



Community First Health Plans, Inc.  
 Model Audit Rule (MAR) Request for Proposal – Questions and Responses  
 March 23, 2026

	<b>Question</b>	<b>Response</b>
1)	IT Systems & Key Reports: Can Community First provide an inventory of the major systems, applications, and key reports relevant to MAR, particularly those used for claims, capitation, membership/eligibility, and financial reporting?	The major systems include Cognizant QNXT for Claims, Membership/Eligibility. Financial systems include Premier and Gain Compliance.
2)	Documentation Status: Does Community First currently maintain updated process narratives, RACMs, and flowcharts, or should the vendor assume full redevelopment of these artifacts? Does Community First share services with Bexar County Hospital District d/b/a University Health? If so, what services?	<p>Yes, Community First Health Plans currently maintains updated process narratives, RACMs, and flowcharts.</p> <p>There are two (2) shared services (HRIS/Payroll-Oracle PeopleSoft and General Ledger-Premier).</p>
3)	Internal Audit Co-Sourcing Expectations: Can you further describe the specific roles and responsibilities anticipated between Community First's Internal Audit department and the selected co-sourcing partner during planning, testing, and reporting? Could you describe the size of the Internal Audit function and org structure/roles/experience? Does the Internal Audit function have an audit management platform to utilize for control testing?	<p>Currently Community First Health Plans uses excel and other internal software for control testing. We do not use an audit management platform.</p> <p>Community First Health Plans has an Executive Director, Internal Auditor and Analyst who will support the annual MAR audit process. We anticipate our team will perform many internal tasks, requests for documents from the external audit firm, and facilitate meetings with various departments/teams. The external team will primarily perform validation, follow-up inquiries and requests for documentation, and report the interim and final annual audit results to the Audit Committee and Board of Directors.</p>
4)	MAR Scope Clarification: Can Community First provide additional detail on the expected depth of testing for ICFR, including the anticipated number of key controls and ITGCs within scope for the MAR engagement? Is Community First required to issue a SOC report? If so, is the external auditor also the issuer of the SOC report?	<p>Community First Health Plans is not required to issue a SOC report.</p> <p><b>Internal Control over Financial Reporting:</b>          Community First Health Plans anticipates a moderate level of depth in ICFR testing consistent with regulatory expectations and prior-year assessments. Preliminary view is that the engagement will include:</p> <ul style="list-style-type: none"> <li>• An estimated number of key controls aligned with the significant financial reporting processes and identified risks.</li> <li>• A defined set of IT General Controls (ITGCs) covering access management, change management, and IT operations for in-scope systems.</li> </ul>
5)	How many employees does Community First currently have?	630 Employees



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6)	What is the current size and structure of Community First's Internal Audit department?	Community First Health Plans has an Executive Director, Internal Auditor and Analyst who will support the annual MAR audit process. (3 FTEs)  Other employees in the department support Medicaid/Medicare/Marketplace related tasks (separate from Internal Audit).								
7)	Would Community First like us to include any level of support for operational internal audits currently included in the 2026 internal audit plan? If so, please identify which audits should be considered.	Not at this time. Thank you.								
8)	The RFP appears to indicate a preference for a fixed-fee arrangement. Should we assume the scope, roles, and responsibilities between “VENDOR” and Community First's Internal Audit department would remain substantially consistent throughout the five-year term?	Yes, this is an accurate assessment for this RFP and specific scope (related to MAR).								
9)	How was materiality determined for the Model Audit Rule scope (for example, based on 5% of surplus, or another threshold)? We ask because we generally recommend aligning with Texas Department of Insurance expectations, which may affect the number of controls deemed in scope.	<p>Below is the percentage used:</p> <table border="1" data-bbox="1027 871 1583 1014"> <thead> <tr> <th data-bbox="1027 871 1401 909">Materiality Metrics</th> <th data-bbox="1401 871 1583 909"></th> </tr> </thead> <tbody> <tr> <td data-bbox="1027 909 1401 947">Revenue</td> <td data-bbox="1401 909 1583 947">0.5%</td> </tr> <tr> <td data-bbox="1027 947 1401 984">Total Admitted Assets</td> <td data-bbox="1401 947 1583 984">0.5%</td> </tr> <tr> <td data-bbox="1027 984 1401 1014">Capital and Surplus</td> <td data-bbox="1401 984 1583 1014">1.0%</td> </tr> </tbody> </table>	Materiality Metrics		Revenue	0.5%	Total Admitted Assets	0.5%	Capital and Surplus	1.0%
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10)	Based on the 2025 Model Audit Rule work performed, how many key areas were in scope, and what were those areas?	In 2025, the key areas included: Accounts Payable, Claims, Entity Level Controls (BP), General Ledger and Financial Reporting, Investments, ITGC, Reinsurance, Reserving, and Treasury.								
11)	Based on the 2025 Model Audit Rule work performed, how many key controls were in scope? Please distinguish between financial controls and information technology general controls.	Financial Controls and Business Processes: 96  ITGC: 16								
12)	Would “VENDOR” be expected to execute testing over all in-scope key areas and key controls, or only a subset? If only a subset, please indicate the number of key areas and controls to be covered, separated between financial controls and information technology controls. Do you anticipate any coordination with Community First Internal Audit Department (i.e. the IA team will perform some of the testing)?	Community First Health Plans would anticipate the first year of the engagement would include testing of all controls. Subsequent years would be a subset based on the results from the prior year. The Community First Health Plans IA team would perform the initial level of testing. The external audit team would perform validation of the test results and, as needed, would perform a deeper dive to validate testing process and results.								
13)	The proposal references a 'refresh or develop process narratives/flowcharts and Risk & Control Matrices (RACMs) with Community First's IA department.' Have process narratives been developed for all in-scope key areas and key controls, and <b>were they updated in 2025</b> ? If not, when were they last updated?	Yes, the process narratives are reviewed annually. The 2025 narratives are currently under final review with a completion deadline of April 3, 2026.								



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14)	<p>Our standard approach typically includes three phases of testing: walkthroughs and test of design, interim testing, and year-end testing. Depending on any deficiencies identified, we may also recommend remediation testing between interim and year-end to help confirm issues have been addressed before 12/31. Is this approach aligned with Community First's expectations?</p>	<p>Yes, this is the approach Community First Health Plans currently follows. Thank you.</p>
15)	<p>Our clients typically evaluate service options across three levels: Compliance, Compliance+, and Enhanced (see below for definitions). Based on our discussion, it sounded as though Community First may be most aligned with the Compliance+ approach. Please confirm whether that is accurate. Alternatively, we can provide pricing for all three options, together with the relevant assumptions, if that would be preferred.</p> <p>Compliance – This is the base service. All compliance requirements, and expectations from the state, are met. That includes a base risk assessment, review of narratives, test of design, test of operational effectiveness, remediation testing (if applicable), reporting, and assistance with submission to the state.</p> <p>Compliance+ - Everything in Compliance, plus a control rationalization review, including identifying instances where controls may be inappropriately written, too many controls exist, or not enough controls exist. We also relook at risk assessment to risk mapping to ensure risks are aligned to examiner expectations and leading practice.</p> <p>Enhanced – Everything in compliance+, and a focus on enhancements/leading practices based on what we have seen in the industry. Enhanced requires additional walkthroughs than Compliance/Compliance+ and is for companies that want to use MAR to strengthen their operations versus just meeting a requirement.</p>	<p>Yes, Community First Health Plans is most aligned with Compliance+ as outlined in the definitions provided.</p> <p>Community First Health Plans would like to obtain pricing proposals for all three (3) options as outlined. Thank you.</p>

**END of Questions.**  
**Thank you.**