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September 3, 2015

Ms. Mary Dalton
Medicaid Services Director
Department of Public Health & Human Services
P. O. Box 202951
Helena, Montana 59620-2951

Xerox #E15246A
RE: SOC1 Audit Report FY 2015

Dear Mary:

The SOC1 audit covering the period of July 1, 2014 through June 30, 2015 has been completed. The results of the audit indicated exceptions in four of the 57 control activities. Attached are Xerox's responses to each testing exception.

An electronic copy of the final Soc1 Audit Report has been sent to Gail Briese-Zimmer to distribute as necessary and is available for those who wish to view the entire report.

If you have any questions or need further information, please feel call me at 457-9573.

Sincerely,

Kenneth W. Fody, ESQ.
Account Manager

KWF

Enclosure: Xerox Response to SOC1 Exceptions

cc:	Kelly Williams	Brett Williams	Terry Krantz
	Glenda Oldenburg	Jo Thompson	Justin Lieberg
	Duane Preshinger	Jeff Buska	Julie Bullman
	Michelle Gillespie	Zoe Barnard	Rita Pickering
	Dan Peterson	Danielle Wood	Renee Quintana
	Gail Briese-Zimmer	Andrea Conte	Olivia Roussan
			Celeste Ackerman

Management Response to Testing Deviations

The service auditor has reported certain deviations in performing its test of operating effectiveness of controls in the section above titled “Control Objectives, Related Controls, and Results of Testing”. Xerox performed certain additional steps with respect to the identified deviations as reported below.

Change Management

Control objective 1: Controls provide reasonable assurance that changes to applications and database software are authorized, tested, approved, properly implemented, and documented to protect data from unauthorized changes.

Control Number	Description of Controls Specified by Xerox	Deviation Noted	Management Response
1.3	Access to the production environment is limited to authorized personnel and appropriate based on job responsibilities.	Three (3) of 16 users with approval access in Endeavor were terminated users. It was confirmed that the identified users did not access the system after their termination date.	Xerox MT validated the users did not access the system and validated the access was removed as of June 23, 2015.

Logical Security

Control Objective 2: Controls provide reasonable assurance that administrative and general user access to application and database resources is restricted to authorized and appropriate users.

Control Number	Description of Controls Specified by Xerox	Deviation Noted	Management Response
2.3	<p>Passwords for the systems are required to comply with established Xerox or client policies. The password requirements include:</p> <ul style="list-style-type: none"> • Expiration, • Minimum Length, • History, • Complexity, and • Lockout after unsuccessful login attempts 	The password history setting for MMIS was enabled; however, the current setting did not meet the corporate password policy.	Xerox MT noted the remaining suite of password controls were aligned to Corporate password policy. Xerox MT MMIS password history setting was changed to align with the Corporate password policy as of July 24, 2015.

Control Number	Description of Controls Specified by Xerox	Deviation Noted	Management Response
2.5	Administrator and general user access to application and database resources is reviewed on a periodic basis.	The periodic review /recertification of the MMIS user access was not fully completed. Responses from five (5) of the eight (8) managers were not received.	For Q4, Xerox MT reviewed the entire list of terminations and additions and deemed all users were authorized and appropriate. Beginning September 1, 2015, Xerox MT will use role based access for all new employees and effective January 1, 2016 all user's access will be assigned to a particular role. In addition, MMIS access will be reviewed on a quarterly basis.

Physical Access

Control Objective 4: Controls provide reasonable assurance that physical access to resources within Xerox facilities is restricted to authorized and appropriate personnel.

Control Number	Description of Controls Specified by Xerox	Deviation Noted	Management Response
4.4	Access to Xerox facilities is reviewed on a periodic basis.	The quarterly physical access reviews were not performed. However, access as of June 30, 2015 was validated with the users' managers as authorized and appropriate.	Xerox MT validated all access to the facility as of June 30, 2015 and access was deemed authorized and appropriate for all individuals. Moving forward, Xerox MT will conduct a review every quarter pursuant to a new process that was adopted as of June 30, 2015.