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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Authors

January Angeles and Shelby Gonzales from the Center on Budget and Policy Priorities, and Alicia Koné from the Aclara Group

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Center on Budget and Policy Priorities
820 First Street, NE, Suite 510, Washington, DC 20002
(202) 408-1080

Email: center@cbpp.org

Web: www.cbpp.org

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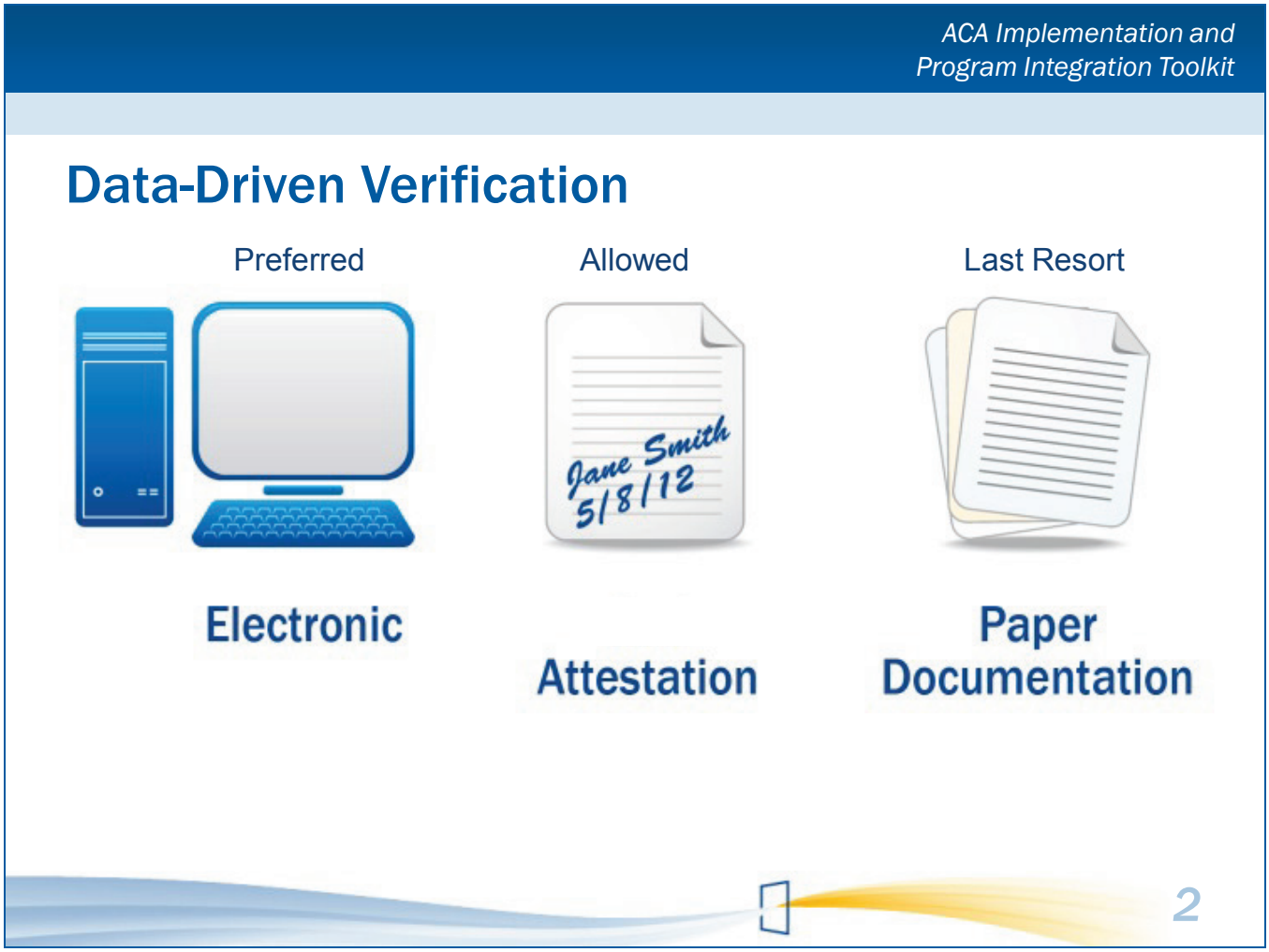
Appendix 3.1: PowerPoint Slides on ACA Verification Requirements

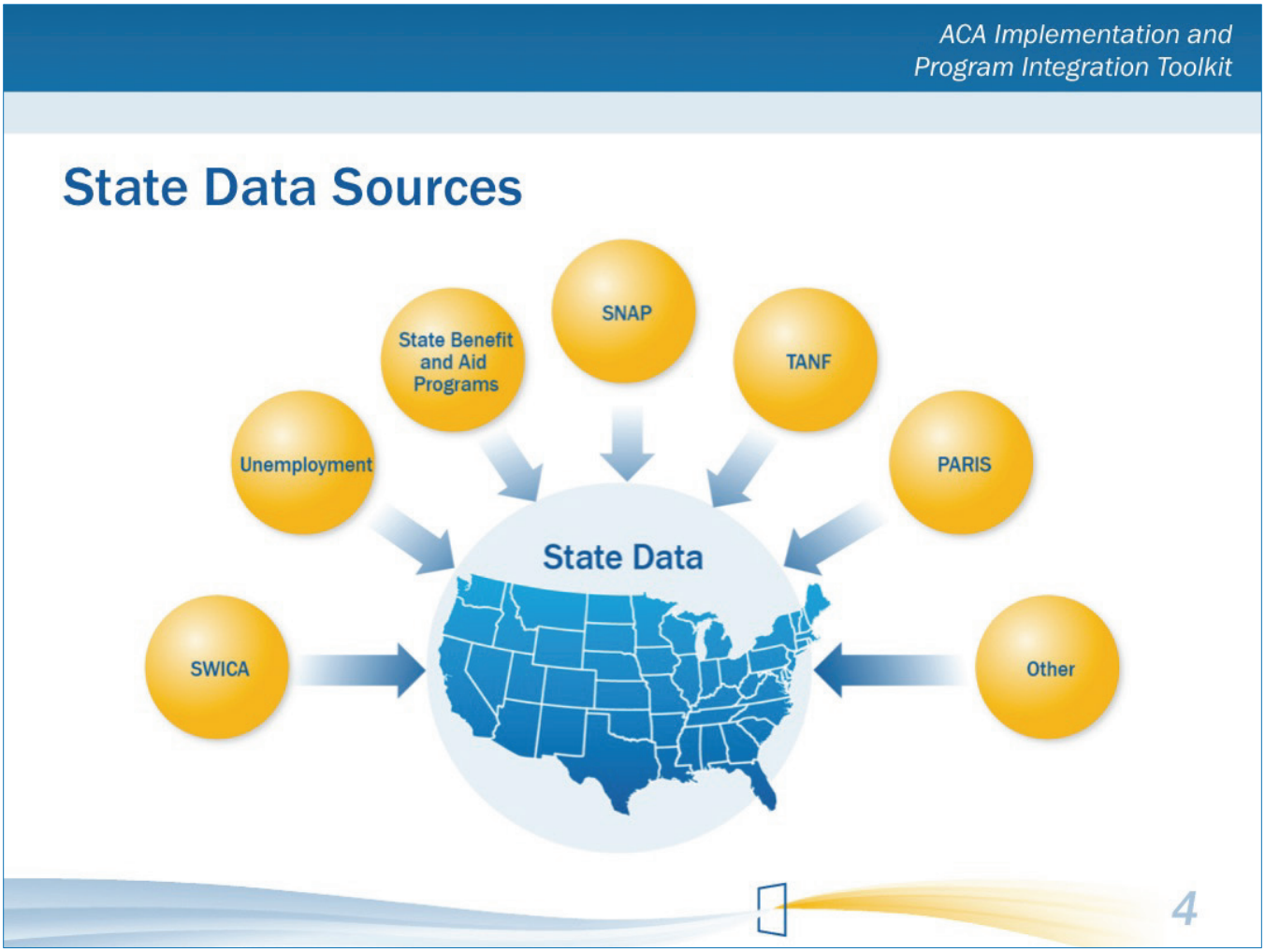


The ACA envisions a data-driven verification system:

- 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.
- Rules also restate the longstanding policy that allows states to accept attestation as verification of most eligibility factors.
- Only when eligibility factors **can't** be verified by electronic data sources, can states request that consumers provide paper documentation.
- States must create verification plans that detail what data sources will be used and how they will be used. The plan does not have to be submitted for approval to HHS but should be made available to HHS upon request.

HHS will develop a "Federal Hub":

- States are required to use the "Federal Hub" to verify non-financial and financial information that is needed for Medicaid determinations.
- At a minimum, the "Federal Hub" will have access to:
  - The Department of the Treasury which can provide information about income from taxes
  - The Social Security Administration which can validate social security numbers, verify citizenship for many citizens and verify some income sources
  - The Department of Homeland Security which can verify immigration status



State Data Sources:

- In addition to verifying information available through the "Federal Hub," states must obtain financial information from key state resources to verify income and resources:
  - State Wage Information Collection Agency (SWICA)
  - Unemployment compensation agency
  - State-administered supplementary payment programs
  - State programs that provide aid to aged, blind and disabled
- States must also obtain information related to eligibility and enrollment from SNAP, TANF and other insurance affordability programs.
- Additionally, states must conduct data matching through Public Assistance Reporting Information System (PARIS).

Alternative Verification Process:

- States must use these sources and the "Federal Hub" to verify eligibility factors to the maximum extent possible, or alternatively they can use another process as long as it reduces administrative burdens on individuals while maintaining accuracy, confidentiality, coordination and minimizing delay.
- HHS must approve the alternative process.

Reasonable Compatibility

- States have some flexibility to define reasonable compatibility
- Income information is considered "reasonably compatible" if:
  - The electronic match and consumer statement are both either above or below the applicable income standard or other relevant threshold
- When information is not reasonably compatible, the state must seek additional information:
  - Statement explaining the discrepancy
  - Other information such as paper documentation

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Reasonable Compatibility:

- Does not mean a perfect match.
- States have some flexibility to define reasonable compatibility but it must consider a consumer statement about income and data source finding to be reasonably compatible if both are either above or below the applicable income standard.
- When the information provided by the consumer and the data source are not reasonably compatible, the state must seek additional information from the consumer, allowing him/her to explain the discrepancy or to submit paper documentation.

Appendix 3.2: Federal Verification Requirements in Medicaid and SNAP

	Current Medicaid Requirements	Future MAGI Medicaid Requirements	SNAP Requirements
Items Needing Verification (note: for some eligibility factors, attestation is an acceptable form of verification)	• Income • Household composition • Citizenship or immigration status • Identity • SSN (for those who have it) • Disability • Age • State residency • Pregnancy • Deductions and disregards (e.g., child care expenses, child support payments received and paid) • Resources (e.g., savings accounts, etc.) • Third-party liability (access to other payer sources)	• MAGI-based income • Household composition • Citizenship or immigration status • Identity • SSN (for those who have it) • Age • State residency • Pregnancy • Third-party liability	Mandatory Verification: • Non-Exempt Gross income • Identity • Immigrant status of noncitizen applicants • SSN • Enrollment in a disability program • Residency (with some important exceptions) • Utility expenses if claiming more than the standard utility allowance • Hours worked, if subject to work requirements • Medical expenses if claimed • Child support obligation and payment if deduction claimed by non-custodial parent Only if Questionable (The state must set standards to identify what is questionable): • Dependent care expenses • Household composition • Resources • Shelter expenses • Citizenship For expedited service verification of all items other than identity can be delayed.

	Current Medicaid Requirements	Future MAGI Medicaid Requirements	SNAP Requirements
Methods of Verifying Non-Income Information	• For citizen applicants, states can use data match with SSA. Other forms of documentation must be accepted as well. Immigrant applicants must provide satisfactory documentation and states must verify with DHS. Self-attestation alone is not allowed. • States have flexibility in the method for verifying all other eligibility factors, including the ability to accept attestation as form of verification.	• Focus on electronic verifications first, then attestation, and then paper documentation as a last resort. However, with a few exceptions (pregnancy and household composition, with some limitations), states are not required to accept attestation. • States must verify citizenship and immigration status through the federal hub (SSA and DHS). If not verifiable, can use other forms of documentation. Attestation alone is not allowed.	• Documentary evidence is the primary source of verification for everything except residence and household size (which can be collateral contacts). • Household has primary responsibility for providing documentary evidence, but the state must assist in obtaining verification and no one form of verification may be required. • The state will verify SSN with SSA. • Most States verify the validity of immigration documents through the DHS SAVE system. • States may use electronic verifications State agency can use third-party collateral contacts with household consent.

	Current Medicaid Requirements	Future MAGI Medicaid Requirements	SNAP Requirements
Methods of Verifying Income- and Resource-Related Information	• Medicaid agencies must have an income and eligibility verification system (IEVS). Items related to determination of income must be verified to the extent possible. • States must verify information through the following sources: (1) State Wage Information Collection Agency (SWICA); (2) SSA and other wage databases; (3) Information about disability and SSI benefits from SSA; (4) Unearned income information from the IRS (5) Unemployment compensation information; (6) Additional income, resource, or eligibility information or correct amount of medical assistance payments available from other agencies. • With HHS approval, states may use alternative sources that are timely, complete, and useful for verifying eligibility.	• States must verify information through: (1) other state and federal agencies; (2) databases with information on wages, self-employment earnings, unearned income, and resources; and (3) Public Assistance Reporting Information System (PARIS); (4) SNAP, TANF, UI; and (5) other Insurance Affordability Programs. • Current requirements in Section 1137 of the Social Security Act continue. • States also have the option to rely on attestation. • States may use alternative databases so long as they reduce administrative burdens on individuals while maintaining accuracy and confidentiality and minimizing delays. HHS must approve such alternatives.	• Documentary evidence is the primary source of income verification, but no single form of verification may be required. When documents are insufficient for a determination, the state may use collateral contacts. • States may use electronic verifications • For income, the state must determine eligibility based on the best information available if the source of the income fails to cooperate and no other verification is available. • A state agency has the option to use IEVS. If it does, it must notify the household and explain that discrepancies will be resolved through collateral contacts.

	Current Medicaid Requirements	Future MAGI Medicaid Requirements	SNAP Requirements
Addressing Discrepancies	• States define their own methods for determining whether documents and administrative verifications substantiate statements on applications.	• States cannot request additional documentation if information available through electronic data matching is "reasonably compatible" with information provided by the applicant. • "Reasonably compatible" does not mean an identical match but that information is generally consistent. Income obtained through an electronic data match or other verification is considered to be 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 provide a reasonable time period to resolve discrepancies.	• When information provided by the household conflicts with other information, the household must have a chance to resolve it. The state has the option to verify the information directly prior to contacting the household. • During the certification period, when a state is unable to determine the effect on benefits of a change because the information is unclear, the state must issue a request to the household to verify or clarify with at least ten days to respond.

Appendix 3.3: Federal, State, and Commercial Electronic Sources of Information

Many information sources are available to verify income and other eligibility factors:

- **Federal databases.** States have long had access to many federal databases to verify items such as Social Security numbers, SSI and Social Security income, and Unemployment Insurance income. The health reform law will establish a federal hub which will contain information from SSA, IRS, and DHS.
- **State databases.** State databases have information on wages, addresses, new employment, motor vehicle records, drivers' licenses, child support income, workers' compensation, energy assistance, and some child care co-payments, among other items.
- **Commercial databases.** Payroll data companies, such as The Work Number (aka TALX), can provide employment and current income information for certain employers at certain cost to states.

The table below describes some of the federal, state, and commercial databases that states can use to electronically verify information from applicants in Medicaid and other human services programs.

Electronic Data Source	Information Contained in the Database	Accuracy / Timeliness of Information
Federal		
Social Security Administration (required in federal hub)	Person demographics, Social Security number, birth date, citizenship status, address, earned income, unearned income, Title II and Title XVI status, previous and scheduled payments, appeals and denial, Medicaid eligibility.	Real-time web service interaction available.
Homeland Security (required in federal hub)	Immigration status	Real-time through the federal hub
Internal Revenue Service (required in federal hub)	Federal taxpayer information, including the aggregate amounts of adjusted gross income of a taxpayer, adjustments to gross income, and tax-exempt interest.	Individuals file by April 15 for income in the preceding calendar year. Income information is only available on an annual basis.
Child Support, National Directory of New Hires	Includes quarterly state wage data, new hires data, and unemployment information from all 50 states and the District of Columbia.	Federal agency or payroll departments report within 20 days of new hire, and quarterly wage data no later than one month after end of calendar quarter. State agencies submit data within three business days after new hire data is entered into state directory of new hires. State wage agencies submit data within four months of the end of a calendar quarter, and Unemployment Insurance data within one month of the end of a calendar quarter.

Electronic Data Source	Information Contained in the Database	Accuracy / Timeliness of Information
Public Assistance Reporting System	Internal Revenue Service Homeland Security Social Security Administration National Directory of New Hires Electronic Verification of Vital Events Record System (EVVE) State Income and Eligibility Verification (IEVS) systems U.S. Postal Service Address Standardization	Matches conducted quarterly.
U.S. Postal Service Address Standardization	Contains address information.	
State		
IEVS	Used by states to compare data that applicants and recipients of welfare programs (TANF, SNAP, and Medicaid) supply with various federal data sources, including SSA and IRS. Note that IRS data through IEVS will likely include more information than what IRS will make available through the Federal Hub above.	
State Wage Reporting System	Includes quarterly wage reports for each employee who either resides or is employed in the state. Generally includes every form of remuneration of an employee, whether paid directly or indirectly, including salaries, commissions, and bonuses, and whether paid in cash or in-kind. Contains information on gross wages. Does not take into account most elective deferrals of compensation. Does not include contractor income, self-employment income, earnings across state lines, federal earnings, or earnings at multi-state companies (which report wages to just one state).	Information is submitted on a quarterly basis for a quarterly time period, and is typically reported 45 days after the end of a quarter. Report deadlines and the timeframe for posting reports to other state agencies may vary from state to state.
State Directory of New Hires	New hire data reported by employers in the state, which includes employee name, address, Social Security number, and information about the employer.	Information is reported within 20 calendar days after date of hire or by the first regularly scheduled payroll following the date of hire, if such payroll is after the expiration of the 20-day period. Employers reporting electronically must transmit information twice per month, no fewer than 12 and no more than 16 days apart. Information is available soon thereafter to benefit programs.

Electronic Data Source	Information Contained in the Database	Accuracy / Timeliness of Information
Unemployment	Contains Unemployment Insurance information on individuals who have received or applied for unemployment benefits, as reported by state welfare agencies. Includes individual's name, Social Security number, address, benefit amount received (gross amount before any deductions), and reporting period for when the unemployment insurance claim was filed.	Capability for real-time queries may vary from state to state.
Bureau of Vital Statistics	Has information on births, deaths, marriages, and divorces.	
Department of Motor Vehicles	Maintains address and some asset (e.g., automobiles) information.	
Commercial		
TALX Work Number	Contains employment and income records for more than 190 workers and more than 2,000 employers (15 percent to 20 percent of national employed workforce). Largely represents information from large employers and Fortune 1000 companies. Provides information on employee name and Social Security number, employment status, most recent start date and termination date (if applicable), total time with employer, job title, rate of pay, average hours per pay period, total pay for past two years, and the most recent 12 pay periods of gross earnings.	Information is updated when an employer processes payroll. Can be queried daily, weekly, or monthly depending on system setup. Web application also available to perform queries on a single individual, as well as real-time web service to support system to system queries. States can opt for several different levels of service. State agencies are charged for use.