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**NOV 10 2011**

Stephen Fitton, Director  
Medical Services Administration  
Federal Liaison Unit  
Michigan Department of Community Health  
400 South Pine  
Lansing, Michigan 48933

ATTN: Loni Hackney

Dear Mr. Fitton:

Enclosed for your records is an approved copy of the following State Plan Amendment:

- Transmittal #11-005 Asset Verification System
- Effective July 1, 2011

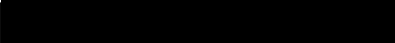

If you have any questions, please contact Leslie Campbell at (312) 353-1557 or [Leslie.Campbell@cms.hhs.gov](mailto:Leslie.Campbell@cms.hhs.gov).

Sincerely,



Verlon Johnson  
*Acting* Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER: <b>11 - 05</b>	2. STATE: <b>Michigan</b>
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH FINANCING ADMINISTRATION DEPARTMENT OF HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE <b>July 1, 2011</b>	
5. TYPE OF PLAN MATERIAL (Check One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1940 of the Social Security Act		7. FEDERAL BUDGET IMPACT: a. FFY 11 _____ \$ 0 b. FFY 12 _____ \$ Undetermined	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement 16 to Attachment 2.6-A, Pages 1 through 2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): N/A - New Pages	
10. SUBJECT OF AMENDMENT: This amendment allows Michigan to procure a vendor for its Asset Verification System (AVS)..			
11. GOVERNOR'S REVIEW (Check One):  <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Stephen Fitton, Director <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      Medical Services Administration			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Medical Services Administration Actuarial Division, Federal Liaison Capitol Commons Center - 7 <sup>th</sup> Floor 400 South Pine Lansing, Michigan 48933	
13. TYPED NAME: Stephen Fitton		Attn: Loni Hackney	
14. TITLE: Director, Medical Services Administration			
15. DATE SUBMITTED: September 23, 2011			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>September 23, 2011</b>		18. DATE APPROVED: <b>NOV 10 2011</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>July 1, 2011</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPE NAME: <b>Verlon Johnson</b>		22. TITLE: <b>Acting Associate Regional Administrator</b>	
23. REMARKS:			

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***Asset Verification System***

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1940(a) of  
the Act

1. The agency will provide for the verification of assets for purposes of determining or redetermining Medicaid eligibility for aged, blind and disabled Medicaid applicants and recipients using an Asset Verification System (AVS) that meets the following minimum requirements.
  - A. The request and response system must be electronic:
    - (1) Verification inquiries must be sent electronically via the internet or similar means from the agency to the financial institution (FI).
    - (2) The system cannot be based on mailing paper-based requests.
    - (3) The system must have the capability to accept responses electronically.
  - B. The system must be secure, based on a recognized industry standard of security (e.g., as defined by the U.S. Commerce Department's National Institute of Standards and Technology, or NIST).
  - C. The system must establish and maintain a database of FIs that participate in the agency's AVS.
  - D. Verification requests also must be sent to FIs other than those identified by applicants and recipients, based on some logic such as geographic proximity to the applicant's home address, or other reasonable factors whenever the agency determines that such requests are needed to determine or redetermine the individual's eligibility.
  - E. The verification requests must include a request for information on both open and closed accounts, going back up to 5 years as determined by the State.
2. System Development
  - ☐ A. The agency itself will develop an AVS.

In 3 below, provide any additional information the agency wants to include.
  - ☒ B. The agency will hire a contractor to develop an AVS.

In 3 below provide any additional information the agency wants to include.
  - ☐ C. The agency will be joining a consortium to develop an AVS  

In 3 below, identify the States participating in the consortium. Also, provide any other information the agency wants to include pertaining to how the consortium will implement the AVS requirements.

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TN NO.: 11-05

Approval Date: NOV 10 2011

Effective Date: 07/01/2011

Supersedes  
TN No.: N/A – New Page

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***Asset Verification System***

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2. System Development (continued.)

- ☐ D. The agency already has a system in place that meets the requirements for an acceptable AVS.

In 3 below, describe how the existing system meets the requirements in Section 1.

- ☐ Other alternative not included in A. – D. above

In 3 below, describe this alternative approach and how it will meet the requirements in Section 1.

3. Provide the AVS implementation information requested for the implementation approach checked in Section 2, and any other information the agency may want to include

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