

Supporting Statement Part A
Income and Eligibility Verification System (IEVS) Reporting and Supporting Regulations
Contained in 42 CFR 431.17, 431.306, 435.910, 435.920, and 435.940-960
CMS-R-74, OMB 0938-0467

BACKGROUND

The information collected is used to verify the income and eligibility of Medicaid applicants and recipients, as required by Section 1137 of the Social Security Act. Final regulations to implement Section 1137 of the Act were published February 28, 1986. Subsequent final amendments to the regulations were published on February 27, 1987; March 2, 1989; October 7, 1992; January 31, 1994; January 11, 2001 and March 23, 2012. These regulations provide the standards States use with respect to the verification of applicant and beneficiary eligibility, the requirements related to use of an individual's social security number, as well as release of information,

The Qualifying Individual (QI) Program Supplemental Funding Act of 2008 amended Section 1903(r) of the Social Security Act to incorporate the requirement that States include data matching through the Public Assistance Reporting Information System (PARIS) in their Income and Eligibility Verification Systems (IEVS). PARIS is a system for matching data from certain public assistance programs, including State Medicaid programs, with selected Federal and State data for purposes of facilitating appropriate enrollment and retention in public programs. Effective October 1, 2009, based on the provisions of the Qualifying Individual Funding Act, all States are required to sign an agreement to participate in PARIS as a condition of receiving Medicaid funding for automated data systems (including the Medicaid Management Information System). States must submit a State Plan Amendment (SPA) to CMS to document their established income and eligibility verification system and their participation in PARIS.

Section 1413 of the Affordable Care Act (Pub. L. 111-148 as amended by Pub. L. 111-152) established new requirements for streamlining eligibility and enrollment procedures, including more modern and efficient verification processes. The Affordable Care Act maximized reliance on electronic data sources, allowed for the establishment of a federal data services hub through which states verify certain eligibility criteria, and provided states with flexibility in how and when they verify information needed to determine Medicaid eligibility. Many of the original provisions implementing section 1137 of the Act were replaced with new requirements to implement these new streamlined processes.

A. JUSTIFICATION

1. Need and Legal Basis

Section 1137 of the Act requires that States request from applicants their Social Security Number (SSN) and use that number to verify the income and eligibility information contained on the applicant's application through data matches with the agencies and entities identified in this section. For purposes of calculating burden, we are once again using 54 States and U.S. Territories which have Medicaid applicants/recipients for whom IEVS and PARIS data will be requested in order to determine and/or redetermine Medicaid eligibility. Following passage of the Affordable Care Act, and expansion of Medicaid eligibility in more than half of states, we estimate that verifications will be completed annually for the approximately 72 million recipients currently enrolled in Medicaid and CHIP. These numbers are based on the most recent information available in the monthly Medicaid and CHIP application, Eligibility Determination and Enrollment Reports available on Medicaid.gov.

2. Information Users

The information collected and the annotations included in an applicant or beneficiary's case file are used by the state Medicaid and CHIP agencies to determine and redetermine eligibility.

3. Improved Information Technology

While State agencies continue to have varying levels of computer capabilities, the streamlined enrollment processes established by the Affordable Care Act, and the subsequent regulations implementing those requirements, resulted in the development of automated electronic verification processes in every state.

4. Duplication of Similar Information

Our regulations provide for avoidance of duplication through exemption for the Medicaid agency from the statutory requirement where the information has already been verified by another program which automatically makes Medicaid eligible those individuals who are eligible for a program such as Supplemental Security Income.

5. Small Businesses

The statute's requirements do not affect small businesses. The requirement is imposed only on States administering Medicaid and CHIP programs.

6. Less Frequent Collection

Information must be obtained, matched, and maintained in an individual's record at initial application and annually upon renewal of eligibility.

7. Special Circumstances

There are no special circumstances.

8. Federal Register Notice/Outside Consultation

The 60-day Federal Register notice published on February 6, 2015 (80 FR 6726). No comments were received.

9. Payment/Gift to Respondent

No gifts or payments made to respondents.

10. Confidentiality

States are prohibited from using any information obtained about applicants for any purpose not directly connected with administration of the Medicaid plan; in this case determining and verifying the income and/or eligibility of an applicant.

11. Sensitive Questions

There are no sensitive questions in this information collection.

12. Burden Estimate (Hours and Wages)

The specific information collection requirements submitted for OMB approval are as follows:

42 CFR 431.17- Maintenance of Records

The information collection requirements in the following CFR section are self-explanatory.

(b) Content of records. A State plan must provide that the Medicaid agency will maintain or supervise the maintenance of the records necessary for the proper and efficient operation of the plan. The records must include –

(vi) The disposition of income and eligibility verification information received under §§435.940 through 435.960 of this subchapter;

Burden Because CMS no longer prescribes the frequency and number of inquiries for applicants, the State has discretion to determine if, and how often, it will query this information outside the application and renewal process. Therefore, we believe that the information collection requirements (ICRs) stated above are now exempt from the Act in accordance with 5 CFR 1320.4(a)(2) because this activity is conducted during an administrative action affecting specific individuals as part of the application and renewal process.

42 CFR 431.306- Release of Information

The information collection requirements in the following CFR sections are self-explanatory.

(d) The agency must obtain permission from a family or individual whenever possible, before responding to a request for information from an outside source, unless the information is to be used to verify income, eligibility and the amount of medical assistance payment under section 113 7 of the Act and sections 435.940 - 435.965 of this chapter.

(g) Before requesting information from or releasing information to other agencies to verify income, eligibility and the amount of assistance under sections 435.940 through 435.965 of this subchapter, the agency must execute data exchange agreements with those agencies, as specified in section 435.945(i) of this subchapter.

Burden We believe that the ICRs stated above are exempt from the Act in accordance with 5 CFR 1320.4(a)(2) because this activity is conducted during an administrative action affecting specific individuals or entities.

42 CFR 435.910- Use of Social Security Number

The information collection requirements in the following CFR section are self-explanatory.

(g) The agency must verify the SSN furnished by an applicant or beneficiary to insure the SSN was issued to that individual, and to determine whether any other SSNs were issued to that individual.

Burden This process is now fully automated and occurs as part of the state process for adjudicating an application. Therefore, we believe that the ICRs stated above are now exempt from the Act in accordance with 5 CFR 1320.4(a)(2) because this activity is conducted during an administrative action affecting specific individuals as part of the application process.

42 CFR 435.920 - Verification of SSNs (at redetermination)

The information collection requirements in the following CFR sections are self-explanatory.

- (a) In redetermining eligibility, the agency must review case record to determine whether they contain the beneficiary's SSN or, in the case of families, each family member's SSN.*
- (b) If the case record does not contain the required SSNs, the agency must require the beneficiary to furnish them and meet other requirements of section 435.910.*

Burden We believe that the above ICR is exempt from the Act in accordance with 5 CFR 1320.4(a)(2) since this activity is conducted during an administrative action involving specific individuals or entries.

42 CFR 435.940 - Basis and Scope

The information collection requirements in the following CFR section are self-explanatory.

The income and eligibility verification requirements set forth at § 435.940 through § 435.960 of this subpart are based on sections 1137, 1902(a)(4), 1902(a)(19), 1903(r)(3) and 1943(b)(3) of the Act and section 1413 of the Affordable Care Act. Nothing in the regulations in this subpart should be construed as limiting the State's program integrity measures or affecting the State's obligation to ensure that only eligible individuals receive benefits, consistent with parts 431 and 455 of this subchapter, or its obligation to provide for methods of administration that are in the best interest of applicants and beneficiaries and are necessary for the proper and efficient operation of the plan, consistent with §431.15 of this subchapter and section 1902(a)(19) of the Act.

Burden We believe that the burden associated with this section is captured under §435.945 through §435.960.

42 CFR 435.945 - General Requirements

The information collection requirements in the following CFR sections are self-explanatory.

(a) Except where the law requires other procedures (such as for citizenship and immigration status information), the agency may accept attestation of information needed to determine the eligibility of an individual for Medicaid (either self-attestation by the individual or attestation by an adult who is in the applicant's household, as defined in § 435.603(f) of this part, or family, as defined in section 36B(d)(1) of the Internal Revenue Code, an authorized representative, or, if the individual is a minor or incapacitated, someone acting responsibly for the individual) without requiring further information (including documentation) from the individual.

Burden This provision allows states to accept an individual's attestation that he/she meets the residency criteria or other eligibility criteria and does not require the state to take any action; therefore, it does not create any additional burden.

(b) The agency must request and use information relevant to verifying an individual's eligibility for Medicaid in accordance with § 435.948 through § 435.956 of this subpart.

Burden We believe that the burden associated with section 435.940(b) is exempt from the Act in accordance with 5 CFR 1320.4(a)(2) because this activity is conducted during an administrative action affecting specific individuals or entities.

(c) The agency must furnish, in a timely manner, income and eligibility information, subject to regulations

at part [431](#) subpart F of this chapter, needed for verifying eligibility to the following programs.

- (1) To other agencies in the State and other States and to the Federal programs both listed in § 435.948(a) of this subpart and identified in section 1137(b) of the Act;
- (2) Other insurance affordability programs;
- (3) The child support enforcement program under part D of title IV of the Act; and
- (4) SSA for OASDI under title II and for SSI benefits under title XVI of the Act.

Burden We assume each State would receive requests for information from three other States, SSA for title II and XVI purposes, and from the Child Support Program (5 request files) each month (60 requests per year). It would take 20 minutes to match each request file against the Medicaid file of recipients, extract information, and prepare a file to furnish to the requester. States were required to establish automated processes to transfer information electronically among insurance affordability programs, so we do not estimate an additional burden from such file transfers.

CMS has reviewed the wages from the Bureau of Labor Statistics and estimates that an information and record clerk (43-4199) would be necessary to complete the file match and preparation process (see http://www.bls.gov/oes/current/oes_nat.htm). The mean hourly wage is \$18.46 with a fringe benefit of 100% giving us an hourly wage of \$36.92. Thus the cost for each state to complete 60 requests at .33 hours per request is (60 requests X 0.33 hours X \$36.92) \$731.02. **The total cost estimate for 54 states is \$39,475** (\$731.02 X 54 states).

(d) All State eligibility determination systems must conduct data matching through the Public Assistance Reporting Information System (PARIS).

Burden We believe the burden associated with this requirement is captured under 435.945(b).

(e) The agency must, as required under section 1137(a)(7) of the Act, and upon request, reimburse another agency listed in § 435.948(a) of this subpart or paragraph (c) of this section for reasonable costs incurred in furnishing information, including new developmental costs.

Burden We believe that the ICR is exempt from the Act in accordance with 5 CFR 1320.4(a)(2) because this activity is conducted during an administrative action against specific individuals or entities.

(f) Prior to requesting information for an applicant or beneficiary from another agency or program under this subpart, the agency must inform the individual that the agency will obtain and use information available to it under this subpart to verify income and eligibility or for other purposes directly connected to the administration of the State plan.

Burden We believe the burden associated with this requirement is captured under sections 435.905 and 435.907.

(g) Consistent with § 431.16 of this subchapter, the agency must report information as prescribed by the Secretary for purposes of determining compliance with § 431.305 of this subchapter, subpart P of part [431](#), § [435.910](#), § [435.913](#), and § [435.940](#) through § 435.965 of this subpart and of evaluating the effectiveness of the income and eligibility verification system.

Burden Because CMS no longer prescribes the frequency and number of inquiries for applicants, the State has discretion to determine if, and how often, it will query this information outside the application and renewal process. Annual reporting is not mandated, but States are required to furnish data on the elements periodically if requested by the Secretary. All States have automated systems that will maintain and retrieve these data. A basic element in electronic systems is the ability to track and account for all

activities performed. All States have an approved Medicaid Management Information System and data to be selected (name and SSN) are readily available from the eligibility subsystem or its equivalent. The systems requirement for collecting, storing, retrieving, and formatting the required reports is minimal. This was a one-time effort that the States completed by 1986; therefore, there is no additional burden associated with this requirement.

(h) Information exchanged electronically between the State Medicaid agency and any other agency or program must be sent and received via secure electronic interfaces as defined in § 435.4 of this part.

Burden All states have established electronic applications and case records as required under section 1943 of the Social Security Act; therefore, this requirement does not impose any additional burden on states.

(i) The agency must execute written agreements with other agencies before releasing data to, or requesting data from, those agencies. Such agreements must provide for appropriate safeguards limiting the use and disclosure of information as required by Federal or State law or regulations.

Burden We believe the burden associated with this requirement is captured under section 431.306(g).

(j) Verification plan. The agency must develop, and update as modified, and submit to the Secretary, upon request, a verification plan describing the verification policies and procedures adopted by the State agency to implement the provisions set forth in § 435.940 through § 435.956 of this subpart in a format and manner prescribed by the Secretary.

Burden The burden estimate for this requirement is described in CMS-10398 (#11) (OMB 0938-1148).

(k) Flexibility in information collection and verification. Subject to approval by the Secretary, the agency may request and use information from a source or sources alternative to those listed in § 435.948(a) of this subpart, or through a mechanism other than the electronic service described in § 435.949(a) of this subpart, provided that such alternative source or mechanism will reduce the administrative costs and burdens on individuals and States while maximizing accuracy, minimizing delay, meeting applicable requirements relating to the confidentiality, disclosure, maintenance, or use of information, and promoting coordination with other insurance affordability programs.

Burden If a state determines that an alternative data source would reduce the state's administrative costs and the burden on applicants and beneficiaries, the state may use that data source to meet the requirements of §435.945(b). The burden associated with this requirement is captured under § 435.945(b).

42 CFR 435.948 - Verifying Financial Information

The information collection requirements in the following CFR sections are self-explanatory.

(a) The agency must in accordance with this section request the following information relating to financial eligibility from other agencies in the State and other States and Federal programs to the extent the agency determines such information is useful to verifying the financial eligibility of an individual:

- (1) Information related to wages, net earnings from self-employment, unearned income and resources from the State Wage Information Collection Agency (SWICA), the Internal Revenue Service (IRS), the Social Security Administration (SSA), the agencies administering the State unemployment compensation laws, the State-administered supplementary payment programs under section 1616(a) of the Act, and any State program administered under a plan approved under Titles I, X, XIV, or XVI of the Act; and*
- (2) Information related to eligibility or enrollment from the Supplemental Nutrition Assistance Program, the*

State program funded under part A of title IV of the Act, and other insurance affordability programs.

(b) To the extent that the information identified in paragraph (a) of this section is available through the electronic service established in accordance with § 435.949 of this subpart, the agency must obtain the information through such service.

(c) The agency must request the information by SSN, or if an SSN is not available, using other personally identifying information in the individual's account, if possible.

Burden We believe that the burden associated with paragraphs (a) through (c) is exempt from the Act in accordance with 5 CFR 1320.4(a) (2) because this activity is conducted during an administrative action affecting specific individuals or entities.

42 CFR 435.952 - Use of information and requests of additional information from individuals.

The information collection requirements in the following CFR sections are self-explanatory.

(a) The agency must promptly evaluate information received or obtained by it in accordance with regulations under § [435.940](#) through § 435.960 of this subpart to determine whether such information may affect the eligibility of an individual or the benefits to which he or she is entitled.

(b) If information provided by or on behalf of an individual (on the application or renewal form or otherwise) is reasonably compatible with information obtained by the agency in accordance with § [435.948](#), § [435.949](#) or § 435.956 of this subpart, the agency must determine or renew eligibility based on such information.

Burden (paragraphs (a) and (b)) The burden associated with this requirement is captured under sections 435.940-435.960.

(c) An individual must not be required to provide additional information or documentation unless information needed by the agency in accordance with § [435.948](#), § [435.949](#) or § 435.956 of this subpart cannot be obtained electronically or the information obtained electronically is not reasonably compatible, as provided in the verification plan described in § [435.945\(j\)](#) with information provided by or on behalf of the individual.

(1) Income information obtained through an electronic data match shall be considered reasonably compatible with income information provided by or on behalf of an individual if both are either above or at or below the applicable income standard or other relevant income threshold.

(2) If information provided by or on behalf of an individual is not reasonably compatible with information obtained through an electronic data match, the agency must seek additional information from the individual, including—

(i) A statement which reasonably explains the discrepancy; or

(ii) Other information (which may include documentation), provided that documentation from the individual is permitted only to the extent electronic data are not available and establishing a data match would not be effective, considering such factors as the administrative costs associated with establishing and using the data match compared with the administrative costs associated with relying on paper documentation, and the 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;

(iii) The agency must provide the individual a reasonable period to furnish any additional information required under paragraph (c) of this section.

Burden We believe that this ICR is exempt from the Act in accordance with 5 CFR 1320.4(a) (2) because this activity is conducted during an administrative action affecting specific individuals or entities.

(d) The agency may not deny or terminate eligibility or reduce benefits for any individual on the basis of information received in accordance with regulations under § 435.940 through § 435.960 of this subpart unless the agency has sought additional information from the individual in accordance with paragraph (c) of this section, and provided proper notice and hearing rights to the individual in accordance with this subpart and subpart E of part 431.

Burden We believe that this ICR is exempt from the Act in accordance with 5 CFR 1320.4(a) (2) because this activity is conducted during an administrative action affecting specific individuals or entities.

42 CFR 435.960 - Standardized formats for furnishing and obtaining information to verify income eligibility

The information collection requirements in this sections are self-explanatory.

(a) The agency must maintain for all applicants and beneficiaries within an agency file the SSN, surname and other data elements in a format that at a minimum allows the agency to furnish and to obtain eligibility and income information from the agencies or programs referenced in § 435.945(b) and § 435.948(a).

(b) The format to be used will be prescribed by—

(1) CMS when the agency furnishes information to, or requests information from, any Federal or State agency, except SSA and the Internal Revenue Service as specified in paragraphs (b) (2) and (3), respectively;

(2) The Commissioner of Social Security when the agency requests information from SSA; and

(3) The Commissioner of Internal Revenue when the agency requests information from the Internal Revenue Service.

Burden While the above ICR is subject to the PRA we believe the burden associated with this requirement is exempt in accordance with 5 CFR 1320.3(b)(2) because the time, effort, and financial resources necessary to comply with these requirements would be incurred by persons in the normal course of their activities.

State Plan Amendment Template

There will be a total of 54 States and territories which have Medicaid applicants/recipients for whom IEVS and PARIS data will be requested to determine or re-evaluate Medicaid eligibility. To meet the PARIS requirement, the majority of States have already documented their processes and received approval from CMS, so we estimate the potential number of states submitting new state plan amendments at 5. Once approved, the State will not need to resubmit. The burden for states to complete the state plan amendment is estimated to average 10 hours per amendment. This includes time for reviewing existing state policy, entering data into the 1-page form, completing the internal review and approval process and answering any questions posed by CMS after submission. CMS has reviewed the wages from the Bureau of Labor Statistics and estimates a management analyst (13-1111) would be necessary to complete the state plan amendment (see http://www.bls.gov/oes/current/oes_nat.htm). The mean hourly wage is \$38.89 with a fringe benefit of 100% giving us an hourly wage of \$77.78. Thus the cost for a state to complete a state plan amendment is estimated at \$777.80. If 5 states complete and submit state plan amendments, the **total cost estimate is \$3,889** (\$77.78/hr x 10 hr x 5 states)

TOTAL BURDEN

Summary of Annual Recordkeeping and Reporting Requirements

Regulation Section(s)	Respondents	Responses (per respondent)	Total Responses	Burden per Response	Total Annual Burden (hours)	Labor Cost of Reporting (\$/hr)	Total Cost (\$)
§435.945(c)	54	60	3,240	20 min	1,080	36.92	39,874
State Plan Template	5	1	5	10 hr	50	77.80	3,889
Total	54	61	3,245	--	1,130	varies	43,763

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

These costs would be considered administrative requirements and would be subject to federal reimbursement at the administrative match rate.

15. Program or Burden Changes

Our state plan estimate has been revised while the remaining changes remove provisions/burden that are no longer in effect, exempt burden, or remove duplicative provisions/burden that are approved under other collections. Specific changes consist of the following:

CFR Section	Hours			Costs			Reason for Change
	Previous	Revised	Difference	Previous	Revised	Difference	
431.17 Maintenance of Records	38,386	--	(38,386)	\$547,667	--	(\$547,667)	This information collection requirement is now exempt – due to regulatory changes all required verifications and their disposition in the case record are now conducted as part of the administrative action affecting specific individuals
435.910 Use of Social Security Number	1,620	--	(1,620)	\$23,020	--	(\$23,020)	This information collection requirement is now exempt – this process is now fully automated and is conducted as part of the administrative action affecting specific individual applicants
435.945 Verification General Requirements	93,869	1,069	(92,800)	\$1,208,963	\$39,475	(\$1,169,487)	<ul style="list-style-type: none"> This provision was replaced with a new 435.945 in CMS-2349-F (RIN 0938-AQ62) This estimate reflects the new requirements
435.953 Identifying Items of Information to Use	---	---	N/A	---	---	N/A	<p>This provision is no longer in effect.</p> <p>(Sections 42 CFR 435.953 and 435.955 were removed in the March 23, 2012 final rule. Provisions contained in §435.953(a) and §435.955(a) through (c) were incorporated into §435.948 and §435.952. The remaining requirements, related to detailed state reporting requirements, were removed.)</p>
435.955 Additional Requirements	---	---	N/A	---	---	N/A	<p>This provision is no longer in effect.</p> <p>(Sections 42 CFR 435.953 and 435.955 were removed in the March 23, 2012 final rule. Provisions contained in §435.953(a) and §435.955(a) through (c) were incorporated into §435.948 and §435.952. The remaining</p>

CFR Section	Hours			Costs			Reason for Change
	Previous	Revised	Difference	Previous	Revised	Difference	
							requirements, related to detailed state reporting requirements, were removed.)
Submission of state plan amendments	34	50	16	\$1,020	\$3,889	\$2,869	Revised estimate (more accurate). The template is unchanged.

16. Publication and Tabulation Dates

No publication or tabulation of data expected. Data obtained exclusively to verify eligibility for Medicaid.

17. Expiration Date

These ICRs do not lend themselves to an expiration date.

18. Certification Statement

There are no exceptions to the certification statement to be explained.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods are not used because the law and regulations require that IEVS be applied to every Medicaid applicant/recipient.