



CMCS Informational Bulletin

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SUBJECT: **MAGI-Based Eligibility Verification Plans**

The purpose of this Informational Bulletin is to provide information to state Medicaid and CHIP agencies on the verification plans required for both Medicaid and Children's Health Insurance Program (CHIP) eligibility, the MAGI-based (Modified Adjusted Gross Income) Eligibility Verification Plan Template, and a review of the final verification regulations.

Verification Plans

Regulations at 42 CFR 435.945(j) and 457.380(j), require state Medicaid and CHIP agencies to develop and update as modified, a verification plan describing the verification policies and procedures adopted by the agency in accordance with section 435.940-435.965, and section 457.380. The plan must be submitted to the Secretary upon request.

We are approaching the development of the verification plans in two phases. In Phase I in the spring of 2013, states will describe their verification policies and procedures only for individuals whose eligibility is based on MAGI. In Phase II, CMS will develop a separate verification plan template for states to describe the verification policies and procedures for MAGI-excepted populations, including the aged, blind and disabled, and individuals needing long-term services and supports, and will include the criteria unique to these populations, such as disability status and assets.

At this time, CMS is requesting that state Medicaid and CHIP agencies submit their MAGI-based eligibility verification plan by March 20, 2013. States are at a critical juncture in developing their online single streamlined applications, and building or modernizing their eligibility systems to implement MAGI rules and facilitate coordination among insurance affordability programs, all of which need to incorporate electronic data sources and verification procedures. Therefore, this is an important time for states to develop and CMS to review states' verification policies and procedures to ensure they are in accordance with the regulation. CMS will be available to provide technical assistance to states as they develop their verification policies and in completing the verification plan prior to submission to CMS and throughout the review process.

MAGI-Based Eligibility Verification Plan Template

To assist states in developing effective verification policies that align with the Affordable Care Act goals for a seamless and streamlined system of eligibility determinations, CMS developed a Verification Plan Template for MAGI-based eligibility for use by state Medicaid and CHIP agencies. Included are

instructions for completing the template, and examples of how a reasonable compatibility standard could be applied.

States can download a fillable Excel version of the template on the Collaborative Application Lifecycle Tool (CALT) at

https://calt.cms.gov/sf/docman/do/listDocuments/projects.medicaid_state_collaborative_com/docman.ro ot.verification_plan.template. Additionally, a PDF version of the template, the template instructions, and examples of reasonable compatibility scenarios can be found at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Eligibility/Eligibility.html>.

States should use this fillable Excel version to complete and to submit their plan to CMS. The instructions tab on the template includes information about how and where to submit the verification plan on the CALT.

States may use one template for both Medicaid and separate CHIPs if the verification policies and procedures are the same across programs. The template includes a separate section related to factors of eligibility that are specific to separate CHIP programs, but if the verification policies for CHIP are substantially different, states should submit a separate verification plan.

Upon completion of the review of the verification plan, CMS will send a letter to states acknowledging receipt and providing assessment of state's verification plan in accordance with the regulations.

Overview of the Verification Regulations

The verification rules at §435.940-435.965, and §457.380 include requirements to which all state verification plans must conform and areas of flexibility in which states may select among different options. The March 2012 final rule can be found at <http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6560.pdf> and the January 2013 proposed rule, which contains rules related to verification of citizenship and immigration and for special circumstances, can be found at <https://s3.amazonaws.com/public-inspection.federalregister.gov/2013-00659.pdf>. An April 2012 webinar providing an overview of the verification rules can be found at <http://www.medicaid.gov/State-Resource-Center/Downloads/4-19-12-Application-Verification-Renewals-Slides.pdf>. The regulations at §§435.940-435.965 apply to all Medicaid populations (MAGI and MAGI-excepted):

Self-attestation (§§435.945, 457.380)

States can choose to accept self-attestation of the individual's information for all factors of eligibility except where otherwise required by law (e.g. citizenship and immigration status). Self-attestation can be accepted from the individual applying, an adult who is in the applicant's household, an authorized representative, or if the individual is a minor or incapacitated, someone acting responsibly for the individual. States must accept self-attestation of pregnancy unless the state has information that is not reasonably compatible with such attestation.

Federal Data Services Hub (§§435.949, 457.380)

To the extent that information related to Medicaid or CHIP eligibility is available through the electronic data services hub established by the Secretary, states must obtain the information through this data services hub. Subject to Secretarial approval and the conditions described in §435.945(k) and 457.380(i), states can obtain information through a mechanism other than the data services hub.

Use of Electronic Data Sources (§§435.940, 435.948, 435.952, 457.380)

States have some flexibility to decide what data sources they use to verify an individual's information to determine eligibility. For verification of financial information, states must verify income information with the data sources listed in §435.948. States have the discretion to determine which data sources listed in §435.948 are useful for making an eligibility determination, and states may elect to use only some of those sources. States may use data sources in addition to those listed §435.948; however, if a state does not intend to use any of the data sources listed in §435.948 and wishes to only use data sources other than those listed in §435.948, it must receive approval from the Secretary to do so (§§435.948, 435.945(k) and 457.380(i)).

Reasonable Compatibility Standard (§§435.952, 457.380)

For all factors of eligibility, states can determine the reasonable compatibility standard they will apply when information obtained from a data source is inconsistent with the information provided by or on behalf of the individual. Specifically for income, information obtained through an electronic data match must be considered reasonably compatible with income information provided by or on behalf of the individual if both are either above, at, or below the applicable income standard or other relevant income threshold (such as a premium band). In each case, the state must determine eligibility based on that information.

Documentation (§§435.952, 457.380)

Individuals must not be required to provide additional information or documentation unless information cannot be obtained electronically or the information obtained electronically is not reasonably compatible with self-attested information (435.952(c)/457.380(f)). Documentation from individuals is permitted only to the extent that establishing a data match would not be effective, considering such factors as:

- Administrative costs related to establishing and using the data match compared to administrative costs related to relying on paper documentation.
- Impact on program integrity in terms of the potential for ineligible individuals to be approved as well as for eligible individuals to be denied coverage.

For example, if the state does not accept self-attestation of residency, before requiring the individual to provide documentation, the state would need to consider the effectiveness of conducting a match with a state database such as the Department of Motor Vehicles, Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP.) We would not expect a state to utilize a data match that requires data elements that cannot be obtained from the information provided on the application.

States have the option to first request and accept an explanation from the individual as to why the information might not be reasonably compatible, such as a reduction in the number of hours worked, before requesting paper documentation.

Citizenship and Immigration Status (§§435.406, 435.407 435.956, 457.320 and 457.380)

Effective January 1, 2014, sections 435.949 and 435.956 of the January 2013 proposed rule require states to obtain information for verification of citizenship and immigration status through the hub if available. Sections 435.406, 435.407 435.956, 457.320 and 457.380 of the January 2013 proposed rule outlines a new set of parameters that states must follow when data is not available from the hub or there is an inconsistency with the data match.

Social Security Number (§§435.910, 435.956)

States must require, as a condition of eligibility, that all individuals (including children) seeking Medicaid or CHIP coverage furnish their social security number (SSN). This requirement does not apply to individuals who are not eligible to receive an SSN, individuals who do not have an SSN and may only be issued an SSN for a valid non-work reason, or individuals who refuse to obtain an SSN because of well-established religious objections. States are required to verify SSNs with the Social Security Administration (SSA) through the data services hub.

Social Security Number for non-applicants (§435.907)

Individuals who are not applying for Medicaid or CHIP coverage are not required to provide their SSN. An SSN can be requested of a non-applicant if it is clear that providing the SSN is voluntary, that it will only be used to determine eligibility or for a purpose directly connected to the State plan and that clear notice is provided to individual.

Post-enrollment verification (§435.945)

States have the option to conduct post-enrollment data matches to verify an individual's self-attested information or explanations. If a state accepts self-attestation of income, it must conduct post-enrollment verification with the electronic data sources it determines useful.

We hope that this information will be helpful. Questions regarding the verification plans may directed to Jesse Havens at 410-786-6566 or Jesse.Havens@cms.hhs.gov. States are also encouraged to use their monthly Sate Operations and Technical Assistance (SOTA) calls to discuss these issues.