

Verification Procedures and Eligibility Rules in the Federally-facilitated Exchange (FFE)

1.1 Verification Procedures in the FFE

Consistent with the flexibility provided by 45 CFR 155.302, the FFE will verify applicant information before determining eligibility for enrollment in a QHP through the Exchange, advance payments of the premium tax credit (APTC), cost-sharing reductions (CSR), Medicaid, and CHIP. The Affordable Care Act specifies verification processes for some types of information, provides flexibility for the Secretary to modify statutory verification methods in certain cases, and authorizes the Secretary to establish verification processes where not prescribed in the law. FFEs will follow the processes for verifying applicant information established in §§ 155.315 and 155.320 of the Exchange final rule. In general, these provisions direct the Exchange to maximize the use of available electronic data, and are closely aligned with the verification provisions of the Medicaid and CHIP final rules. The FFE’s process for verifications in support of Medicaid and CHIP eligibility will comply with federal regulations at 42 CFR 435.940 – 960 and 42 CFR 457.380, but may not necessarily be the same as the verification processes employed by the State Medicaid and CHIP agencies. CMS will provide national, trusted electronic data sources when available to ensure consistency among the FFE and Medicaid and CHIP agencies.

The following table summarizes the verification procedures that an FFE will use to support eligibility determinations for enrollment in a QHP and for insurance affordability programs. In some cases, these procedures involve connecting to State data sources. In States where the FFE makes an initial assessment, rather than a determination, of eligibility for Medicaid and CHIP based on MAGI, the FFE will not collect and adjudicate paper documentation related to eligibility for Medicaid and CHIP. This will be the responsibility of the State Medicaid or CHIP agency. We note that these procedures are subject to change and refinement, and that specific standards for determining reasonable compatibility and adjudicating paper documentation will be detailed in future guidance.

Category of Information	Medicaid and CHIP	Enrollment in a QHP through an FFE, and for APTC and CSR
<i>Citizenship</i>	SSA data match via Data Services Hub; if SSA cannot validate citizenship: <ul style="list-style-type: none"> • To the extent that an applicant has information that can be verified through DHS, DHS data match via Hub; • If unable to validate citizenship through SSA or DHS, request and adjudicate documentation in accordance with standards in Medicaid and CHIP regulations. 	SSA data match via Hub; if SSA cannot verify citizenship or status as a national: <ul style="list-style-type: none"> • DHS data match via Hub; • If unable to verify citizenship through SSA or DHS, request and adjudicate paper documentation.
<i>Immigration Status</i>	DHS data match via Hub; if DHS cannot verify immigration status, request and adjudicate documentation in accordance with Medicaid standards.	DHS data match via Hub; if DHS cannot verify immigration status, request and adjudicate paper documentation.
<i>Residency</i>	Accept self-attestation without further verification, subject to reasonable compatibility assessment with information provided on the application or in the records of the Exchange.	Accept self-attestation without further verification, except when not reasonably compatible with information provided on the application or in the records of the FFE.

Category of Information	Medicaid and CHIP	Enrollment in a QHP through an FFE, and for APTC and CSR
<i>Age</i>	Accept self-attestation without further verification	n/a
<i>Household /Family Size and Household Composition</i>	Accept self-attestation without further verification, subject to reasonable compatibility assessment with information provided on the application or in the records of the Exchange	Accept self-attestation without further verification if tax data represent accurate projection of family size. If data are unavailable or not an accurate projection, accept attestation unless not reasonably compatible with information provided on the application or in the records of the FFE, with the exception of tax data. Adjudication of paper documentation, as necessary.
<i>American Indian / Alaska Native Status</i>	Accept self-attestation without further verification	n/a
<i>Membership in a Federally-recognized Tribe</i>	n/a	Data match with any electronic data sources available to the Exchange that have been approved by HHS for this purpose. Adjudication of paper documentation if no data sources are available, or as necessary to resolve inconsistencies.
<i>Income</i>	Data match with IRS, SSA, and State Wage Information Collection Agency (SWICA) and State unemployment benefits agency as available to the FFE. Use of other current income data sources if available. Collection of attestations from applicant, including explanations of discrepancies between attested income and electronic data. Standard rules and logic for assessment of reasonable compatibility, which will be in accordance with applicable Medicaid and CHIP regulations, and will not vary from State to State. At a minimum, the reasonable compatibility standard will include assessing whether both the attested income and electronic data are both at, above or below the applicable Medicaid or CHIP MAGI standard. Other approaches to reasonable compatibility are under development.	Data match with IRS, SSA, and SWICA and State unemployment benefits agency as available to the FFE. Use of other current income data sources if available. Collect attestations from applicant, including explanations of discrepancies between attested income and electronic data. Assessment of reasonable compatibility and adjudication of paper documentation when necessary.
<i>Incarceration</i>	Not a condition of eligibility for Medicaid. For CHIP, data match with SSA Prisoner Update Processing System via Hub. Adjudication of paper documentation, as necessary.	Data match with SSA Prisoner Update Processing System via Hub. Adjudication of paper documentation, as necessary.

Category of Information	Medicaid and CHIP	Enrollment in a QHP through an FFE, and for APTC and CSR
<i>Public Minimum Essential Coverage (MEC)</i>	n/a	Data match with Federal agencies via Hub; data match with State Medicaid and CHIP agency. For the first year of operations, this will be limited to checking with the State Medicaid and CHIP agencies that serve the residential address provided by the applicant.
<i>Enrollment in Employer-Sponsored Minimum Essential Coverage</i>	n/a	Accept self-attestation without further verification, except when not reasonably compatible with information provided on the application or in the records of the FFE.
<i>Eligibility for Employer-Sponsored Minimum Essential Coverage</i>	n/a	Accept self-attestation, except when not reasonably compatible with information provided on the application or in the records of the FFE. Possible verification with electronic data sources via Hub if available. Additional detail found in other Federal guidance. ¹

All assessments of reasonable compatibility for purposes of eligibility for Medicaid and CHIP will be made in accordance with applicable Medicaid and CHIP regulations, and will not vary from State to State.

2.1 Medicaid and CHIP Eligibility Rules in the FFE: Background

The FFE will assess or determine Medicaid and CHIP eligibility based on the State's applicable Medicaid and CHIP MAGI-based income standards, citizenship and immigration status, other eligibility requirements and robust and standard verification rules and procedures consistent with 42 CFR parts 435 and 457. We note, however, that the FFE will not assign FMAP rates, eligibility groups, or benefit packages, or conduct plan or delivery system selection for applicants assessed or determined eligible for Medicaid or CHIP; rather, these tasks will remain the responsibility of the State Medicaid or CHIP agency.

The following tables describe how the FFE will address the eligibility process for Medicaid and CHIP. These tables describe the FFE's process for October 1, 2013, and the first year of operations. Additional technical detail regarding the FFE's implementation of this process will be available through the CMS Services Catalog.

¹ On April 26, 2012 CMS released a Request for Information titled "Verification of Access to Employer-Sponsored Coverage Bulletin," available at: <http://cciio.cms.gov/resources/files/exc-verification-guidance-vach.pdf>.

2.2 Medicaid and CHIP Eligibility Rules in the FFE

Supported by the FFE

#	The FFE will...	Citation	Verification Details and Key Assumptions
1	Apply State-specific rules to determine the Medicaid eligibility category and Federal Poverty Level (FPL) standards for the four Medicaid MAGI categories: pregnant women; individuals under the age of 19; parents and caretaker relatives of dependent children; and other individuals who are under age 65 and are not entitled to or enrolled in Medicare, and for CHIP.		Accept self-attestation of pregnancy, age, factors related to status as a parent or caretaker relative, and Medicare eligibility/enrollment without further verification.
2	Apply household size/composition rules as prescribed in Federal Medicaid and CHIP regulations, including the limited set of exceptions to rules under section 36B of the Code.	42 CFR 435.603(f)	
3	Apply household income rules as prescribed in Federal Medicaid and CHIP regulations, including the limited set of exceptions to rules under section 36B of the Code (current monthly income, accounting for American Indian and Alaska Native-related income, educational scholarships and grants, and lump sum payments).	42 CFR 435.603(d) and (e)	
4	Apply Medicaid eligibility rules for former foster care children up to age 26.	§1902(a)(10)(A)(i)(IX) of the Act	Accept self-attestation as to whether applicant was in foster care and receiving Medicaid without further verification.
5	Apply State-specific rules to determine eligibility for optional targeted, low income children who are uninsured and under the State-specified age and are not covered by other insurance; optional parents and caretaker relatives; and optional individuals under age 65, who are not otherwise eligible for Medicaid under the State's Medicaid State Plan.	42 CFR 435.229, 435.210, 435.218	Accept self-attestation as to enrollment in other health insurance. See items 6-7 regarding verification and assumptions related to status as a parent or caretaker relative.

#	The FFE will...	Citation	Verification Details and Key Assumptions
6	Apply State-specific rules to expand the definition of “caretaker relative” to include any of the following three categories: other relatives of the child based on blood (including those of half-blood), adoption, or marriage; the domestic partner of the parent or other caretaker relative; or any adult with whom the child is living and who assumes primary responsibility for the dependent child’s care.	42 CFR 435.4	Accept self-attestation to relationship without further verification. Assume that if an individual lives with a dependent child and claims him or her as a tax dependent, but is not the child’s parent, the individual assumes primary responsibility under this definition. Assume that a non-custodial parent is not a caretaker relative. Assume that only one person, other than both parents living with a child, can assume primary responsibility, and that the spouse of a caretaker relative is also a caretaker relative.
7	Apply State-specific rules to identify dependent children for purposes of determining eligibility for parents and caretaker relatives, including (1) considering a child as a “dependent child” when he or she is age 18 and a full-time student in secondary school (or equivalent vocational or technical training), if before attaining age 19 the child may reasonably be expected to complete such school or training; and (2) whether a child is deprived of parental support.	42 CFR 435.4	Accept self-attestation regarding student status without further verification; assume 18-year old full time students will graduate/complete training before 19. Assume deprivation only if one or zero parents are identified on an application; or one parent is not working and the other parent is working less than a State-specific number of hours.
8	Apply State-specific option to provide eligibility for non-citizen, lawfully present children and/or pregnant women who would otherwise not be considered eligible for Medicaid or CHIP.	§1903(v)(4) and §2107(e)(1)(J) of the Act	Electronic verification with DHS, followed by paper process in accordance with Federal Medicaid standards, if necessary.
9	Apply State-specific rules to limit Medicaid eligibility to seven years for refugees, asylees, non-citizens whose deportation is withheld, and Cuban and Haitian entrants, and to five years for Amerasians.	8 USC. §1612(b)(2)(A)(i)	Electronic verification with DHS, followed by paper process in accordance with Federal Medicaid standards, if necessary.

#	The FFE will...	Citation	Verification Details and Key Assumptions
10	Apply State-specific rules to limit Medicaid eligibility for lawful permanent residents to those who have 40 Title II work quarters.	8 USC §1612(b)(2)(B)	Verify immigration status through DHS, followed by paper process in accordance with Federal Medicaid standards, if necessary. Verify work quarters via SSA. Includes deeming of parental or spousal quarters where sufficient information is available. Does not include application of the provision regarding excluding quarters during which an individual received Federal means-tested public benefits. Assume that all spousal work quarters were earned while married to the applicant.
11	For purposes of the eligibility of the members of a pregnant woman’s household, compute household size in accordance with State-specific rules.	42 CFR 435.603(b)	Accept self-attestation of the number of children due without further verification.
12	Apply State-specific rules to count children who are up to age 19 or 21 and are full-time students in a parent’s and sibling’s (meeting same age requirements) household.	42 CFR 435.603(f)(iv)	Accept self-attestation of full-time student status without further verification.
13	Apply State-specific rules to count actually available cash support exceeding nominal amounts from a taxpayer when determining the income of a tax dependent claimed by a taxpayer other than a parent or spouse.	42 CFR 435.603(d)(3)	Accept self-attestation of amount of available cash support without further verification. Provide State-specific help text to define “nominal”.
14	Apply the State option to account for reasonably predictable increases or decreases in future income.	42 CFR 435.603(h)(3)	Standard verification process with details to be determined.
15	Apply State-specific option as to whether or not to consider a full-time student as a resident of the State where he or she lives and neither of his or her parent(s) live.	42 C.F.R 435.403(i)(2)	If State considers such students as residents, accept self-attestation without further verification. If State does not consider such students as State residents, assume that individuals under the age of 21 applying for coverage for themselves, who are tax dependents of an out-of-State parent, are residents of another State, and provide opportunity individual to provide evidence that he or she is a resident of the State in which he or she is living.

#	The FFE will...	Citation	Verification Details and Key Assumptions
16	Apply the residency rule as prescribed in Federal Medicaid and CHIP regulations to not deny an individual's Medicaid or CHIP eligibility due to the individual's temporary absence if the person intends to return when the purpose of the absence has been accomplished, unless another State has determined that the person is a resident there for purposes of Medicaid or CHIP.	42 CFR 435.403(j)(3)	Accept self-attestation of a residential address and a temporary address that are in different States without further verification.
17	Apply waiting periods of State-specific length for children in CHIP who were enrolled in other health insurance coverage during a period of time prior to the effective date of CHIP eligibility.	§2102(b)(3)(C) of the Act (<i>States adopt waiting periods as strategy to prevent CHIP from substituting for coverage under group health plans</i>)	Accept self-attestation of enrollment in other coverage and date of loss of coverage without further verification. FFE will transfer all individuals who are subject to a waiting period to the State CHIP agency for evaluation to see if exceptions apply.
18	Deny Medicaid to any parent or caretaker relative not eligible in the parent/caretaker relative category but otherwise eligible in the other adults under 65 category who has one or more dependent children who do not have minimum essential coverage.	42 CFR 435.119(c)	Assess or determine eligibility for all applicant children. Accept self-attestation for any non-applicant children without further verification.
19	Deny CHIP eligibility for children with access to a State health benefits plan on the basis of a family member's employment with a public agency.	42 CFR 457.310(c)(1)	Accept self-attestation to access to coverage on the basis of a family member's employment with a public agency without further verification.
20	Apply State-specific option to allow eligibility for CHIP for individuals who have access to a State health benefits plan on the basis of a family member's employment with a public agency, provided that the State health benefits plan covers all otherwise CHIP eligible individuals, or only limits access based on FPL or the number of hours worked.	§2110(b)(2)(B) of the Act	Accept self-attestation to access to coverage on the basis of a family member's employment with a public agency without further verification. Verify FPL (if used) through income verification process described above. Accept self-attestation to number of hours of work (if used) without further verification. If a State limits the eligibility of children or pregnant women for a State health benefits plan in some other manner, i.e. by State agency, then the FFE will transfer all applicants with access to public employee coverage to the State CHIP agency for a final determination.

#	The FFE will...	Citation	Verification Details and Key Assumptions
21	Deny CHIP eligibility to children who are inmates of a public institution or are patients in an institution.	42 CFR 457.310(c)(2)	Accept self-attestation of status without further verification.
22	Apply State-specific rules to deny CHIP eligibility to children who have access to other affordable health coverage. Support State-specific, percentage-based affordability standards.	42 CFR 457.320(a)(9)	Accept self-attestation of access to coverage and cost of coverage without further verification.
23	Apply State-specific rules to provide CHIP coverage to the unborn children of pregnant women.	42 CFR 457.10	Accept self-attestation of pregnancy without further verification.

Not Supported by the FFE

#	The FFE will not...	Citation	Notes
24	Determine eligibility for State-funded programs	n/a	
25	Assign Medicaid and CHIP benefit packages	n/a	
26	Apply the State-specific option to determine eligibility for children on the basis of receiving State adoption assistance	§1902(a)(10)(A)(ii)(VIII) of the Act	
27	Apply the State-specific option to determine eligibility for children on the basis of participating in State-only funded foster care, receiving State-only funded guardianship assistance, or otherwise under State custody or in an out-of-home placement with State funding.	42 CFR 435.222	
28	Apply the State-specific option to determine eligibility for children on the basis of living in residential treatment centers or other medical institutions.	42 CFR 435.222	
29	Apply the State-specific option to determine eligibility for children under age 21 on the basis of other reasonable classifications covered by a State	42 CFR 435.222	
30	Apply the State-specific option to determine eligibility for individuals under age 21 on the basis of receiving federal foster care assistance when they turned age 18	42 CFR 435.222	
31	Apply the State-specific option to determine eligibility for Medicaid or CHIP premium assistance programs, where such programs exist.	Multiple	The FFE will collect attestations regarding access to employer-sponsored insurance from applicants who appear to be eligible for CHIP, and will transfer this information to the State CHIP agency.
32	Apply State-specific exceptions to the CHIP eligibility rule regarding access to coverage on the basis of a family member's employment with a public agency, except as specified in #19 in the above table.	§2110(b)(2)(B) of the Act	These exceptions include rules for specific employers or specific categories of employees beyond part-time / full-time status.
33	Apply the State-specific option to deny CHIP eligibility to individuals who have unpaid CHIP premiums.	42 CFR 457.570	
34	Apply the State-specific option to deny CHIP eligibility to individuals who are in a premium lock-out period.	42 CFR 457.570	
35	Apply special residency rules for special populations (institutionalized individuals, wards of State, individuals receiving State supplementary payments, individuals receiving Title IV-E assistance, and emancipated minors who do not file taxes)	42 CFR 435.403	

#	The FFE will not...	Citation	Notes
36	Apply State-specific exceptions from CHIP waiting periods.	§2102(b)(3) (C) of the Act	To the extent that a State has exceptions to waiting periods, the FFE will transmit the electronic account of any individual subject to the waiting period to the State CHIP agency to handle any follow-up and may be able, at the State's option, to include limited relevant information in the FFE's eligibility notice.

* CMS is still evaluating the requirements for the optional family planning group described in §1902(a)(10)(A)(ii)(XXI) and §1902(ii) of the Act to determine whether the FFE will be able to implement it for year 1.