



<b>Policy Memo</b>	
<b>KDHE-DHCF POLICY NO: 2017-12-01</b>	<b>From: Jeanine Schieferecke, Senior Manager</b>
<b>Date: December 1, 2017</b>	<b>KEESM Reference: 1322.3, 1322.4, 5200, 9333</b>
<b>RE: Implementation of the Asset Verification Solution</b>	<b>Program(s): Elderly &amp; Disabled Medical</b>

This memo sets forth instructions for implementation of the Asset Verification Solution (AVS). Kansas is implementing a phased approach with this being Phase 1. Effective with the December 2017 reviews, when processing a Pre-Populated Review verification of bank accounts will be attempted through the AVS.

## **1. BACKGROUND**

In 2008, as part of the Supplemental Appropriations Act, Congress amended section 1940 of the Social Security Act to require states to have a mechanism in place to verify assets for the purposes of determining or redetermining Medicaid eligibility for aged, blind, and disabled Medicaid applicants or recipients. The Affordable Care Act (ACA) required asset verification systems to be electronic. KDHE has contracted with Accuity to provide the Asset Verification Solution as a mechanism to electronically verify bank accounts.

## **2. ASSET VERIFICATION SOLUTION (AVS)**

The AVS provides a query-based system that allows users to reach out to several financial institutions at once to obtain account information associated with a beneficiary and their spouse. Results from the AVS will include bank account information, such as checking and savings or Certificate of Deposits (CDs), which are held at a bank or credit union. Some results will also return mortgage information. The AVS will not provide responses from brokerage firms (e.g. Edward Jones, Charles Schwab, Merrill Lynch, etc.) or nursing facility accounts. Direct Express account information is available; however, Direct Express accounts are not included as part of this implementation. Existing policy outlined in KDHE Policy Memo 2017-03-04 shall be followed when verifying Direct Express accounts.

The AVS allows users to submit two different types of requests to financial institutions: Financial Institution (FI) Verification and Geographic Search. Eligibility staff shall utilize both the FI

Verification Request and the Geographic Search Request methods when the consumer reports having a bank account, regardless of whether it is believed the consumer failed to disclose information. Only a Geographic Search Request shall be used in situations where the consumer does not report a bank account.

### **A. FINANCIAL INSTITUTION (FI) VERIFICATION REQUEST**

A Financial Institution (FI) verification request is sent to the specific financial institutions with which the consumer has reported having an account. If the consumer reports having accounts with several financial institutions each financial institution shall be included within the same inquiry.

### **B. GEOGRAPHIC SEARCH REQUEST**

A Geographic Search Request uses a GARD (Geolocation Aerial Radial Detection) algorithm to request bank account information from financial institutions near the consumer's reported address. This search method may identify bank accounts the consumer has failed to disclose.

## **3. USE OF THE AVS**

The following outlines the division of responsibilities between KDHE and Accuity regarding use of the Asset Verification Solution.

### **A. RESPONSIBILITIES OF ACCUITY**

Accuity will act as the single point of contact for both the Agency and Financial Institutions for all matters. They serve as the intermediary between all parties. It is imperative that the Agency relies on Accuity for all communication with participating Financial Institutions. This includes questions related to requests or responses from Financial Institutions, overdue requests, and urgent requests.

#### **1. OVERDUE REQUESTS**

Accuity defines an overdue request as one in which a response is not received within 15 calendar days. In the event a Financial Institution fails to respond to a request within 15 calendar days from the date of request, Accuity will notify the financial institution of the overdue status on the 16<sup>th</sup> day. Additional follow-up is completed on the 23<sup>rd</sup> day and 30<sup>th</sup> day following the date of receipt. After 30 days, Accuity continues to follow up every two weeks. Eligibility staff should never resubmit a request to a Financial Institution on an overdue request unless specifically instructed to do so by Accuity.

#### **2. URGENT REQUESTS**

The Agency Supervisor shall elevate the priority of overdue Financial Institution Verification requests with urgent needs by sending an email to [avs.support@accuitysolutions.com](mailto:avs.support@accuitysolutions.com). The subject line of the email must begin with the phrase 'Urgent Follow-up Request' followed immediately by the applicable Request ID. Accuity will then reach out to the Financial Institution.

### **3. TECHNICAL SUPPORT**

Accuity will provide support when there is a technical issue related to the AVS Portal. Eligibility staff shall contact Accuity by calling 1-855-807-9822, using the Support Email Submission Tool to submit an online request for support through the Portal, or by sending an email to [avs.support@accuitysolutions.com](mailto:avs.support@accuitysolutions.com) when there is a technical issue related to the Portal. Emails must include the user's name, phone number, office name, area of the site in which the issue occurred, description of the issue and what the user was doing when the issue occurred, as well as any other information the user considers relevant. An example of when it would be appropriate to direct questions to Accuity is when a specific page, such as the authorization page, cannot be reached.

## **B. AGENCY RESPONSIBILITY**

The following outlines responsibilities of the Agency.

### **1. NON-PARTICIPATING FINANCIAL INSTITUTIONS**

While a specific Financial Institution may not participate in the AVS Program, its location information is still included in the Portal's FI database. The AVS indicates whether a financial institution does or does not participate when submitting an FI verification request. The AVS will not allow verification requests to be created for Non-Participating Financial Institutions as they are not bound by the same processing requirements as those that are part of the AVS Community.

Agency staff will not include non-participating financial institutions when sending FI verification requests. Thorough documentation is necessary and must include the reason an FI verification request was not completed. For accounts held at non-participating financial institutions, eligibility staff are required to verify information using the Tiered Verification structure for accounts which do not meet the 85% resource test.

### **2. 'WILL NOT RESPOND' RESPONSE**

The 'Will Not Respond' response type is utilized by financial institutions when they cannot respond to a request due to an issue with the information provided or if they believe the request is a duplicate. If this response is received, staff must compare information submitted as part of the initial request to the information present on the report. If the consumer's name or Social Security Number is found to have been

incorrect, a new request shall be sent. A new request will not be sent when the name and Social Security Number match what is listed on the report. Instead, eligibility staff shall proceed with requesting account information from the consumer or determining eligibility using self-attestation as appropriate based on whether the household's total non-exempt resources are within 85% of the applicable resource limit. Actions taken must be thoroughly documented in the Journal.

### **3. SYSTEM ADMINISTRATORS**

System Administrators have been appointed by the Agency to create and maintain user accounts. Responsibilities of the System Administrator include resetting forgotten user IDs and passwords, changes to user information, and deactivation of a user.

## **4. IMPLEMENTATION OF THE AVS**

Using the AVS as verification of bank accounts is appropriate when processing Pre-Populated Reviews for all Elderly and Disabled and Long Term Care programs. Each month, at the time the reviews are generated from KEES, a report will be produced and provided to the Clearinghouse. Using this report, the Clearinghouse will query the AVS to request account information for all Elderly and Disabled and Long Term Care cases receiving a Pre-Populated Review. The AVS allows users to specify the month(s) for which account information is requested with up to five (5) years of account information being available. For Pre-Populated Reviews, account information shall be requested for both the consumer and their spouse for the month in which the review is generated and the month prior. Once a request is completed, the AVS notifies the agency by email when a response is received. Results obtained from the AVS will be imaged to the consumer's case.

While results may be imaged to a particular case, results received from the AVS shall be used to verify bank account information for cases in which countable resources exceed 85% of the applicable resource limit. Verification of bank accounts using the AVS is not applicable to SSI recipients, living arrangement changes which require a spousal impoverishment resource assessment or determination, requests to add a person or a program at review, or cases where countable resources are below 85% of the applicable resource limit. Self-attestation is accepted in situations where the household's total non-exempt liquid resources are within 85% of the applicable resource limit and the household does not own other non-exempt resources, such as life insurance, and the household does not report any changes to the type of resources owned according to KDHE Policy Memo 2017-07-01.

### **A. SUBMITTING REQUESTS TO THE AVS**

The consumer's name and Social Security Number are required to make a request for account information through the AVS, as these elements combined verify that information being sought is for the correct individual. The consumer's address is also required as this

information is used by the AVS to determine the geographic point from which the Geographic FI Search is completed.

The AVS uses logic to prevent duplicate requests from being made within a specific time period. Repeated searches for the same consumer using the same request timeframe within a period of fifteen (15) days will not be allowed. In situations where an incorrect SSN was entered, another request may be submitted for the same person using the correct SSN.

In the event a manual Pre-Populated Review must be generated, or if a case shown on the report of system-generated Pre-Populated reviews is inadvertently skipped and an AVS request was not placed, it is appropriate for eligibility staff to refer the case for an AVS request.

## **B. TIERED VERIFICATION**

Verification policies are being modified to include AVS in the verification structure. The AVS is considered both a Tier 2 and Tier 3 verification source. It is a Tier 2 verification source because it involves accessing a non-payer source interface. Once results are received from the AVS they will be imaged to the case file so they will be accessed by staff in Tier 3.

Eligibility staff shall wait for a period of ten (10) days to receive results from the AVS after a request is made. Additional information shall not be requested from the consumer until this time period has expired. While the request is not considered overdue according to Accuity standards, if the AVS does not return a usable result after ten (10) days, bank account information shall be requested of the consumer in situations where the total value of all non-exempt liquid resources exceeds 85% of the applicable resource limit.

If results are returned by the AVS after verification is requested from the consumer, the information obtained from the AVS shall be used. It would not be appropriate to deny a request for failure to provide information when information was received from the AVS that could be used.

In situations where bank statements are provided with the Pre-Populated Review, eligibility must be determined using the consumer's self-attested resource value or results obtained from the AVS before using the provided bank statements as verification. However, eligibility staff must review the provided bank statements to determine if any red flags exist.

## **C. FINDING THE VALUE OF A RESOURCE VERIFIED THROUGH AVS**

Information received through the AVS differs from the standard information provided on a bank statement. The AVS only provides account balance information for the first day of the month(s) included in the request. This amount is entered in KEES as the resource value when the total value of all countable resources exceeds 85% of the applicable resource limit.

Information about balances throughout the month and detailed transaction history are not available. Therefore, accounts verified through the AVS will not require an analysis of the deposits made to the account, as this information is not available. The AVS will provide interest information. Interest income shall be deducted from the balance provided. See Medical KEESM 6410(36) for more information about determining the countable amount of interest income.

Eligibility cannot be discontinued based on information provided by the AVS. Bank account information shall be requested of the consumer if the response received from the AVS, when combined with other countable resources, would exceed the applicable resource limit. Discontinuance for excess resources is appropriate if bank account information provided by the consumer verifies countable resources exceed the applicable resource limit. Action shall be taken to discontinue for failure to provide if the consumer does not return the requested bank account information.

#### **D. CLOSED ACCOUNTS**

The AVS will provide verification of closed accounts if the date of closure is within the date range requested. A response indicating 'No Accounts Found' may be received for a request that includes a closed account if the account was closed prior to the date range being requested. A 'No Accounts Found' response is not considered verification of account closure. Information shall be requested of the consumer in situations where the AVS does not provide verification that an account is closed.

#### **E. UNREPORTED RESOURCES**

Because a Geographic Search is completed, there is potential for unreported resources to be discovered. While AVS results are only used to verify bank account information for cases in which countable resources exceed 85% of the applicable limit, results imaged for all cases will be reviewed to determine whether unreported resources exist.

If an unreported resource is found, it shall be addressed at the time the Pre-Populated Review is processed. Additional verification shall be requested of the consumer if the account balance is greater than \$5. Eligibility will be denied if the consumer fails to return verification of the account(s) in question. Accounts with a balance of \$5 or less shall be entered in KEES. Contact with the consumer is not required. Each case must be researched for potential overpayment when unreported resources are discovered. The same policy is applicable in situations where a response indicating unreported resources is received after the review is processed. Eligibility will be discontinued if the consumer fails to return verification of the account(s) in question.

In situations where the consumer's self-attested value of reported resources exceeds 85% of the applicable resource limit and AVS results show unreported resources that when combined with other countable resources exceed the applicable resource limit, verification

must be requested of the consumer for all countable resources. Discontinuance for excess resources is appropriate if bank account information provided by the consumer verifies countable resources exceed the applicable resource limit. Action shall be taken to discontinue for failure to provide if the consumer does not return the requested bank account information.

## **F. JOURNALING**

Documentation of the initial verification request made through the AVS is critical as the presence of a Journal entry will assist eligibility staff with knowing when it is appropriate to request information of the consumer. Journal entries made at the time a request is sent to AVS shall include the first and last name of the consumer for which the request was made, if a Verification Request was sent, the name of the Financial Institution(s) information was requested from, and whether a Geographic Search Request was made.

## **5. EXAMPLES**

Consider the following examples.

### **A. EXAMPLE 1**

Consumer is receiving coverage under the Medically Needy program with one checking account listed in KEES. At review, account information is requested through the AVS. The AVS response indicates an unreported savings account with a value of \$175 and did not return results for the reported checking account. The consumer reports on the Pre-Populated Review that their checking account has a balance of \$1,250. The consumer does not report any additional resources. Contact with the consumer must be made as the value of the unreported savings account exceeds \$5. Verification of the existing checking account is not required because the self-attested value, when combined with the AVS-verified value of the unreported savings account, is within 85% of the resource limit.

### **B. EXAMPLE 2**

Consumer is receiving coverage under the Medically Needy program with one checking account listed in KEES. At review, account information is requested through the AVS. The AVS response verifies the reported checking account with a value of \$1,050. The consumer reports on the Pre-Populated Review that their checking account has a value of \$557. Verification of the checking account is not required as the self-attested value is within 85% of the applicable resource limit. The Resource List page in KEES will be updated using the self-attested value of the checking account.

### **C. EXAMPLE 3**

Consumer is receiving coverage under the Medically Needy program with one checking account and one countable life insurance policy listed in KEES. At review, bank account information is requested through the AVS. The AVS response verifies the reported checking account with a value of \$575. The consumer reports on the Pre-Populated Review that their checking account has a value of \$562 and the life insurance policy has a cash value of \$1,200. Verification of the current cash value of the life insurance policy is requested from the consumer. The checking account value verified by the AVS is used when determining eligibility as the self-attested value of the consumer's countable resources exceeds 85% of the applicable resource limit.

### **D. EXAMPLE 4**

Consumer is receiving LTC coverage as they reside in a nursing facility. One checking account is listed in KEES with a value of \$100. At review, account information is requested through the AVS. The AVS response verifies the checking account with a value of \$100 and also returns an unreported checking account with a value of \$3.50. The consumer reports on the Pre-Populated Review that the reported checking account has a value of \$151 but does not report owning a second checking account. Verification of the reported checking account is not required as the self-attested value, when combined with the AVS-verified value of the unreported checking account, is within 85% of the applicable resource limit. The Resource List page in KEES is updated using the self-attested value of the reported checking account. The unreported checking account is added to the Resource List page with a value of \$3.50. The case should be identified as having a potential overpayment following existing overpayment processes.

### **E. EXAMPLE 5**

Consumer is receiving LTC coverage as they reside in a nursing facility. One checking account and one savings account are listed in KEES. At review, account information is requested through the AVS. After 10 days, the AVS has not provided a response. The consumer reports on the Pre-Populated Review that their checking account has a value of \$562 and their savings account has a value of \$1,200. Verification of the checking and savings accounts are required as the self-attested value exceeds 85% of the applicable resource limit. Verification is requested of the consumer and is not provided. In the meantime, the AVS provides a response which verifies the checking account has a value of \$575 and the savings account has a value of \$1,200. Denial for failure to provide is not appropriate as the AVS has provided usable verification for both accounts. The Resource List page in KEES is updated to reflect the account values verified by the AVS.

## **F. EXAMPLE 6**

Consumer is receiving coverage under the Medically Needy program with one checking account, one savings account, and one Certificate of Deposit (CD) listed in KEES. At review, account information is requested through the AVS. The AVS response verifies all accounts with the following values: checking account - \$360, savings account - \$550, and Certificate of Deposit (CD) - \$1,100. The consumer self-attests on the Pre-Populated Review that the value of the checking account, savings account, and Certificate of Deposit (CD) exceed 85% of the resource limit. Verification of all countable resources must be requested of the consumer because the AVS results indicate excess resources. AVS results could have been used as verification if the combined value did not exceed the resource limit.

## **G. EXAMPLE 7**

Consumer is receiving coverage under the Medically Needy program with one checking account and one countable life insurance policy listed in KEES. At review, bank account information is requested through the AVS. The AVS response verifies the checking account with a value of \$1,660. The consumer reports on the Pre-Populated Review that the checking account has a value of \$1,815 and the life insurance policy has a cash value of \$550. The life insurance cash value is requested of the consumer and verified using hard copy documentation. The consumer's countable resources exceed the resource limit when the value of the checking account verified by the AVS is combined with the verified cash value of the life insurance. Verification of the checking account must be requested of the consumer prior to discontinuing eligibility for excess resources. AVS results could have been used as verification of the checking account if the consumer's combined countable resources did not exceed the resource limit.

## **H. EXAMPLE 8**

Consumer is receiving LTC coverage as they reside in a nursing facility. One savings account and one NF account are listed in KEES. The consumer's Pre-Populated Review is generated and mailed on 11/15. The next day, bank account information is requested through the AVS. On 12/18, eligibility is discontinued as the consumer failed to return their review. The consumer returns their review on 1/9 and indicates an urgent medical need. The consumer also reports on the Pre-Populated Review that their savings account has a value of \$1,673 and the NF account has a value of \$50. An eligibility worker claims the review and begins processing on 1/15. AVS results have not been imaged, therefore the response is overdue. Verification of the savings account and NF account are requested of the consumer because more than 10 days have passed since the AVS request was sent and the self-attested value of the consumer's countable resources exceeds 85% of the resource limit. At the same time, the Agency Supervisor sends an email to Accuity to elevate the priority of the request with the Financial Institution. Results from the AVS will be used to verify the savings account if received before the consumer provides hard copy verification. However, the review cannot be processed until verification of the NF account is received. If

the consumer fails to provide verification of the NF account, the review will be denied for failure to provide even though AVS has verified the consumer's savings account.

## **6. QUESTIONS**

For questions or concerns related to this document, please contact one of the KDHE Medical Policy Staff listed below.

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