To: State Medicaid Directors  
From: NAMD staff  
Re: Asset Verification Programs update and resources  
Date: March 30, 2016

Several Medicaid Directors have contacted NAMD seeking information on other states’ work to implement Asset Verification Programs (AVPs). This memo provides background information, state documents, and a sample of strategies states are employing around AVP implementation.

**Background**

Over the past month, CMS began to conduct additional outreach to states around the status of their electronic AVPs. Approved by Congress in 2008, the statutory AVP provision requires states to have a mechanism in place to verify assets for purposes of determining or redetermining Medicaid eligibility for aged, blind and disabled Medicaid applicants or recipients (Supplemental Appropriations Act, 2008, Pub. L. No. 110-252; Section 1940 of the Social Security Act). The Affordable Care Act required AVP systems to be electronic (e-AVP).

We also wish to alert Medicaid Directors that on December 11, 2015, the Chairmen of the House Energy and Commerce and Senate Finance committees sent a letter to Centers for Medicare and Medicaid Services (CMS) Acting Administrator Andy Slavitt regarding compliance with e-AVP requirements. The letter cited concern with the findings of a Government Accountability Report (GAO) on this topic. The Chairman also directed CMS to provide detailed information about the status of implementation in state programs and the federal agency’s oversight work. GAO also released a report in August 2012 calling attention to states’ challenges in implementing AVP requirements.

**Current Status and CMS Next Steps**

In November 2015, CMS sent letters to states requesting specific action regarding compliance with the e-AVP requirement. In part due to the congressional inquiry CMS is enhancing its oversight of states’ compliance plans.

In February, CMS informed NAMD that approximately 30 states currently had an approved state plan amendment (SPA) to implement an electronic AVP, but many were out of compliance with their SPAs. Additionally, CMS reported that, as of February 19, only four states had fully
implemented the program (FL, NC, TX and WI; NY has a pilot program). As of mid-February CMS expected two additional states to launch systems imminently.

CMS’ current outreach to states is focused on two aspects of state compliance:

1. **States with approved SPAs:** CMS will ask those states with an approved SPA to provide a progress report. Of particular interest is whether states are tracking with the timelines documented in their respective implementation plans.

2. **States without approved SPAs:** CMS noted that approximately 12 states had neither submitted a plan or otherwise been in contact with the agency as of mid-February. By the end of March, CMS planned to have contacted such states and provided them a deadline for SPA submission.

In instances where a state fails to demonstrate a good faith effort towards compliance, CMS will require a corrective action plan (CAP). If states fail to meet these terms, CMS has indicated that it must withhold federal financial participation (FFP).

The agency has acknowledged that an electronic AVP requires a system build that involves multiple steps by states. CMS reiterated its interest in shoring up state implementation plans and timelines for this work. According to CMS staff, there is one national vendor in this space, Accuity. CMS staff have verified with the Social Security Administration that Accuity’s database of banks is robust and does include smaller banks - a potential concern raised by some states in the past.

**State Strategies and Resources**

Listed below are references to strategies and materials from five states regarding electronic AVP project timelines, SPA submissions, and related information. Please contact Jack Rollins [jack.rollins@medicaiddirectors.org] to request documents not available online.

- **Indiana:** As of November 2015, Indiana was in contract negotiations with LexisNexis and Accuity to add asset verification capabilities to its eligibility system, for both initial eligibility determinations and redeterminations in Medicaid, SNAP, and TANF. NAMD can share a copy of a January 2012 RFP for this work. The state’s RFI is posted [here](#).

- **Nebraska:** Nebraska shared with NAMD a letter sent to its CMS Regional Office and its AVP implementation timelines, which will culminate in activation of the AVP in September 2017. NAMD can share all of these documents.

- **North Carolina:** A March 2014 administrative manual detailing the use of the state’s Asset Verification System at the eligibility worker level is available [here](#).
• **Texas:** In September 2014, Texas amended its data broker contract to incorporate asset verification into the scope of work. The system was piloted in two eligibility offices in Dallas-Fort Worth from December 2014 to August 2015 and expanded to encompass all nine offices in the region in January 2016. A statewide rollout is planned for November 30, 2016. NAMD can share a copy of the data broker contract amendment.

• **Wisconsin:** Wisconsin sent a letter to its CMS Regional Office in February 2016 outlining its fully-implemented AVP. The letter includes the contractor the state utilized, the scope of the project, the project timeline, data produced by the AVP, and recommendations for other states. NAMD can share a copy of this letter.