Executive Session at 11:25 A.M. so the Committee Members could discuss confidential Audit & Compliance issues related to potential litigation.

The Committee resumed the official meeting at 12:14 P.M.

There being no further business, Kathleen Shure adjourned the meeting at 12:14 P.M.

KPMG
Presentation

MetroPlusHealth Plan, Inc. Discussion with those charged with governance

Audit plan and strategy for the year ending December 31, 2026

September 17, 2026

Key themes for our discussion

A better audit experience

Next-generation technology

Scope of the audit

Required communications

Key risks and our Audit Plan

Our technology and quality story

Our Quality Story

- Sustained audit quality is paramount to protecting the capital markets.
- This video walks through our audit quality journey and our forward-looking strategy that remains committed to delivering a high-quality audit.
- Please watch to hear more about our audit quality journey and continuous improvement process, as detailed in our most recent Audit Quality Report.

Our Technology Story

- We are resetting the playing field when it comes to integrating technology into the audit.
- Artificial intelligence represents the most significant transformation in our profession's history. At KPMG, it's not just a new tool - it's a fundamental shift in how we deliver quality, trust and value.
- Please watch to learn more about our technology journey, how the audit experience is changing for our clients, and our roadmap for the future.

Link to videos here: Our Quality and Technology Story Videos

The future of audit | AI-powered. Human-assured.

Phase 1:
Human auditor with assistant
Where we are today

Phase 2:
Human-agent teams
Where we will be in the fall of 2026

Phase 3:
AI-powered, Human-assured
Where we are going starting in 2027

We gave the *Wall Street Journal* an inside look at our AI-powered audit.

Read their take here.

People X Platform

Be confident in KPMG with our people and platform integrated into every aspect of your audit. Here's what makes us different:

Agile, industry-experienced team members

led by an empowered lead partner and backed by the strength of our full firm

Modernized project management

with milestones focused on minimizing disruption and maximizing insights

Tailored, data-driven approach

driving a risk-based strategy, with clarity and visibility from the very start

Environment of trust and transparency

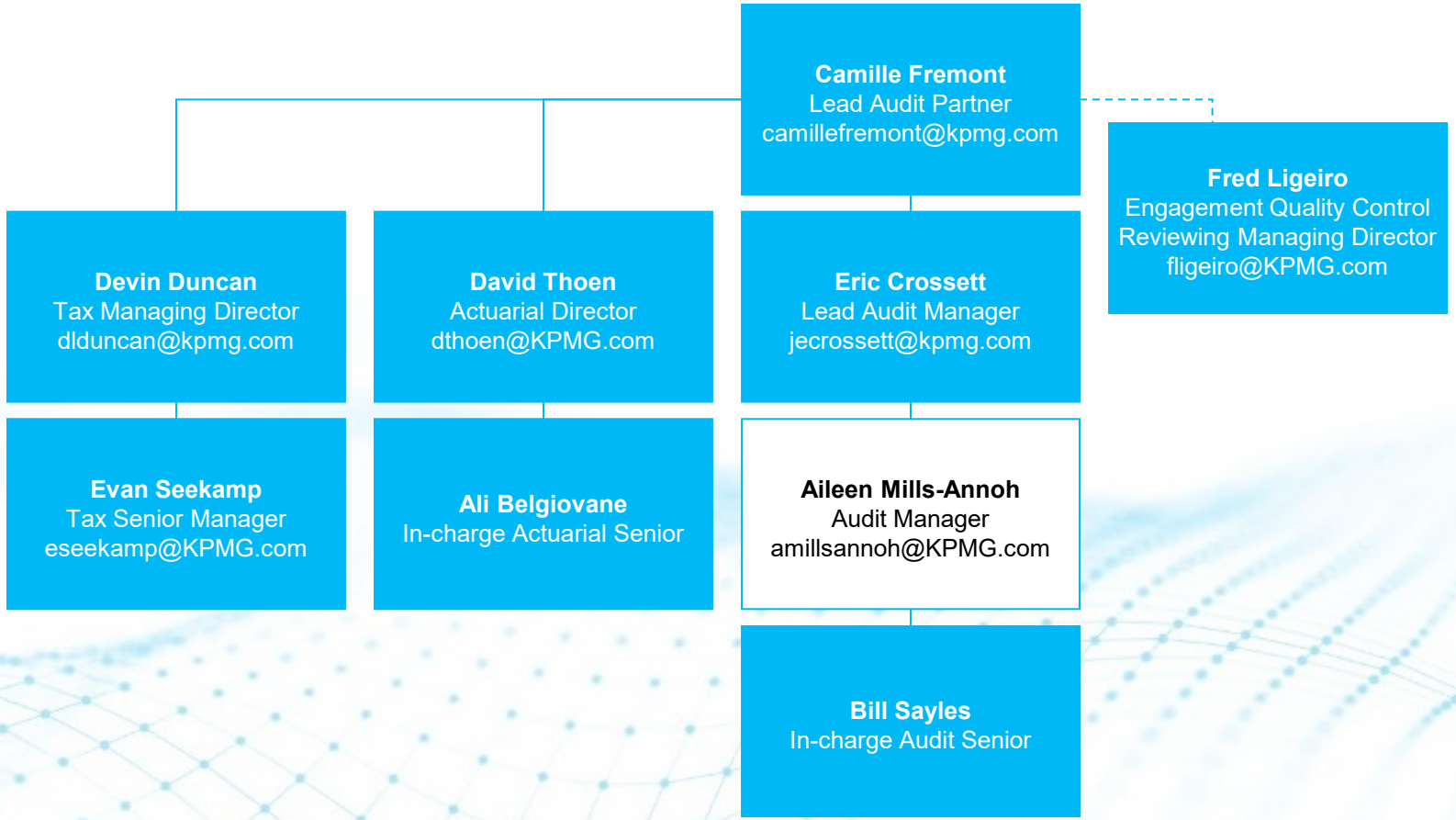
through open communication and meaningful conversations

KPMG has put AI and innovation at the forefront and is significantly advancing the capabilities of auditing and financial reporting to uplevel employee experience and accelerate innovation. With the integration of AI innovations across the Microsoft Cloud, further enhanced by KPMG's Audit expertise, together we are creating more value and achieving more together as a result.

Amy Hood
Chief Financial Officer
Microsoft

Client service team

Team members with continuity are designated in blue.



Engagement management to fit your team

Our streamlined service delivery model helps minimize disruption for MetroPlusHealth Plan, Inc.

We're working with management to complete much of our risk assessment and walkthroughs by 11/30 and interim substantive testing by 12/31.

The KPMG way

KPMG and MetroPlusHealth Plan, Inc. have a joint interest in driving quality and eliminating peaks in workload, particularly in the post year-end period. That's why we're continuing to:

- **Communicate and coordinate** with all levels of management and those charged with governance, including updates on key milestones
- **Accelerate work** to drive quality and an exceptional client experience
- **Improve the walkthrough and controls experience** by accelerating and streamlining walkthrough efforts and standardizing requested evidence on controls

Required communications to those charged with governance

Prepared on: 9/8/2026

Presented on: 9/17/2026

Audit plan required communications and other matters

Our audit of the statutory financial statements of MetroPlusHealth Plan, Inc. (the Plan) as of and for the year ended December 31, 2026, will be performed in accordance with auditing standards generally accepted in the United States of America.

Performing an audit of financial statements includes consideration of internal control over financial reporting (ICFR) as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's ICFR.

Matters to communicate		Reference
Role and identity of engagement partner	✓	Lead audit engagement partner is: Camille Fremont
Significant findings or issues discussed with management	X	
Audit participants, including service delivery centers and strategy	✓	Pages 9 to 10
Materiality in the context of an audit	✓	Page 11
Our timeline	✓	Page 12
Risk assessment: Significant risks	✓	Pages 13 to 14
Risk assessment: Additional risks identified	✓	Page 15
Involvement of others	✓	Page 16
Independence	✓	Pages 17 to 18
Responsibilities	✓	Page 19
Required inquiries	✓	Page 20

✓ = Matters to report X = No matters to report

Audit participants, including service delivery centers, and strategy

Entities/Business Units Where Audit Procedures are Planned	
Entities	**Legal name/location of component auditor and planned responsibilities**
MetroPlusHealth Plan, Inc.	• KPMG, LLP (US) • KPMG Global Delivery Center Private Limited (GDC) (India) - Will assist the US team with non-judgmental audit procedures, such as audit file set-up, testing mathematical accuracy, confirmation procedures and vouching substantive samples to supporting documentation • KPMG Global Services Private Limited (KGS) (India) – Will assist the US team with non-judgmental audit procedures within the tax and actuarial business processes *GDC and KGS professionals will perform the procedures above under the direction of the engagement team. Once prepared, workpapers will also be reviewed by a manager and/or managing director.*

Materiality in the context of an audit

We will apply materiality in the context of the preparation and fair presentation of the statutory financial statements, considering the following factors:

Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the statutory financial statements.

Judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of a misstatement, or a combination of both.

Judgments about materiality involve both qualitative and quantitative considerations.

Judgments about matters that are material to users of the statutory financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.

Determining materiality is a matter of professional judgment and is affected by the auditor's perception of the financial information needs of users of the statutory financial statements.

Judgments about the size of misstatements that will be considered material provide a basis for:

a. determining the nature and extent of risk assessment procedures;
b. identifying and assessing the risks of material misstatement; and
c. determining the nature, timing, and extent of further audit procedures.

Our timeline

July – September

Planning and risk assessment

- Planning and initial risk assessment procedures, including
  - Involvement of others
  - Identification and assessment of risks of misstatements and planned audit response for certain processes
- Obtain and update an understanding of the Plan and its environment
- Inquire of those charged with governance, management and others within the Plan about risks of material misstatement
- Communicate the audit plan
- Coordinate with NYC HHC engagement team
- Perform interim substantive procedures over certain account balances

October – December

Interim

- Ongoing risk assessment procedures, including identification and assessment of risks of misstatements and planned audit response for remaining processes
- Identify IT applications and environments
- Perform process walkthroughs and identification of process risk points for remaining processes
- Evaluate design and implementation (D&I) of entity level controls and process level controls for certain processes
- Perform process walkthroughs and identification of process risk points for remaining processes
- Perform interim substantive audit procedures over certain account balances

January – March

Year-end

- Complete control testing for remaining process level, general IT and entity-level controls, where applicable
- Perform remaining substantive audit procedures
- Evaluate results of audit procedures, including control deficiencies and audit misstatements identified
- Review financial statement disclosures
- Present audit results to those charged with governance and perform required communications

Filing date: Issue audit reports on statutory financial statements by March 31, 2027.

Risk assessment: Significant risks

Significant risk	Susceptibility to:	
	Error	Fraud
Management override of controls Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.	No	Yes

Response to the significant risk
The engagement team will perform a rollforward of the journal entry population and then identify high risk criteria for journal entry testing based upon our understanding of the population of journal entries, business and activities in the market.

Risk assessment: Significant risks

Significant risk – Claims payable for incurred-but-not reported (IBNR) claims	Susceptibility to:	
Significant risk – Claims payable for incurred-but-not-reported (IBNR) claims	**Error**	**Fraud**
Claims payable for incurred-but-not-reported (IBNR) claims is estimated using standard actuarial methodologies based upon historical data including the period between the date services are rendered and the date claims are received and paid, denied claim activity, expected medical cost inflation, seasonality patterns, and changes in membership.	**Yes**	**Yes**
Specifically, the following elements included within the Claims payable for incurred-but-not-reported (IBNR) claims estimate give rise to a significant risk:		
• Assumption – Completion factor selection	**Yes**	**Yes**

Relevant factors affecting our risk assessment
The estimate is based on underlying assumptions including historical payment trends with adjustments for seasonality and other trends. As such, there is a significant amount of judgment required in determining the completion factors to be applied to the appropriate periods. Also, the uncertainty of future occurrences (costs) increases the level of judgment exercised when determining claims payable for incurred-but-not-reported (IBNR) claims recorded.

Risk assessment: Additional risks identified

Other significant audit matters	Relevant factors affecting our risk assessment
Fair value of investments	The fair value of investments is estimated as the price that would be received to sell an investment in an orderly transaction between market participants at period end.
Drug rebates receivable	Drug rebates receivable as reported for the end of a period are estimated by management based on rebates invoiced or guaranteed by the pharmacy benefit manager (“PBM”) or actual rebates received for earlier periods.
Risk-sharing programs of the Affordable Care Act	The Plan participates in the risk adjustment program under the ACA that transfers funds from lower risk plans to higher risk plans, within the same state, to adjust premiums for adverse selection among the plans. HHS operates the program for the State of New York and sets an annual user fee payable by plans. MetroPlusHealth estimates its risk adjustment amount based on an estimate of its risk score relative to an estimate of the average risk score of all QHP plans in New York State.
Due to the State of New York — State audits and adjustments	The State of New York has advised the Plan of instances where it will need to return premium payments to the State as a result of audits and adjustments of its payments based on subsequent membership adjustments.
Premiums receivable / payable – Average Commercial Rate (ACR)	The ACR program is a CMS-approved Medicaid directed payment program that uses commercial insurer reimbursement levels as a benchmark to provide supplemental funding to healthcare providers. The program is intended to increase Medicaid reimbursement rates for eligible services, helping align provider payments more closely with prevailing commercial market rates.
Premiums receivable / payable – New York Health Equity Reform Reconciliation (NYHER)	The NYHER program is a Medicaid waiver initiative that funds services addressing health-related social needs and advancing health equity. MetroPlusHealth receives and distributes NYHER funding through regional Social Care Networks, subject to State reconciliation.

Involvement of others

Audit of financial statements	Extent of planned involvement
KPMG Actuarial	KPMG will utilize KPMG Actuarial Specialists, who are qualified actuaries, to perform an independent assessment of the Claims payable for incurred-but-not-reported (IBNR) claims amount recorded by the Plan. The major components of the Claims payable for incurred-but-not-reported (IBNR) claims review include: • Participating in the audit team's walkthrough process • Reasonableness of actuarial methods used by management • Reasonableness of completion factor • Reasonableness of other assumptions (seasonality, restatements trends and • year-over-year trends) • Comparison of the Plan's booked liability to an independent range
KPMG professionals with specialized skill or knowledge who are involved in performance of audit procedures	KPMG tax professionals will review the Plan's non-taxable status.

Shared responsibilities: Independence

Auditor independence is a shared responsibility and most effective when management, audit committees, and audit firms work together in considering compliance with the NAIC MAR's independence rules, including the general standard of independence. For KPMG to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, and KPMG each play an important role.

System of Independence Quality Control

The firm maintains a system of quality control over compliance with independence rules and firm policies. Timely information before the effective date of transactions or other business changes is necessary to effectively maintain the firm's independence in relation to:

- new affiliates, directors, officers, or persons in financial reporting oversight roles;
- new beneficial owners of the Plan's equity securities that have significant influence; and
- any former KPMG professionals in an accounting role or financial reporting oversight role with the Plan.

Certain relationships with KPMG

NAIC MAR independence rules prohibit:

- the Plan's officers, directors or persons in a decision-making capacity, from having certain types of business relationships with KPMG;
- certain employment relationships involving:
  - the Plan's officers, directors, or others in an accounting or financial reporting oversight role; and
  - KPMG, KPMG covered persons, or their close family members.

Pre-approval of services

- NAIC MAR rules require the audit and compliance committee to pre-approve all audit and permitted non-audit services to be provided by the auditor.
- IESBA also has requirements to obtain the audit and compliance committee's concurrence with the provision of non-assurance services and the auditor's conclusion on the impact to independence.

Independence communications

- NAIC MAR rules require that we report to the audit and compliance committee all relationships that may reasonably be thought to bear on our independence and discuss the potential effects of such relationships on our independence.
- This communication is typically provided during our year-end communications.

Payment of fees

For the firm to be deemed independent with respect to the current year audit engagement, NAIC MAR rules and professional standards generally require that:

- material fees for the prior year audit and other professional services be paid before a current audit engagement commences, and
- fees for any previously rendered professional service provided more than one year before the date of the current year audit report have been paid.

Request for concurrence: Non-assurance services for controlling entities

The provision of the services in the categories below can be provided to **any entity that controls MetroPlusHealth Plan, Inc.** under a pre-determined concurrence protocol without further specific approval from the audit and compliance committee, as long as the service does not impact the financial reporting of MetroPlusHealth Plan, Inc.. If there are proposed services for controlling entities not included in the categories below, concurrence will be sought prior to providing the service to the controlling entity.

- Audit-related services
- Tax compliance and tax consulting services
- Valuation services
- Accounting and Advisory services
- Regulatory compliance related services
- Leading practice and strategic advisory services (including, but not limited to benchmarking)
- Technology assessments, reviews and implementations
- Transaction-related services (including but not limited to buy-side, tax structuring, sell-side, operational and commercial due-diligence)
- Other services similar in nature to the above

Conclusion > The services above are not prohibited under the AICPA, NAIC or IESBA independence rules **to be provided to any entity that controls** MetroPlusHealth Plan, Inc. and threats to our independence, if any, resulting from the provision of the services will not create a threat to our independence because they do not have an impact on MetroPlusHealth Plan, Inc.

Responsibilities

Management responsibilities

- Communicating matters of governance interest to those charged with governance.
- The audit of the statutory financial statements does not relieve management or those charged with governance of their responsibilities.

KPMG responsibilities: Objectives

- Communicate clearly with those charged with governance the responsibilities of the auditor regarding the financial statement audit and an overview of the planned scope and timing of the audit.
- Obtain from those charged with governance information relevant to the audit.
- Provide those charged with governance with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process.
- Promote effective two-way communication between the auditor and those charged with governance.
- Communicate effectively with management and third parties.

KPMG responsibilities: Other

- If we conclude that no reasonable justification for a change of the terms of the audit engagement exists, and we are not permitted by management to continue the original audit engagement, we should:
  - withdraw from the audit engagement when possible under applicable law or regulation;
  - communicate the circumstances to those charged with governance; and
  - determine whether any obligation, either legal, contractual, or otherwise, exists to report the circumstances to other parties, such as owners, or regulators.
- Forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared, in all material respects, in accordance with the applicable financial reporting framework.
- Establishing the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

Required inquiries

- What are your views about fraud risks, including management override of controls, at the entity and whether you have taken any actions to respond to these risks?
- Are you aware of, or have you identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- Are you aware of or have you received tips or complaints regarding the entity's financial reporting (including those received through the internal whistleblower program, if such program exists) and, if so, what was your response to such tips and complaints?
- How do you exercise oversight over management's assessment of fraud risk and the establishment of controls to address/mitigate fraud risks?
- Has the entity entered into any significant unusual transactions?
- Have there been any instances of actual or possible violations of laws and regulations, including illegal acts (irrespective of materiality threshold)?
- What is the audit and compliance committee's understanding of the entity's relationships and transactions with related parties that are significant to the entity?
- Does any member of the audit and compliance committee have concerns regarding relationships or transactions with related parties and, if so, what is the substance of those concerns?
- Has there been any correspondence with regulators or licensing authorities?

Questions?

For additional information and audit committee resources, including National Audit Committee Peer Exchange series, a Quarterly webcast, and suggested publications, visit the KPMG Audit Committee Institute (ACI) at https://boardleadership.kpmg.us/audit-committee.html

This presentation to those charged with governance is intended solely for the information and use of those charged with governance and management and is not intended to be and should not be used by anyone other than these specified parties. This presentation is not intended for general use, circulation or publication and should not be published, circulated, reproduced or used for any purpose without our prior written permission in each specific instance.

Learn about us: kpmg.com

Insightful audit response

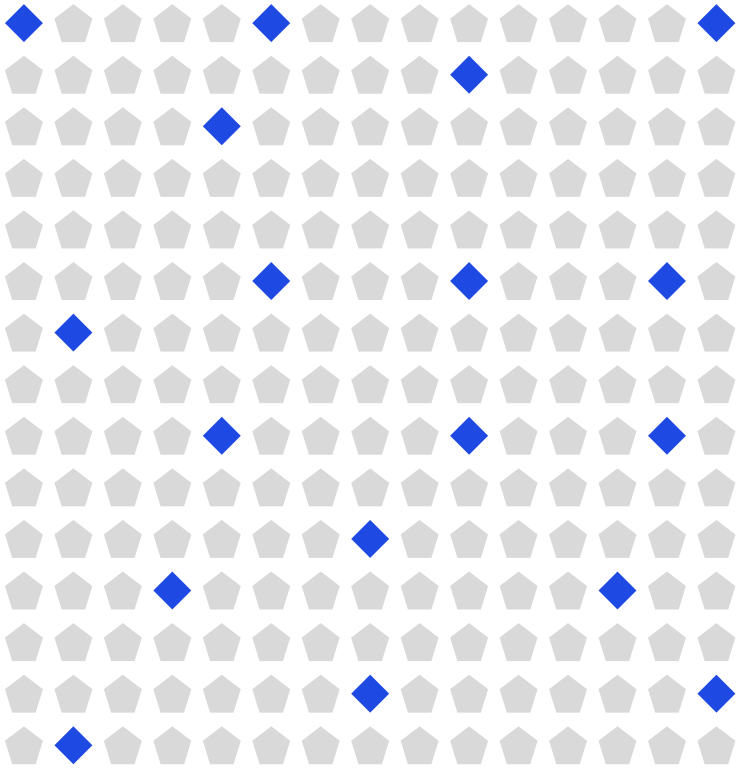
Transaction scoring

All transactions within a population flowing through an entity's ledger are analyzed and allocated a 'score' using statistical, advanced, and rules-based data analysis methods to identify transactions requiring further evaluation.

Transaction scoring provides:

- multipurpose use of data with automated analysis;
- analysis of 100% of population;
- more targeted sampling and a focus on transactions requiring further evaluation; and
- single source of insights, risk assessment, and substantive evidence.

Traditional sampling

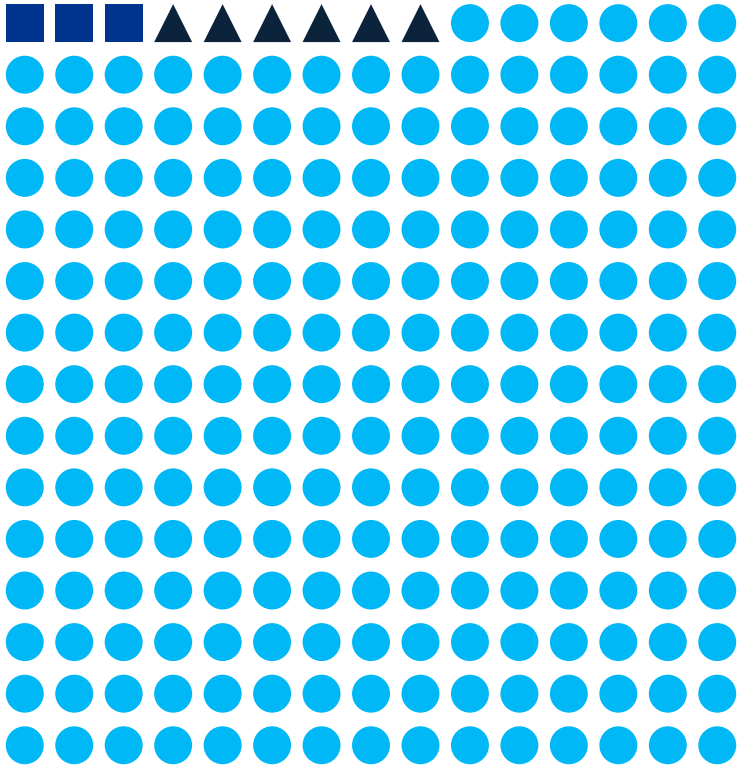


Requires source documents

Untested population

versus

Transaction scoring



Medium and High: Extent of additional evidence may vary

Low: Sufficient evidence

On the 2026 board agenda

Issues for boards to keep in mind as they carry out their 2026 agendas

- Reassess the board's engagement in strategy—particularly scenario planning, agility, crisis planning, and resilience.
- Understand the company's AI strategy and related risks and opportunities, and closely monitor the governance structure and talent/workforce needs around the deployment and use of the technology.
- Consider the adequacy of the company's data governance framework and processes.
- Assess whether the company's cybersecurity governance framework and processes are keeping pace.
- Keep material sustainability issues embedded in risk and strategy discussions, and monitor management's preparations for sustainability reporting requirements as well as shareholder expectations.
- Sustain a healthy board-CEO relationship.
- Revisit board and committee risk oversight responsibilities and allocation among committees.

KPMG Board Leadership Center: On the 2026 board agenda

New Business

MetroPlus**Health**

Audit & Compliance Committee Meeting

Thursday, September 17th, 2026

Quarterly Cyber Security Update

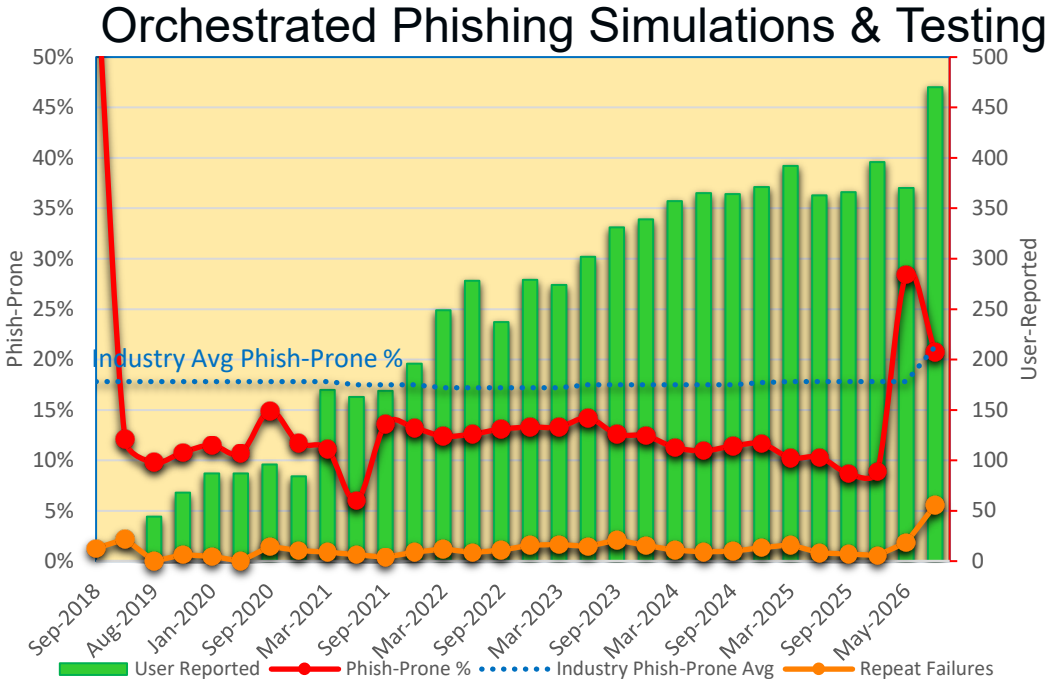
Robert Micillo

Chief Information Officer

Thursday, September 17th, 2026

Metro Plus Health

TRAINING & AWARENESS



Healthcare & Pharmaceuticals Industry

Current Campaign Phish-Prone %	**20.8%**
Industry Avg Phish-Prone %	**21.3%**
Repeat Failures %	**5.57%** (109 Users)

- ✓ Phish Reported: 370 Q2 => 470 Q3
- ✓ Phish-Prone %: 28.4% Q2 => 20.8% Q3
- ✓ Repeat Failures: 1.83% Q2 => 5.57% Q3

Note: *Deployed most complex tests available for phishing simulations. Orchestrating more frequent testing to expose employees to more challenging test so they become more aware of the evolving threats regarding phishing.*

SYSTEM HEALTH

Operating System End of Life Project Updates

Asset Class	End of Life Prod Support	Project Progress
2016SQL Server	July 2026	100%
2016 Win Server	January 2027	74% Upgraded

Mail Defense
2q26 Email Delivery: 34%
1q26 Email Delivery: 50%

Antivirus Updates
2Q26 AV Sigs: 99%
1q26 AV Sigs: 99%

Security Patching Cadence
2q26 Patching: 99%
1q26 Patching: 99%

Security Operations (Q3)

Security Incident Management SLAs

- Mean Time to Detect (SLA=30mins): **16**
- Mean Time to Triage (SLA 60 mins): **46**
- Mean Time to Notify (SLA=90 mins): **47**

SECURITY INVESTIGATION UPDATES

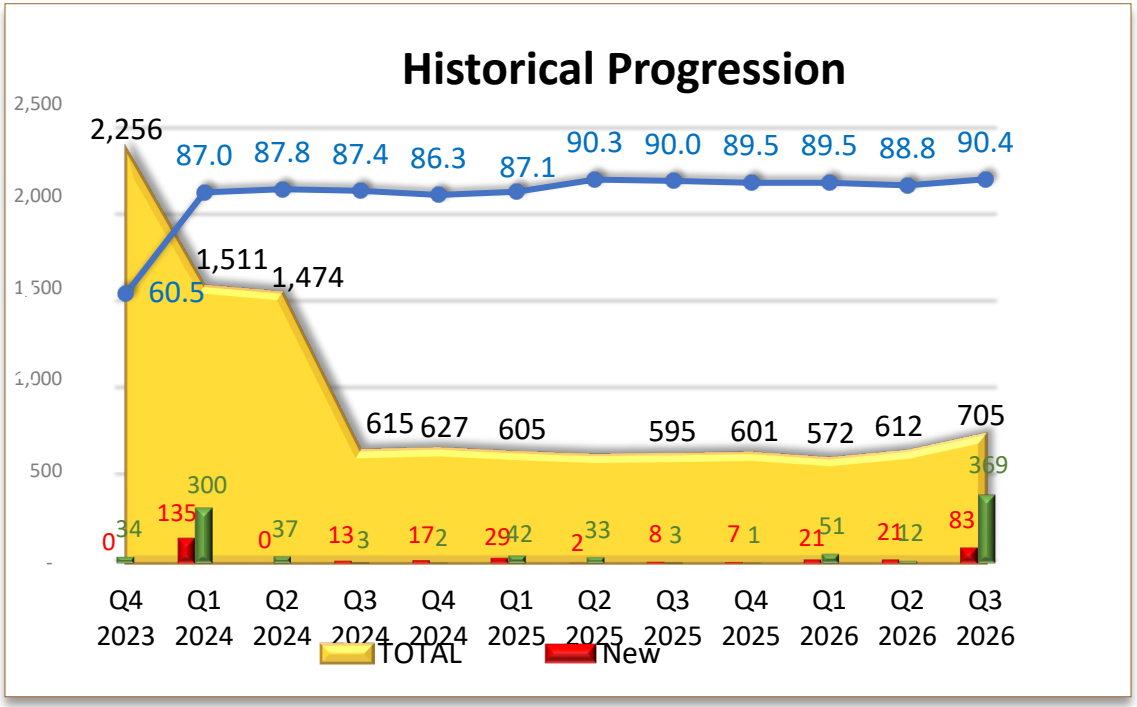
Behavioral Analytics	• **User Behavior:** 463 ↓ from 567 – Examples: Emails sent to personal domains, first time application or version(s) like New TEAMS, HRP, GC, etc. • **Assets:** 255 ↑ from 202 – First time discovery of new asset on the network. (Microsoft Server migrations for O/S2016 and SQL2016).
Unreturned Equipment *(Tracking devices from separated staff)*	• **Laptops not returned:** 8 (1 was a Surface Po) • **Cellphone not returned:** 2 • **iPad not returned:** 0
Lost/Stolen Equipment	• **Laptops:** 1 Lost, 1 Stolen 1 (Surface Pro) • **iPads:** 0 lost, 0 Stolen • **Smartphones:** 4 Lost, 0 Stolen

Staff Investigations	• **HR Investigation Requests**
	  ▪ Across 11 Custodian accounts
	  ▪ 21 total file extracts (0 ActivTrak, 11 cell phone call logs, 10 work phone log, 0 Azure log)
	• **Search Repositories**
	  • ActivTrak – Workstation Raw Activity data based on date
	  • Azure log
	  • Office365 Location verification
	  • Call Center & Screen Recording Activity
	  • Cellular Data

APPLICATION DEVELOPMENT LIFECYCLE & SECURITY

Security through targeted remediation and platform modernization

- **Platform Upgrade:**
  Completed migration to **.NET Framework 4.8.1**.
- **Coverage:**
  Added MEM application, bringing total scanned applications to 9.
- **Secure Development:**
  Continued use of AI-assisted development with security principles applied.
- **Scan Results:**
  369 fixed, 37 mitigated, and 83 new identified.
- **Overall Score**:
  90.4 – New High.



***Note: 9 applications** in the security scan.*

PROGRAM MEASUREMENTS | DELEGATED VENDOR

Median Security Rating
750
Security Rating Range
650 – 900

Network Footprint

Notes:

- *Varis Drop due to multiple month SSL issues since March. Grade moved from A to F.*
- *Dentaquest recovering from June 3rd breach.*

HealthEdge Monitoring
Organization = Intermediate
Software = Advanced

Company		Trend	Rating
	HealthEdge Software Group	-10	700
	HealthEdge Software, Inc.		750

Dropped due to discovered SSL config issues.

Company		Trend	Rating
	gammacc.com		800
MRIoA	Medical Review Institute of America,...		780
nationsbenefits	NationsBenefits, LLC	+10	780
ETHICO	ComplianceLine, LLC		760
clarity	Clarity Software Solutions, Inc.		750
DentaQuest	DentaQuest Ventures, Inc	-30	740
wipro	Wipro Limited Corporation		740
incomm payments	InComm Holdings Corporation		720
AXION CONTACT	AXION Contact Center, LLC		700
VARIS	VARIS, LLC	-100	650

Company		Trend	Rating
BENEFITS	Benefits Concierge Group		780
modivcare	Modivcare Inc.	-10	780
COTIVITI	Cotiviti Group	+10	770
VERISYS	Verisys		760
SS&C HEALTH	SS&C Health		750
RITTER	Ritter Insurance Marketing	+10	740
CVS/caremark	Caremark, LLC	-10	720
integra partners	Integra Partners Holdings, LLC	+20	710
Vibrant	Vibrant Emotional Health		700


Metro
Plus
Health
metroplus.org

Internal Audit & Executive Summary

Joseph T. Sorbello

Director of Internal Audits

Thursday, September 17th, 2026

Metro Plus Health

2026 Audit Plan Status

MetroPlusHealth

2026 AUDIT PLAN

Name of Audit	Scheduled	Status
Model Audit Rule 2025	Q1	**Complete**
Member Applications	Q4 -25	**Complete**
ESRD - Population Management	Q1	**In Progress**
Direct Provider Payments	Q2	**In Progress**
Member ID Cards	Q3	**In Progress**
Provider Directory	Q4	**Not Started**

Internal Audit Follow Up

MetroPlusHealth

INTERNAL AUDIT FOLLOW-UP

- Internal audit currently has seven open items across three audits.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Compliance Executive Summary Public

Raven Ryan Solon

Chief Regulatory & Compliance Officer

Thursday, September 17th, 2026

Metro Plus Health

AGENDA

01 2026 Work Plan

02 Compliance Highlights

03 Regulatory Updates

2026 Compliance Work Plan

MetroPlusHealth

2025 WORK PLAN STATUS | CORPORATE COMPLIANCE

Category	Work Plan Item	Initiated	Percentage Complete
Annual Activity	**Service Verifications**	February 2026	45%
Annual Activity	**SDOH Annual Fraud & Abuse Report: Part 2**	February 2026	100%
Annual Activity	**MAP Quarterly Reports**	January 2026	50%
Annual Activity	**MLTC Quarterly Reports**	January 2026	50%
Annual Activity	**2025 Compliance Program Integrity Review**	January 2026	90%
Annual Activity	**Provider Directory Audit**	June 2026	95%
Ongoing Monitoring	**Exclusion Screenings**	January 2026	50%

2025 WORK PLAN STATUS | PRIVACY

Category	Work Plan Item	Initiated	Percentage Complete
Ongoing Monitoring	**Privacy Walkthroughs**	January 2026	40%
Annual Activity	**HIPAA Security, Privacy & Breach Compliance Assessment**	March 2026	75%
Implementation Oversight	**Authorized Representatives**	March 2026	15%

2025 WORK PLAN STATUS | VENDOR COMPLIANCE

Category	Work Plan Item	Initiated	Percentage Complete
Audit	**2025 SS&C Operational Audit**	August 2025	100%
Audit	**2025 DentaQuest Operational Audit**	December 2025	100%
Ongoing Monitoring	**Vendor Exclusion Screening**	January 2026	50%
Annual Activity	**TPMO Telephonic Attestations**	April 2026	40%
Annual Activity	**2025 Vendor Delegation Oversight Program Assessment**	January 2026	80%
Audit	**2026 CVSC Operational Audit**	March 2026	30%

2025 WORK PLAN STATUS | VENDOR COMPLIANCE

Category	Work Plan Item	Initiated	Percentage Complete
Audit	**2026 Integra Operational Audit**	March 2026	25%
Annual Activity	**Verification of Delegated Functions**	March 2026	80%
Audit	**2026 Integra Operational Audit**	March 2026	80%
Annual Activity	**Verification of Delegated Functions**	March 2026	80%
Audit	**BCG**	June 2026	30%
Audit	**Gammacare**	June 2026	30%

2025 WORK PLAN STATUS | SPECIAL INVESTIGATIONS UNIT

Category	Work Plan Item	Initiated	Percentage Complete
Training	**Specialized FWA training**	Q1	50%
Ongoing Monitoring	**Underutilization review**	Q1	50%
Ongoing Monitoring	**Outlier notification letter**	Q1	50%
Audit	**E&M Codes - reviewed reimbursement for high-level E&M services**	Q1	50%
Audit	**Opioid Prescribers**	Q1	50%
Audit	**Labs – Genetic Testing**	Q1	50%
Audit	**Durable Medical Equipment**	Q1	50%
Audit	**PCS services**	Q1	50%
Audit	**BH – Psychotherapy Services**	Q1	50%

2025 WORK PLAN STATUS | PRODUCT COMPLIANCE

Category	Work Plan Item	Initiated	Percentage Complete
Implementation Oversight	**CHP Audit Corrective Actions**	October 2023	50%
Audit	**Article 44 Readiness**	February 2025	40%

2025 WORK PLAN STATUS | BUSINESS PROCESS MONITORING

Category	Work Plan Item	Initiated	Percentage Complete
Ongoing Monitoring	**Complaints and Grievances**	1/1/2026	50%
Ongoing Monitoring	**BH Utilization Review**	1/1/2026	50%
Ongoing Monitoring	**MLTC Utilization Review**	1/1/2026	50%
Ongoing Monitoring	**Integra Utilization Review**	1/1/2026	50%
Ongoing Monitoring	**DentaQuest Complaints and Grievances**	1/1/2026	50%
Ongoing Monitoring	**DentaQuest Utilization Review**	1/1/2026	50%
Ongoing Monitoring	**CVS Utilization Review**	1/1/2026	50%

2025 WORK PLAN STATUS | BUSINESS PROCESS MONITORING

LOB: Medicare

Category	Work Plan Item	Initiated	Percentage Complete
Ongoing Monitoring	**Medicare Utilization Review**	1/1/2026	50%
Ongoing Monitoring	**MAP Utilization Review**	1/1/2026	50%
Ongoing Monitoring	**Complaints and Grievances**	1/1/2026	50%
Ongoing Monitoring	**DentaQuest Complaints and Grievances**	1/1/2026	50%
Ongoing Monitoring	**DentaQuest Utilization Review**	1/1/2026	50%
Ongoing Monitoring	**Integra Utilization Review**	1/1/2026	50%
Ongoing Monitoring	**CVS Utilization Review**	1/1/2026	50%

2025 WORK PLAN STATUS | BUSINESS PROCESS MONITORING

Category	Work Plan Item	Initiated	Percentage Complete
Ongoing Monitoring	**BH Claims Monitoring-Denials**	1/1/2026	50%
Ongoing Monitoring	**BH Claims Rate Monitoring – Diversionary and IB Duals**	1/1/2026	50%
Ongoing Monitoring	**Sexual Dysfunction/Erectile Dysfunction**	1/1/2026	50%
Ongoing Monitoring	**RRP Claims Monitoring**	1/1/2026	50%

Compliance Highlights

ACTIVITIES | CORPORATE COMPLIANCE

Exclusion Screenings

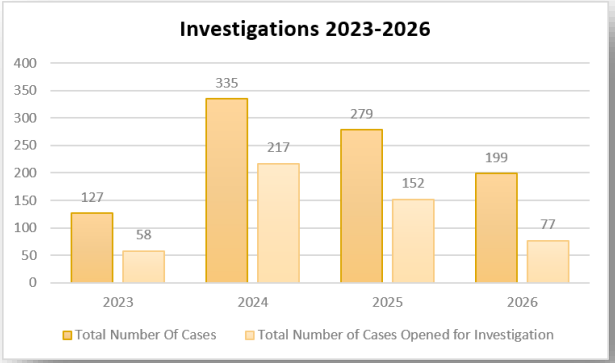
Monthly, Compliance reviews the results of exclusion screenings performed by Human Resource, Non-Provider Contracting, Provider Maintenance, and Credentialing. Any positive matches are investigated by Compliance to ensure proper termination of relationship.

- **Q1**: Completed
- **Q2**: Completed

Case Investigations Overview

Reports submitted through all reporting mechanisms, including the Compliance Hotline.

- **Total Reports Received:** 105
  - **Triaged:** 71*
  - **Total Compliance Investigations Opened:** 34
- **Total Investigations Closed:** 7



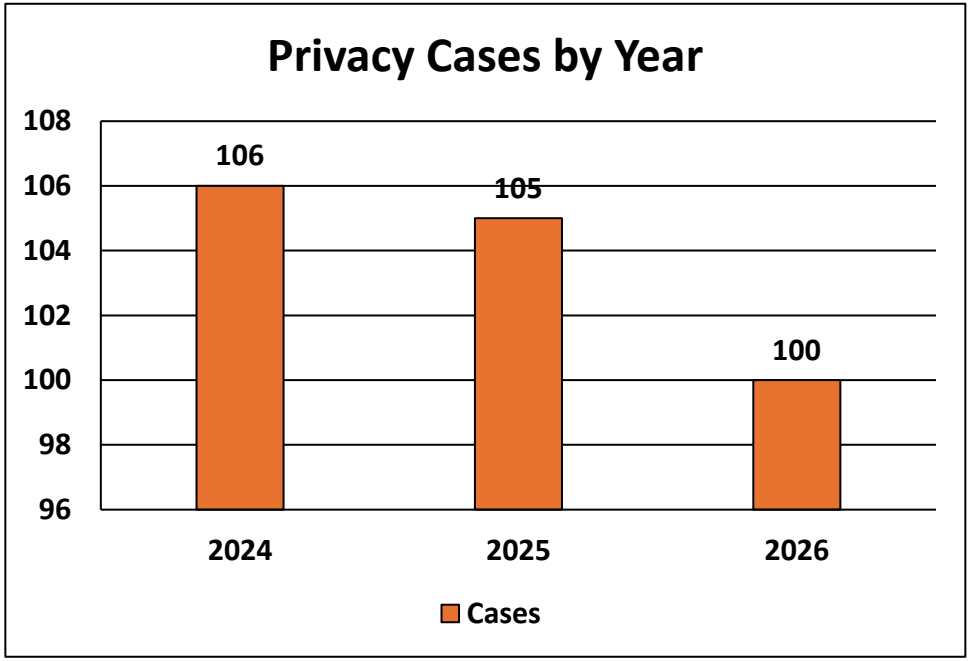
**Uptick in Customer Service calls to our Compliance Hotline during Q2.*

ACTIVITIES | PRIVACY

Case Investigations Overview

Reports submitted through all reporting mechanisms, including the Compliance Hotline.

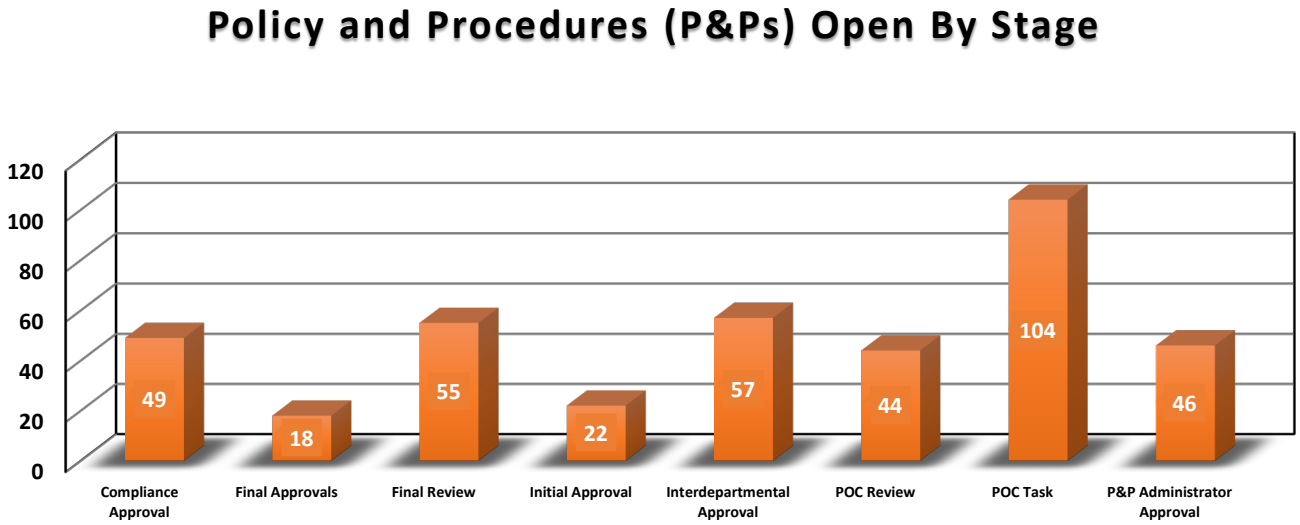
- **Total Reports Received:** 46
  - **Triaged:** 0
  - **Total Privacy Investigations Opened in Q2:**
    - **MPH:** 36
    - **Vendors:** 10
- **Total Investigations Closed:** 36
  - **2026:** 36
- **Total Investigations Opened in 2026:** 100



ACTIVITIES | COMPLIANCE OPERATIONS | POLICES AND PROCEDURES

There are **395 P&Ps** currently open.

- **P&Ps Initiated for Annual and Regulatory Review in Q2:** 79
- **Total P&Ps finalized and published in Q2:** 21

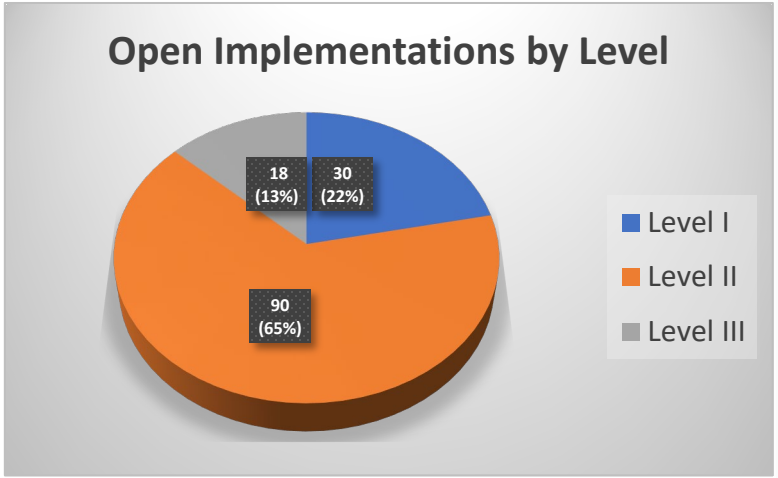


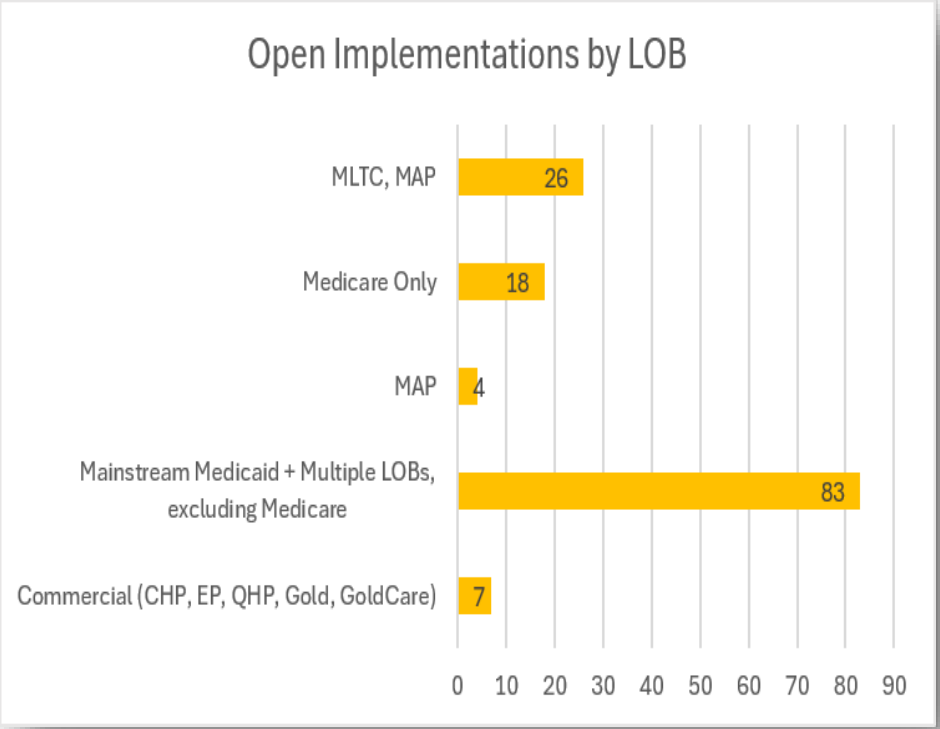
ACTIVITIES | COMPLIANCE OPERATIONS | SURVEYS

Number of Surveys (Data/Information Requests)					
Q4 - 2025		**Q1 - 2026**		**Q2 - 2026**	
October	17	**January**	55	**April**	66
November	17	**February**	38	**May**	48
December	36	**March**	48	**June**	55
Total: 70		**Total: 141**		**Total: 169**	
YTD: 270		**YTD: 141**		**YTD: 310**	
During Q4, the Plan received: • 32 requests from the State (NYSOH, OMH, DFS, etc.) • 6 requests from CMS		**During Q1, the Plan received:** • 69 requests from the State (NYSOH, OMH, DFS, etc.) • 9 requests from CMS		**During Q2, the Plan received:** • 139 requests from the State (NYSOH, OMH, DFS, etc.) • 30 requests from CMS	

IMPLEMENTATIONS | SUMMARY

Category	# of IMPs
Total In-Progress Implementations	**138**
Opened within Q2 2026	**49**
Closed within Q2 2026	**17**
YTD # of Implementations Opened in CY2026	**91**





Regulatory Updates

REGULATORY HIGHLIGHTS | MEDICARE

Memo Title	Effective Date	Summary
Contract Year 2027 Final Rule, Medicare Advantage and Prescription Drug Benefit Program [CMS-4208-F3 and CMS-4212-F]	10/15/2026 & 1/1/2027	CMS has released their annual Medicare Advantage Program Final Rule for Contract Year (CY) 2027. This final rule revises the Medicare Advantage (Part C) and Medicare Prescription Drug Benefit (Part D) regulations to implement changes related to Part C and D Star Ratings, marketing and communications, health equity, dual eligible special needs plans (D-SNPs), utilization management, and other programmatic areas.
Part C Independent Review Entity (IRE) Contract Award and Transition Notification	5/1/2026	CMS awarded the Part C Independent Review Entity (IRE) contract to C2C Innovative Solutions, Inc. (C2C). Effective May 1, 2026, C2C will be responsible for conducting appeals of adverse reconsiderations issued by Part C plans, as well as reviews of plan dismissals of appellant reconsideration requests. The Part C IRE reviews level 2 appeals from members for services relevant under Medicare Part C.
Announcement of CY 2027 Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies	1/1/2027	CMS is notifying stakeholders of the annual capitation rate for each Medicare Advantage (MA) payment area for CY 2027 and the risk and other factors to be used in adjusting such rates. For 2027, CMS is tightening Medicare Advantage payment rules, so plans are paid only for diagnoses backed by documented, face-to-face medical care, not phone-only visits or standalone chart reviews.

REGULATORY HIGHLIGHTS | State

Memo Title	Effective Date/Due Date	Summary
Quarterly Electronic Visit Verification Reporting	7/30/2026	DOH was granted authority to strengthen plan-level accountability by requiring plans to actively monitor, validate, and report on provider EVV compliance. MetroPlus is required to submit a quarterly EVV Compliance Report to NYSDOH.
Obstetric Billing Changes for Prenatal Services – Transition from Global OB Codes	1/1/2027	AMA CPT maternity code changes that eliminate all global/bundled obstetric billing codes effective January 1, 2027. These changes represent a significant nationwide restructuring of professional obstetric billing, deleting 17 CPT codes, adding 12 new codes, and revising 6 existing codes, with the goal of improving transparency into prenatal, labor, delivery, and postpartum care.
Medicaid Payer-to-Payer (P2P) Member Consent Registry – CMS-0057-F	4/1/2027	MetroPlus must implement and maintain a Payer-to-Payer FHIR API Member Consent Registry under the CMS Interoperability and Prior Authorization Final Rule. The Payer-to-Payer API allows for an exchange of member data when a member moves between plans to ensure continued access to health data and support continuity of care.
Excluding Medicaid from the Independent Dispute Resolution (IDR) Process	5/28/2026	New York State enacted a significant policy change that excludes Medicaid managed care from the Independent Dispute Resolution (IDR) process.
Discontinuance of Continuous Coverage for Adults in Medicaid and Children 0 - 6	7/1/2026	CMS has announced the end of continuous eligibility (CE) for 12-months of continuous coverage for adults in Medicaid; and Continuous coverage for *more* than 12 months for children in Medicaid or Child Health Plus.
Permanent Carve-out of School Based Health Centers (SBHC) from Managed Care	5/28/2026	The SFY27 enacted budget permanently removes School Based Health Centers (SBHC) from Medicaid Managed Care by eliminating a carve-in date. This action resolves this policy issue as the carve-in of SBHC services have been delayed for a number of years.

REGULATORY HIGHLIGHTS | COMMERCIAL/EP/QHP

Memo Title	Effective Date/Due Date	Summary
EP 200-250% FPL and DACA Termination and Transition	7/1/2026	NYS will eliminate the expanded Essential Plan eligibility at 200% to 250% of the federal poverty level effective July 1, 2026, and will eliminate coverage for DACA members at all QHP levels effective July 1, 2026.
QHP/EP New Network Monitoring Requirements	1/1/2027	NYSOH introduced new network-related operational requirements in response to significant network disruptions across plans in 2025–2026. These include Behavioral Health Webpage Requirement, Provider Directory Enhancements, Network Adequacy Complaint Reporting & Special Enrollment Period (SEP) Requirements.
EP New Encounter Requirements	1/1/2027	NYSOH introduced updates regarding benchmarks and penalties for Encounter Data submissions beginning in 2027. MetroPlus will be required to submit encounter data for all contracted services obtained by their members. Beginning in 2027, the Department will implement encounter penalties for the Essential Plan program.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