Coordinating Human Services Programs with Health Reform Implementation

A Toolkit for State Agencies

The Center on Budget and Policy Priorities, located in Washington, D.C., is a non-profit research and policy institute that conducts research and analysis of government policies and the programs and public policy issues that affect low and middle-income households. The Center is supported by foundations and individual contributors.

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Verifications

Background

Verification of consumer statements about their income and other circumstances is a required component of Medicaid and other public benefit programs' eligibility processes. This is intended to ensure program integrity and improve the accuracy of eligibility and benefit decisions. In practice, however, verification often places a significant burden on eligible consumers who may have difficulty securing the required documents, such as paystubs or birth certificates. When the verification requirements are particularly onerous, they often cause delays in receiving benefits, and in some cases they prevent eligible individuals from gaining access to benefits at all.

For consumers who apply for multiple benefits, having separate verification processes for each benefit program can be burdensome as consumers are often asked to provide documentation multiple times to verify the same eligibility factor. Consider a family making multiple paystubs and sending them to separate state agencies at different times of the year in order to qualify for a package of benefits. This lack of program coordination also results in inefficiencies as multiple caseworkers spend time verifying the same information for the same consumers. Different caseworkers end up scanning the same document, or calling an employer to verify income multiple times.

Health reform's vision for a streamlined eligibility and renewal process moves away from burdensome documentation requirements. To support real-time eligibility determinations, the health reform law requires states to expand the use of electronic verification sources and rely less on paper documentation. When a family applies for health care coverage in 2014, Medicaid and the exchange must first verify applicants' information with the federal hub, which will include data from the Social Security Administration, Department of Homeland Security, and the Internal Revenue Service, and then tap into other state data sources. Medicaid and the exchange can ask for documentation only if they are unable to verify eligibility factors through these sources or the information provided by the applicant and electronic sources are not compatible with statements made by the consumer.

The changes required by the Affordable Care Act (ACA) offer states an exciting opportunity to modernize their programs and improve efficiency. Using electronically available data can streamline the enrollment and renewal processes, thereby reducing the amount of time and resources that workers spend tracking down and processing documentation, and help more people keep their coverage. In addition, for a limited time, the federal government will provide an enhanced match for Medicaid eligibility system upgrades that also benefit human services programs.

As states think through how to meet the health program verification requirements in 2014, now is a good time to assess opportunities to integrate policies and processes across programs. As mentioned previously, most low-income families are eligible for more than one program. States can make it easier for these families to obtain benefits by allowing information verified in one program to determine or update eligibility for another program. Sharing verification in this way reduces the number of times a family must provide the same documentation to various agencies or caseworkers. For example, families without health problems may be more likely to inform their SNAP (Supplemental Nutrition Assistance Program) or child care caseworker about changes in their circumstances (such as a new address) because those are the benefits they need on a daily basis. Rather than require families to provide this information to Medicaid as well, the state can allow Medicaid caseworkers to simply check other programs for the most recent information. Such efforts to share information

and streamline verification policies and processes across programs will reduce the burden on families and caseworkers, and help ensure that low-income families get the supports they need.

Goals

This module will help states:

- Learn the new verification requirements under the ACA.
- Conduct a review of the state's current practices for verifying information.
- Evaluate databases for use in verifying eligibility.
- Plan how to redesign verification policies and processes for 2014.

Tools

To help guide your discussions and decisions about how to set up your system for verifying information, this module includes the following activities:

1. **Presentation:** Review verification requirements under the ACA.
2. **Exercise 3.1:** Conduct a scan of current state verification policies, processes, and data sources.
3. **Exercise 3.2:** Identify improvements that can be made to the verification process.
4. **Wrap-Up and Next Steps:** Determine policies and processes for verifying information in 2014.

How to Complete this Module

As a first step, you will want to think about who you involve in a workgroup focused on your verification processes. To complete this section, you will need involvement from staff most familiar with the verification policies in your state's health and human services programs. Involving a diverse group of experts and stakeholders will ensure that your group discussions are considering all aspects of the work, so you may want to consider including the following representatives:

- Medicaid, the Children's Health Insurance Program (CHIP), and SNAP policy experts
- Operational managers from field offices
- Field supervisors (to weigh in on the policies and how they affect field operations)
- Representatives of eligibility staff and/or labor unions
- Quality assurance representatives
- Data analysts familiar with your data file
- State and/or vendor IT experts

You may also want to bring in an outside facilitator if resources allow. At the end of this section we suggest additional background materials you may want to distribute to the group.

Some of the exercises involve gathering background information that will help inform your decision making, while others involve holding workgroup meetings. We have provided tools and resources that you can use to gather and analyze information about your current processes, as well as questions to guide your conversations. You should, however, feel free to modify these tools as you see fit. As you work through discussion questions, make sure to take note of key decisions, unresolved issues that need further attention, and action steps that need to be taken to move forward with planning and implementation.

We estimate you will need to schedule approximately four hours of workgroup meetings to complete this section. You may choose to schedule them in a series of shorter meetings or as a one-day session, depending on your convenience.

Finally, you should feel free to customize and add to the exercises and materials provided in this module if that will be useful and better serve your state's needs.

Presentation

Review verification requirements under the ACA

We recommend that you begin with a presentation to provide the workgroup with an overview of the new Medicaid verification requirements that will be in effect in 2014. It is included in this module primarily as an education piece, but will also be useful in setting the stage for your discussions on how you may want to design a new verification process for your state. If workgroup participants are already highly familiar with the new requirements, you may choose to skip the presentation.

The focus of the presentation is the overall vision for a streamlined process that relies primarily on electronic verification and makes the key points below. Template PowerPoint presentation slides can be found in Appendix 3.1.

- The ACA envisions a data-driven verification system. Medicaid and exchange rules require the use of electronic data and applicant/enrollee attestation in verifying eligibility information at enrollment and renewal to enable real-time processing of applications for qualified health plans (QHPs) and for insurance affordability programs.
- States will have access to a federal hub which at a minimum will contain data from the Social Security Administration, the Department of Homeland Security, and the Internal Revenue Service.
- States will also be required to use other state data sources and with HHS approval can use alternative sources as long their use reduces administrative burdens on individuals while maintaining accuracy, confidentiality, coordination and minimizing delay.
- Documentation may be requested from the applicant only if the exchange or the Medicaid agency is unable to verify through these sources. If the attestation provided by the individual is "reasonably compatible" with the electronic data or other information that the exchange or Medicaid agency has obtained from other sources, no further information may be requested of the applicant filer.
- "Reasonably compatible" does not mean that the information is identical, but rather generally consistent. For verifying income, income obtained through an electronic data match is reasonably compatible with income provided by or on behalf of an individual if both are above or below the applicable income standard or other relevant income threshold.
- States must develop a verification plan that must be made available to the Secretary of the U.S. Department of Health and Human Services (HHS) upon request. The plan must describe the Medicaid agency's verification policies and procedures, including the standards applied by the state in determining the usefulness of financial information obtained through required data matching.
- State exchanges may use processes to obtain and verify individual eligibility information other than those outlined in the proposed rules, provided that modifications reduce administrative burdens on individuals while maintaining accuracy, confidentiality, and coordination and minimizing delay, and further provided that the Secretary approves the alternative process.

Exercise 3.1

Review state verification policies, processes, and data sources

Before your workgroup embarks on the task of designing what your verification processes for 2014 will be, all members should understand how verification is currently done in Medicaid, SNAP, and the other human services programs you want to streamline. Conducting background research and a review of your state's verification policies, processes, and data sources will be helpful prior to holding your first workgroup meeting. This exercise provides the tools to conduct that review, and will help you analyze the strengths and weaknesses of your current verification processes. Depending on how accessible the data are to your group, allow yourself and your team an appropriate amount of lead time for this task. We recommend having the workgroup members responsible for this assignment present their findings at the first workgroup meeting.

For the first task, ask members of your workgroup who are experts in the relevant programs to answer the questions presented in Table 1 with respect to their program. To do this, they will need access to your state's current verification rules and procedures for Medicaid, CHIP, SNAP, and other applicable programs. It would also be helpful to have copies of any applicable forms currently used to collect documentation from clients, such as landlord statements or employment forms. If you have electronic documents that are indexed by type, you might consider pulling data from your electronic document management system on the most common types of paper verification being submitted by clients. Referencing recent Medicaid Payment Error Rate Measurement (PERM) SNAP Quality Control (QC) data on errors related to verification — especially income — might also be helpful for the workgroup as background information.

Table 1. Description of State Verification Processes

	Medicaid	CHIP	SNAP	Other
What eligibility factors are routinely verified to determine eligibility (e.g., income, household composition, citizenship, etc.)?				
What methods (e.g., administrative, paper documents, self-attestation) are used to verify non-income information?				
What methods (e.g., administrative, paper documents, self-attestation) are used to verify income information?				
What methods (e.g., administrative, paper documents, self-attestation) are used to verify resource-related information?				

	Medicaid	CHIP	SNAP	Other
How do verification methods vary for initial eligibility, renewal, and periodic checks?				
How are discrepancies addressed when information from different verification sources are not consistent?				

The next step is to take an inventory of the current databases your state uses to electronically verify information in Medicaid, CHIP, SNAP, and other programs. To conduct this inventory, it will be helpful to have descriptions of your current electronic verification sources, including interfaces with the eligibility system, contracted services like The Work Number from the TALX Corporation, or a gopher system that taps into several data sources at once, if you have one.

Working with program staff who are familiar with the electronic data sources currently used in your state, complete Table 2. List the various databases used, and for each data source, indicate which data elements can be verified through the database; how accurate and reliable is the information contained; how extensively the database is used now; and the process for conducting the electronic verification.

Table 2. Description of Capabilities of Current Sources of Electronic Verification

List of databases	What programs use this data source to verify information?	What required data elements can be verified?	How accurate and reliable is the information in the database? How timely is the information?	For what percent of cases can information be verified using this database?	Is the verification real-time vs. batch? Does information in the database require caseworker reviews?	Can this database be used to verify Medicaid eligibility in 2014? If so, what modifications would need to be made?
Ex. **Work Number**						
Ex. **State Wage Reporting System**						
Ex. **SSA**						

Exercise 3.2

Identify improvements that can be made to current verification processes

After completing the tasks in Exercise 3.1, the next step is to schedule a two-hour workgroup meeting to consider the information you have gathered and discuss your state's current verification processes — how well does the current process work and how can it be improved? Make sure that all your workgroup members have copies of the tables that were completed in Exercise 3.1, along with all the other supporting materials, such as copies of verification policies and procedures, verification forms, and descriptions of electronic data sources used for verification.

To help guide your discussions, we have provided a series of questions below. These questions are intended to help you assess your verification processes and identify gaps that you might want to consider addressing. Some of these questions are also designed to help you think through how well your current process fits the ACA's vision for how verification should be conducted in 2014. As you go through these questions, try to identify any commonalities across programs. This will help you to identify issues that are systemic and perhaps need to be prioritized.

3.2 Discussion Questions on Verification Process

Key Questions 1: *What pieces of information is your state verifying that are not required by federal law? (See Appendix 3.2 for detail on federal verification requirements in Medicaid and SNAP.) What would the implications be of removing these items from the list of factors that the state verifies?*

Key Discussion Points:

Key Questions 2: *In general, how difficult is it for your state to verify the required components of eligibility? How long does verification take? Which factors do clients have the most difficulty verifying?*

Key Discussion Points:

Key Questions 3: *How frequently are applications pended because of a lack of verification? How frequently are applications denied because of a lack of verification?*

Key Discussion Points:

Key Questions 4: *Could your state benefit from less burdensome methods of verification that aren't being used? What would it take to implement these verification methods?*

Key Discussion Points:

Key Questions 5: *Are data being shared across programs? If so, which programs share data? Are there other opportunities for data sharing that your state could take advantage of?*

Key Discussion Points:

Key Questions 6: *Which databases that are used now will be useful for verifying eligibility in 2014? How would these databases need to be modified in order to meet the ACA's requirements or to implement ACA options under serious consideration in your state?*

Key Discussion Points:

Key Questions 7: *Are there other databases not currently used by the state that could be useful for verifying eligibility in 2014? (Appendix 3.3 provides a summary of many of the federal, state, and commercial data sources that are available.) What is the cost of using these databases for verification? What is the effort involved in verifying information through these databases?*

Key Discussion Points:

Key Questions 8: *Does your current process meet the requirements for verifying Medicaid eligibility in 2014? What changes do you need to make to your process to meet the ACA requirements or take advantage of options permitted by the ACA? How will these changes affect how you conduct verifications for other programs?*

Key Discussion Points:

Key Questions 9: *Are there simplifications or data matches required or permitted under the ACA that can also be applied to other programs?*

Key Discussion Points:

Wrap-Up and Next Steps

Determine policies and processes for verifying information in 2014

At this stage, you will have a good sense of how your verification processes work, what sources of data are available to your state, when the state chooses to verify more than what is federally required, and what gaps need to be addressed to begin redesigning your verification system for 2014. The final step is for you to start thinking about how your state will establish policies for verification. While there are a number of federal requirements under the ACA, there is also quite a bit of state flexibility. Some policies — and the specifics of how they will be implemented — will be decided at the state level.

The next step is to convene your workgroup of key staff and stakeholders to decide on these policies. The discussion questions below outline some of the key issues that will need to be addressed as you develop your new policies and process and will help guide your discussion. Be sure to note any key decisions made, identify issues that need further discussion, and identify next steps that will be needed to move your process along and to start putting together your verification plan.

For this meeting, it will be important to involve quality assurance and IT systems staff familiar with your current electronic verification interfaces, in addition to your verification workgroup. Plan for a two-hour meeting to explore the questions below.

3.3 Discussion Questions on Verification Policies

Key Questions 10: *What data sources will the state connect to?*

Key Decisions:

Decisions Pending:

Next Steps:

Key Questions 11: *What other forms of verification will the state accept in 2014? For which eligibility factors will the state consider self-attestation as a form of verification? What forms of paper documentation will be considered acceptable?*

Key Decisions:

Decisions Pending:

Next Steps:

Key Questions 12: *How will the state define reasonable compatibility? Under what circumstances will consumers be asked to provide documentation?*

Key Decisions:

Decisions Pending:

Next Steps:

Key Questions 13: *What business rules will apply when information obtained through electronic sources is inconsistent (e.g., federal hub for IRS data first, if it is reasonably compatible, no further verification required, if not, then check quarterly wages next, etc.)?*

Key Decisions:

Decisions Pending:

Next Steps:

Key Questions 14: *What is the hierarchy of data sources when the information is inconsistent (e.g., which verification trumps the other: quarterly wages trumps IRS, etc.)?*

Key Decisions:

Decisions Pending:

Next Steps:

Key Questions 15: *What processes will the state put in place to give families an opportunity to challenge and correct information that the state has obtained through data matches?*

Key Decisions:

Decisions Pending:

Next Steps:

Resources

Regulations and Guidance

Medicaid Eligibility Final Rule 42 CFR Parts 431, 433, 435, and 457 "Medicaid Program: Eligibility Changes Under the Affordable Care Act of 2010," U.S. Department of Health and Human Services, March 16, 2012, http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/html/2012-6560.htm.

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SNAP Verification Requirements and State Options, U.S. Department of Agriculture, July 10, 2009, http://www.fns.usda.gov/snap/rules/Memo/2009/verification-requirements.pdf.

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Memo for New York State Exchange Team on Income Verification Product Evaluation, Manatt Health Solutions, October 2011, http://www.statereforum.org/sites/default/files/nys_income_verification_resource_and_product_evaluation.pdf.
New Citizenship Documentation Option for Medicaid and CHIP Is Up and Running: Data Matches with Social Security Administration Are Easing Burdens on Families and States, by Donna Cohen Ross, Center on Budget and Policy Priorities, April 20, 2010, http://www.cbpp.org/cms/index.cfm?fa=view&id=3159.

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Building an Express Lane Eligibility Initiative: A Roadmap of Key Decisions for States, by Beth Morrow and Samantha Artiga, The Children's Partnership and Kaiser Commission on Medicaid and the Uninsured, January 2010,
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http://www.policyarchive.org/handle/10207/bitstreams/6858.pdf
Express Lane Eligibility and Beyond: How Automated Enrollment Can Help Eligible Children Receive Medicaid and CHIP, by Stan Dorn, Urban Institute, April 2009,
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