At the same time the federal government has announced a new emphasis on reviewing how well states enforce Medicaid eligibility rules, it has offered a new tool to help states improve accuracy and speed up the eligibility determination process.

In June 2018, the Trump administration announced new initiatives to increase Medicaid program integrity. These initiatives include assuring that states effectively enforce Medicaid beneficiary eligibility rules. The Government Accountability Office (GAO) estimates that improper Medicaid payments totaling $11.3 billion were made in 2017 because of state errors in eligibility determinations.

“Beneficiaries depend on Medicaid and CMS is accountable for the program’s long-term viability. As today’s initiatives show, we will use the tools we have to hold states accountable as we work with them to keep Medicaid sound and safeguarded for beneficiaries,” Seema Verma, federal administrator of the Centers for Medicare and Medicaid (CMS) said during a June 2018 press conference.

Verma laid out plans for CMS to conduct eligibility audits in the states and to use the audits to determine disallowances for state Medicaid programs beginning in 2022.

To help increase accuracy in eligibility determinations, CMS offers state agencies access to The Federal Data Services Hub (aka “The Hub”). The Hub provides real-time and historic employment and income data. This essentially removes the need for individuals applying for Medicaid to have to dig up the requisite months of employer wage stubs, which can slow down the process. The Hub is essentially free to state agencies, though less than half of the states are regularly accessing the system.

States work directly with CMS to access The Hub for real-time employment verification for Medicaid eligibility. The one caveat, according to CMS, is that some states may incur initial upfront data costs to ensure that they can provide and receive data in the proper format.

CMS noted, in highlights released on Oct. 17, 2018, that many states may not be aware the CMS provides access to up-to-date information through The Hub. Those that do utilize “the CSM Federal Data Services Hub for Medicaid verifications have reported important strong outcomes, including better efficiencies, cost savings and accurate identification of those individuals who meet Medicaid qualifications.”

Stacy Westerholm of the Arizona Health Care Cost Containment System said they learned of The Hub from the team’s early work and planning associated with the implementation of the Affordable Care Act.

“This integration is significant—to integrate it in a manner that automates into the application process and flow to ensure that the right hub components are called for the right circumstances and situations and that consumers and state workers know how to react to The Hub results,” Westerholm said. “We
initially implemented in October 2013 and have been refining and enhancing to continuously improve the application processing and automation of application processing.”

Westerholm said there are no transaction fees associated with using The Hub; however, the implementation, operationalization, process impacts and changes and ongoing operations of using The Hub do have some costs associated with them.

William Martinez, director of data analytics for Florida’s Department of Children and Families, said his state connected to the Hub’s Medicaid income verification system in 2017.

Martinez said they don’t have a straightforward before and after comparison from before and after they connected to The Hub, but that the time to process Medicaid applications has dropped.

“In general yes, there has been an improvement in services,” he said. “One of the biggest surprises for us when we started using the work number for verification of income is that not only were people not disclosing income they were only disclosing part of their income. For example, people with two jobs. We were able to discover a lot of undisclosed income.”