Electronic Verifications

Health Care Eligibility and Access

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Minnesota Department of Human Services

Legislative Report

Electronic

Verifications Report

A Report to the 2012 Minnesota Legislature

Health Care Eligibility and Access Division

Minnesota Department of Human Services

Minnesota Statutes, Chapter 3.197, requires the disclosure of the cost to prepare this report $2378.51.

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Executive Summary

To determine eligibility for the public assistance programs in Minnesota, a variety of verifications are needed. At this time, there are verifications that are collected electronically, such as Social Security Administration data and quarterly wage data from the Minnesota Department of Employment and Economic Development, but there are many gaps and verifications are not equally available across programs. The Minnesota Department of Human Services (DHS) has begun working to increase the number and availability of electronic verifications. A multi-phased project called VerifyMN, with the first phase to be complete in Summer 2012, will greatly increase the number of verifications available electronically. However, some verifications needed for eligibility will never be available electronically (e.g., proof of shelter costs). Expanding electronic verifications comes at a cost, however those costs are more than offset by the many benefits that include decreased operating costs increased program integrity, and better customer service.

Introduction

The purpose of this report is to outline the current state of electronic verifications used by the Minnesota Department of Human Services, the plans to expand them and the implications of expansion in response to the legislative requirement passed in the 2011 Health and Human Services bill (First Special Session, Chapter 9, Article 9, Section 14). This report was prepared by the Health Care Eligibility and Access division of the Department of Human Services. It was prepared with help from subject matter experts in the Transition to Economic Stability and Community Partnerships and Child Care Services division of DHS, as well as Dakota, Hennepin, Ramsey, Anoka and Olmsted Counties.

Overview of Current Electronic Verifications by Program

Currently, a variety of electronic verifications are available for public assistance programs in Minnesota. Some of the verifications are coordinated through the Department of Human Services, while others are county-coordinated. Various programs and systems have different access to electronic verifications.

Cash, Supplemental Nutrition Assistance Program, Medical Assistance and Child Care Assistance have similar electronic verifications available as they all access MAXIS, the DHS-administered mainframe system for determining benefits, with Child Care Assistance using MEC^2 as a front end to MAXIS. MAXIS has a number of electronic verifications embedded in to the functionality:

- Social Security Administration. The connection to the Social Security Administration's State Verification and Exchange System (SVES) provides verification of Social Security number, Citizenship and Identity, most Social Security benefits, and Medicare. Social Security numbers are verified within fourteen days. Social Security benefits and Medicare are verified within four days, when requested. There is a monthly notice of cases that have been newly approved for Social Security benefits and a yearly notice of Social Security cost of living adjustments.

- Public Assistance Reporting Information System (PARIS). PARIS is a Federal-State partnership which provides all fifty States, the District of Columbia (D.C.), and Puerto Rico, detailed information and data to assist them in maintaining program integrity and detecting/deterring improper payments. The quarterly PARIS interstate match provides information regarding possible duplicate participation of public assistance recipients submitted by participating states. There are two other PARIS matches that DHS has not yet implemented due to limited resources: (1) the VA match, which provides States with information on clients' eligibility for veterans' benefits and also allows States to confirm if their clients are receiving income and medical assistance payments from the Department of Veterans Affairs (VA), and (2) the Federal match, which matches State data with information from the Department of Defense (DoD) and the Office of Personnel Management (OPM) to determine if clients are receiving income from any of these sources or are eligible for Federal health care coverage. We have added these changes to the list of projects that require systems changes and will be working on them as soon as possible.

- Income and Eligibility Verification System (IEVS). IEVS is a data exchange with other state and federal sources used to verify income and some limited assets of applicants and enrollees of federally funded assistance programs. IEVS provides monthly notifications of new jobs and previously unverified unearned income such as Social Security benefits. IVES data also includes data from the Minnesota Department of Employment and Economic Development's quarterly wage data and Unemployment Insurance database.

In addition to MAXIS, all counties have access to two additional databases for verifying needed information for applicants and recipients:

- Providing Resources to Improve Support in Minnesota (PRISM). PRISM is the State's Child Support payment system and provides instant verification of child support income and payments.
- Systematic Alien Verification for Entitlements (SAVE). SAVE is operated by the federal Department of Homeland Security and provides instant verification of immigration status in most cases.

There are additional electronic verifications that are not used in all service locations that administer Cash, Supplemental Nutrition Assistance Program, Medical Assistance and Child Care Assistance. These verifications are used sporadically in some counties and more often in others because of a variety of reasons including availability of the databases and service location needs and business practices:

- The Work Number. The Work Number is a private payroll company that provides a free fax verification service of up-to-date earned income within five business days. The payroll information only verifies income for employers that contract with The Work Number (mostly large employers). The free service can only be used if the agency knows who the client's employer is. Agencies must contract with the Work Number to access this service. The Work Number also operates a more user friendly service that provides instant verification of earned income. This service will report known work history for the last three years instantly. However, users must contract with the Work Number and pay an annual fee based on usage. No agencies in Minnesota are current users of the fee based service at this time.
- Minnesota Department of Public Safety (DPS). Some county agencies access the DPS database to verify vehicle ownership. DPS provides instant verification of vehicle ownership.
- County Assessor's Websites. To verify ownership and value of a property, counties can access the County Assessor website in the county the property is located. This is only available if the ownership and address of the property is known. It provides instant verification of property ownership and value.

Even within the Minnesota Health Care Programs there are differences between the electronic verifications available. Medical Assistance, which is administered using MAXIS, and MinnesotaCare, which is administered using the Medicaid Management Information System (MMIS) offer differing access to electronic verification solely because of the eligibility system used.

MinnesotaCare, which is administered at both DHS and some counties, does not use MAXIS for determining benefits. However, some, but not nearly all,MAXIS functions are available to MinnesotaCare eligibility staff,. MinnesotaCare is able to use the following electronic verifications:

- Social Security Administration. Described above. This is only available if the MinnesotaCare applicant has ever had a MAXIS case.
- Systematic Alien Verification for Entitlements (SAVE). Described above.
- Public Assistance Reporting Information System (PARIS). Described above
- Providing Resources to Improve Support in Minnesota (PRISM). Described above
- The Work Number. Described above
- County Assessor's Websites. Described above.

Additionally, MinnesotaCare Operations at DHS has instant access to the Minnesota Department of Employment and Economic Development's (DEED) quarterly wage reporting database. The data available is from the previous fiscal quarter and does not break out the income beyond reporting the entire income from each employer for the quarter.

State and Federal Requirements for Electronic Verifications

State and Federal law require electronic verification of Minnesota public assistance program eligibility requirements where possible. Further, some of the interfaces already available in MAXIS are required under Federal law. Specifically, state law (Minnesota Statutes Section 256L.05, subdivision 2) requires electronic verification of income for the MinnesotaCare program and Minnesota Statutes Section 256B.056, subd. 4b requires it for Medical Assistance. The Affordable Care Act (ACA) includes a number of requirements regarding electronic verifications. The first requirement is that states connect to a federal data hub. This hub will include data from the Social Security Administration, Department of Homeland Security, Internal Revenue Service (IRS) and other Federal offices that maintain records containing information relevant to eligibility. Additionally, the state must request the following information in an electronic format, if available, using a Social Security Number:

- Quarterly wage income from the State Wage Information Collection Agency (DEED in Minnesota)

- Unemployment insurance payments from the State Unemployment compensation agency (DEED in Minnesota)

- Minnesota Supplemental Aid payments

- Eligibility information from the Supplemental Nutrition Assistance Program

- Eligibility information from PARIS

Also, the state may request and use income information from alternative sources if the alternate sources reduce administrative costs and burden on the individual while maximizing accuracy and minimizing delays. Of course, greater ease and access of data electronically will require review of safeguarding requirements of the data and will likely require review/revision of existing procedures and additonal cost. For example, use of tax return information from the IRS will require the State to ensure that the policies, practices, controls, and safeguards employed by whomever uses that information to determine eligibility to adequately protect the confidentiality of the information they receive from the IRS.

VerifyMN

DHS is developing an online, instant verification system which will be used to help determine public assistance benefits in the counties and MinnesotaCare Operations. The system will be available for all public assistance programs, as well as audits and fraud areas. VerifyMN is being developed within an existing data system already available to county and state users.

Phase one of the project is currently on track for a Summer 2012 roll out. In the first phase, county and MinnesotaCare eligibility staff will be able to instantly verify two types of information. The first connection will be with the Federal Social Security Administration. This connection will instantly provide verification of a client's Social Security Number, Social Security benefits, Medicare eligibility, and Citizenship and Identification. The second connection will be with the Minnesota Department of Employment and Economic Development (DEED). This connection will instantly provide two types of information: quarterly wage data and Unemployment Insurance income.

The construction of VerifyMN will allow for connections to multiple verification sources from a variety of front ends (e.g., PRISM or SharePoint) using an enterprise service bus, which is software which enables different applications utilizing different technologies a common way to communicate with each other. At this time, DHS is exploring options for additional verification sources in the next phases. These sources include:

- Minnesota Department of Public Safety for verification of vehicle ownership
- Minnesota Department of Revenue for verification of income

- A federal data hub (described above)
- Minnesota Department of Health for birth certificates and parentage information
- Minnesota Department of Corrections for prisoner information
- Minnesota Department of Natural Resources for asset ownership and recreational licenses
- National Appraisal Guides for vehicle value
- The Work Number for instant wage verification
- Minnesota Department of Labor and Industry for Worker's Compensation income

Program Integrity Implications

Using electronic verifications will increase program integrity for all of the Minnesota public assistance programs in a variety of ways:
- Going to the source of the information, instead of relying on information from applicants and recipients, ensures the most current and correct information is used.

- Checking sources of verification for all applicants and recipients ensures information omitted by the client is found.

- Using the same sources regularly ensures eligibility staff are familiar with the verifications presented.

- Instant access to eligibility information ensures cases are processed more timely.

These program integrity enhancements will reduce incorrect eligibility determinations, reducing the number of improper benefit awards.

Potential Fiscal Impacts

Expanding electronic verifications does not come without a cost. Currently, costs to develop VerifyMN have been minimal due to the use of available in-house resources, however, the continued cost of staff time associated with the development and maintenance of the system will only increase. At this time, DHS has spent $140,575 on VerifyMN with additional expenditures budgeted for the first phase of the project. Additionally, DHS likely will incur additional costs by connecting to other

databases. Other state agencies may require ongoing annual payments for access to data. Private databases often require even larger payments for access to their data. For example, connecting to The Work Number's instant verification service is estimated to cost $500,000 annually for their express service, which provides instant wage verification using a client's Social Security number. Counties are currently using a free service that takes 7-10 days and requires knowledge of the client's current employer. However, savings should accrue through the expanded use of electronic verifications in the following ways:

- Increased program integrity leading to reduced fraud would result in program and staff dollars saved. Fewer cases requiring investigation and follow-up results in decreased staff time needs. Fewer fraudulent benefit awards results in program savings.

- Faster application processing would lead to more efficient use of staff. Faster application processing will result in fewer phone calls and client office visits freeing staff to attend to other necessary duties.

- Reduced need to pend cases will result in fewer client mailings. Collecting verifications electronically will result in decreased mailings of verifications requests and separate automated client notices at both application and renewal. This will also reduce the staff time needed to process incoming mail.

Customer Service Impacts

Collecting verifications electronically will lead to better customer service for applicants and recipients. Using electronic verification sources will result in the need for fewer client-supplied paper verifications. This will reduce confusion on the part of the client and lead to reduced processing times. Taken as a whole, reducing the client burden to provide verifications and accelerated processing time will lead to a better experience for those requesting services and those providing them.

Potential Legislation Needed

"Hold Harmless" legislation would hold county agencies and tribes harmless for determining eligibility using data provided by DHS approved electronic verification sources if the data relied upon was later found to be incorrect. While DHS may still be responsible to the federal department overseeing the social services program in question, legislation would prevent DHS from passing responsibility on to

the county or tribal processing agency. Such legislation may be needed to facilitate adoption of electronic verifications. Additionally, legislation requiring other state agencies to share data with DHS for the purposes of public program eligibility determinations would help facilitate the use of other state databases.

Conclusion

The expansion of electronic verifications is a priority for the Department of Human Services. The VerifyMN project's goal is to expand the number and availability of electronic verifications. Using electronic verifications increases program integrity and results in reduced administrative costs. But with those benefits, come the financial costs of implementation and ongoing maintenance. Additionally, while not all required program verifications are currently available electronically, over time more and more verifications will become available, reducing even further the burden on clients and producing a more streamlined and efficient eligibility process.