

**Report on Medicaid Eligibility Monitoring  
Multistate Cooperative Participation Determination**

**SL 2017-57, Section 11H.20.(d)**



**Report to the**

**Joint Legislative Oversight Committee on Medicaid and NC  
Health Choice**

**By**

**North Carolina Department of Health and Human Services**

**October 1, 2017**

## I. Background

North Carolina Session Law 2017-57 Section 11H.20, Medicaid Eligibility Monitoring (see Appendix A), requires the Division of Medicaid Assistance (DMA) of the North Carolina Department of Health and Human Services to:

1. Review, at least quarterly, information concerning changes in circumstances that may affect beneficiaries' eligibility to receive medical assistance benefits. The Department is required to share the information with the county Departments of Social Services for their prompt review and determination whether eligibility is affected, and whether they need to take action (Section 11H.20(a)); and
2. Consider joining any multistate cooperative to identify individuals who are also enrolled in public assistance programs outside of North Carolina, including the National Accuracy Clearinghouse, and provide a report that explains the reasons for joining or not joining (Section 11H.20(d)).

In addition, North Carolina Session Law 2017-57 Section 11H.20, Medicaid Eligibility Monitoring (see appendix), authorizes the Division of Medicaid Assistance (DMA) of the North Carolina Department of Health and Human Services to:

1. Sign a memorandum of understanding with any department, agency, or division of the State to obtain information concerning individuals enrolled in Medicaid that may affect the individual's eligibility for the program; and
2. Contract, with cost restrictions, with one or more vendors to provide information concerning individuals enrolled in Medicaid that may affect the individual's eligibility for the program.

This "Medicaid Eligibility Monitoring and Multistate Cooperative Participation Determination" legislative report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice fulfills the requirements outlined in the Session Law.

## II. Quarterly Review of Changes Affecting Eligibility

Currently, DHHS completes several monthly and quarterly electronic matches to gather information regarding potential changes in a beneficiary's status. The information is shared regularly with the county Departments of Social Services so they may determine any impact on beneficiaries' continued eligibility for medical assistance. In addition, North Carolina participates in the Public Assistance Reporting Information System (PARIS), a data matching service administered by the federal Administration for Children and Families, U.S. Department of Health and Human Services.

### III. Multistate Cooperative Enrollment Review and Decision

#### A. National Accuracy Clearinghouse

The National Accuracy Clearinghouse (NAC) is a multi-state LexisNexis product that was designed to assist states with identification and prevention of dual participation within their public benefits programs.<sup>1</sup>

The NAC was originally developed using a grant from the Food and Nutrition Service section of the U.S. Department of Agriculture (USDA). In 2015, the NAC conducted a pilot on reducing duplicate Supplemental Nutrition Assistance Benefits (SNAP) benefits in five states: Alabama, Florida, Georgia, Louisiana and Mississippi, with the intent to report the results to Congress. However, there is no report available at this time.

The NAC may expand nationwide, including into additional public assistance programs such as Medicaid and the Children’s Health Insurance Program (CHIP). (The North Carolina CHIP is called “NC Health Choice.”). We continue to follow this project, and at this time the expansion timeline has not been shared with states.

DHHS contacted the Centers for Medicare & Medicaid Services (CMS) for additional research into multistate cooperatives with data matching agreements. CMS was unaware of any current organizations, but referred to the Public Assistance Reporting Information System (PARIS).<sup>2</sup> PARIS is a data matching service sponsored by the Administration for Children and Families, U.S. Department of Health and Human Services, that matches public assistance beneficiaries to identify duplicate benefits in two or more states. All 50 states, District of Columbia and Puerto Rico voluntarily participate in PARIS, which does not receive funding for participation. However, states are required to sign a PARIS Memorandum of Agreement, and they subsequently receive quarterly reports that they can share with county Department of Social Services offices. A detailed description of how the North Carolina Medicaid program utilizes the PARIS data matching service is provided below.

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<sup>1</sup> <http://www.nationalaccuracyclearinghouse.com/>

<sup>2</sup> <https://www.acf.hhs.gov/paris>

## B. DHHS' Current Match System

The North Carolina Department of Health and Human Services (DHHS) currently uses the NC FAST Online Verification System (OVS)<sup>3</sup> to detect duplicate matches. OVS automates verification of new applicant information and any required reverification of beneficiary information retrieved from several federal and state benefit and reporting systems.

North Carolina's eligibility policy complies with the federally mandated Income and Eligibility Verification System (IEVS)<sup>4</sup> that requires that matches be conducted using Social Security numbers for all household members. IEVS matches information with NC Works (formerly the Employment Security Commission); Social Security Administration and federal Internal Revenue Service (IRS) agencies.

IEVS matches that are completed through the NC FAST OVS are described below.

1. **NC Works** provides information on an individual's earnings and unemployment insurance benefits in a quarterly match or on demand.
2. **BENDEX (Beneficiary Earnings and Data Exchange Report)** is a monthly match of Social Security numbers between the public assistance beneficiary files and Social Security Administration records. A report is sent when there is a change in benefits or status.
3. **SDX (State Data Exchange)** provides detailed information about benefits received by Supplemental Security Income beneficiaries, and reports changes in status or benefits through a daily interface with DHHS. The SDX may also be accessed on demand.
4. **SOLQ (State Online Query)** verifies on demand the Retirement, Survivors and Disability Insurance, and Supplemental Security Income benefits for Medicaid applicants and beneficiaries.

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<sup>3</sup> <https://test.dhhs.state.nc.us/ncfast/projects/olv.htm>

<sup>4</sup> <https://www2.ncdhhs.gov/info/olm/manuals/dss/ei-30/man/FSS605.htm>

IEVS matches that are completed outside of NC FAST OVS are described below.

1. **BEER (Beneficiary Earnings and Data Exchange Report)** identifies beneficiaries who have earnings reported to the Social Security Administration. This match is processed on the third workday of each month. Since BEER data are obtained by Social Security number from the IRS, the data must be safeguarded under section 6103 of the Internal Revenue Code.
2. **FRR (Financial Resource Report) IRS Monthly and Yearly Matches** use the IRS report to match each aid program/category for pending applicants and newly approved beneficiaries with a valid Social Security number. Monthly information reported includes resources and income. The data must be safeguarded under section 6103 of the Internal Revenue Code.
3. **PARIS (Public Assistance Reporting Information System)**, administered by the federal Administration for Children and Family in Health and Human Services, matches public assistance beneficiaries in two or more states to identify duplicate benefits, helping states detect improper payments, and minimize fraud and abuse. All 50 states, the District of Columbia and Puerto Rico voluntarily participate in PARIS. PARIS provides three distinct matching services.

**The Interstate Match**, where Social Security numbers of public assistance clients are submitted by participating PARIS states and matched with data from all other participating states to determine if participants are enrolled in two or more states. Participating public agencies are the 50 states, District of Columbia and Puerto Rico.

**The VA Match** provides states with information on clients' eligibility for veterans' benefits and allows states to confirm if their clients are receiving income and medical assistance payments from the Department of Veterans Affairs (VA). Using the VA match file, state or local offices can verify whether income from the VA was properly reported – whether it was reported at all or if it was reported accurately.

**The Federal Match** uses state data and matches it 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. The file allows states to compare income reported by clients from federal sources with the federal payment records for active and retired federal civilian employees, and active and retired military personnel. In addition, the file contains information that can be used to determine the potential for third-party insurance coverage from federal sources for Medicaid clients.

Additional sources for matches used to determine eligibility are:

1. DHHS has a daily match between NC FAST and the North Carolina Department of Public Safety Division of Adult Correction and Juvenile Justice to identify Medicaid and NC Health Choice individuals who become incarcerated or are released. This status information is important because federal law only allows payment for Medicaid services for incarcerated individuals receiving inpatient hospital care. At the time of release from incarceration, an individual’s eligibility must be re-evaluated.
2. DHHS receives a monthly Medicaid death match report. The Social Security Administration (SSA)’s BENDEX is the data source for this report.

### C. Medicaid and NC Health Choice Eligibility Data Component and Current Match Tools Used

Data components of key income, residency, and additional federal and State requirements for program eligibility are outlined in the table below.

ELIGIBILITY COMPONENT	MATCH TOOL
Earned and Unearned income	<ol style="list-style-type: none"> <li>1. PARIS – federal wage match</li> <li>2. PARIS – VA match</li> <li>3. NC Works</li> <li>4. FRR</li> <li>5. BENDEX</li> <li>6. BEER</li> </ol>
Employment status and changes in employment	<ol style="list-style-type: none"> <li>1. PARIS – federal wage match</li> <li>2. NC Works</li> <li>3. New Hire Match</li> </ol>
Residency status	<ol style="list-style-type: none"> <li>1. A match for out of state addresses will be included in the mandate under Session Law 2017-57, section 11H.15., to reduce duplication of effort and cost.</li> <li>2. PARIS – VA match shows address on file with VA</li> <li>3. PARIS – Interstate Match</li> </ol>
Enrollment status in other State-administered public assistance programs	NC FAST is the multi-benefit eligibility system for public assistance programs, including Medicaid/NCHC, TANF, FNS and Day Care Subsidy.
Financial resources	FRR
Incarceration Status	1. Daily match between NC FAST and DOP

ELIGIBILITY COMPONENT	MATCH TOOL
	2. A match for in-state and out of state incarceration will be included in the mandate under Session Law 2017-57 Section 11H.15, to reduce duplication of effort and cost.
Death Records	1. Monthly Medicaid death match report 2. A match for date of death will be included in the mandate under Session Law 2017-57 Section 11H.15, to reduce duplication of effort and cost.
Lottery Winnings	FRR
Enrollment status in public assistance programs outside of the state	PARIS Interstate Match

## D. Multistate Cooperative Participation

DHHS currently provides matches for county review of ongoing eligibility for Medicaid beneficiaries. DHHS currently has numerous federal and State interfaces, agreements, and data matching systems to gather information that may impact continuing eligibility of Medicaid and NC Health Choice beneficiaries, and already provides this information to the county Departments of Social Services on at least a quarterly basis. DHHS participates in an interstate match with all 50 states, the District of Columbia and Puerto Rico through its PARIS Memorandum of Agreement. The NAC system is not currently capable of providing Medicaid and CHIP information and, CMS is unaware of any alternative multistate cooperatives, with current data matching capabilities, to identify individuals who may be receiving Medicaid or CHIP in more than one state. Therefore, DHHS has determined that the PARIS system is the most comprehensive source of relevant information, and at this time, there are no multistate cooperatives in which NC can participate to receive additional Medicaid or CHIP information.

We will continue to monitor developments with the NAC and related technologies.

# Appendix A

## Medicaid Eligibility Monitoring: Session Law 2017-57, Section 11H.20

**SECTION 11H.20(a).** Article 2 of Chapter 108A of the General Statutes is amended by adding a new section to read:

**"§ 108A-55.5. Eligibility monitoring for medical assistance.**

(a) On at least a quarterly basis, the Department shall review information concerning circumstances that may affect medical assistance beneficiaries' eligibility to receive medical assistance benefits. The Department shall share the information directly with, or make the information available to, the county department of social services that determined the beneficiary's eligibility.

(b) The information reviewed by the Department shall include all of the following:

- (1) Earned and unearned income.
- (2) Employment status and changes in employment.
- (3) Residency status.
- (4) Enrollment status in other State-administered public assistance programs.
- (5) Financial resources.
- (6) Incarceration status.
- (7) Death records.
- (8) Lottery winnings.
- (9) Enrollment status in public assistance programs outside of this State.

(c) A county department of social services shall promptly review the information provided or made available by the Department in accordance with subsection (a) of this section to determine if the information indicates a change in circumstances that may affect a medical assistance beneficiary's eligibility to receive medical assistance benefits and take one of the following actions:

- (1) If a review of the information does not result in the county department of social services finding a discrepancy or change in a beneficiary's circumstances that may affect that beneficiary's eligibility to receive medical assistance benefits, the county department of social services shall take no further action.
- (2) If a review of the information does result in the county department of social services finding a discrepancy or change in a beneficiary's circumstances that may affect that beneficiary's eligibility for medical assistance benefits, the county department of social services shall provide written notice to the beneficiary that describes in sufficient detail the circumstances of the discrepancy or change in circumstances that would affect the beneficiary's eligibility for medical assistance benefits. The notice must include the following information:
  - a. The beneficiary will have 12 calendar days from the time of mailing to respond.
  - b. A response from the beneficiary must be in writing.
  - c. Self-declarations made by the beneficiary will not be accepted as verification of information in the response.
  - d. The consequences of taking no action.



(d) After the expiration of 12 calendar days from the time of mailing the notice required under subsection (c) of this section, the county department of social services shall take one of the following actions:

- (1) If a beneficiary did not respond to the notice, the county department of social services shall redetermine the beneficiary's eligibility for medical assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79.
- (2) If a beneficiary responds to the notice and disagrees with the information in the notice, the county department of social services shall reinvestigate the matter and take one of the following actions: a. If the county department of social services determines that there has been an error and the beneficiary's eligibility to receive medical assistance benefits is not affected, then no further action shall be taken. b. If the county department of social services determines that there is no error, the county department of social services shall redetermine the beneficiary's eligibility for medical assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79.
- (3) If a beneficiary responds to the notice and confirms the information in the notice is correct, then the county department of social services shall redetermine the beneficiary's eligibility for medical assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79. If, at any time after receiving a beneficiary's response to the notice, the county department of social services determines that there is a risk of fraud or misrepresentation or inadequate documentation, then the county department of social services may request additional documentation from the beneficiary.
- (e) Nothing in this section shall preclude the Department or any county department of social services from receiving or reviewing additional information related to a beneficiary's eligibility for medical assistance benefits that is obtained in a manner other than that provided for under this section."

**SECTION 11H.20.(b)** The Department of Health and Human Services may sign a memorandum of understanding with any department, agency, or division of the State to obtain information concerning individuals enrolled in Medicaid that indicates a change in circumstances that may affect the individuals' eligibility to receive Medicaid benefits under G.S. 108A-55.5(a).

**SECTION 11H.20.(c)** The Department of Health and Human Services may contract with one or more vendors to provide information concerning individuals enrolled in Medicaid that indicates a change in circumstances that may affect the individuals' eligibility to receive Medicaid benefits under G.S. 108A-55.5(a). The quarterly cost, net of receipts, of a contract entered into under this subsection must be less than the cost of claims, net of receipts, for the preceding quarter for individuals identified.

**SECTION 11H.20(d)** The Department of Health and Human Services (Department) shall consider joining any multistate cooperative to identify individuals who are also enrolled in public assistance programs outside of this State, including the National Accuracy Clearinghouse. No later than October 1, 2017, the Department shall report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice findings that explain the reasons for joining or not joining any multistate cooperative, and, if a determination has been made to join the multistate cooperative, a date when membership is expected.