

Position Statement

For 2024 Session

MACSSA has an organizational priority of “Strategic Position Development” with the goal of addressing challenges and leading innovation through thoughtful analysis that incorporates fiscal implications, systemic policy concerns, and legislative strategies in the development of policy and legislative positions.

Funding Medical Assistance Income Verification

Proposal

Issue: Currently, Minnesota relies on the Federal Data Services hub to gather data from various federal agencies and Equifax. This data is used to confirm eligibility and verify income for new applications and renewals for Minnesota Health Care Programs (MHCP), specifically those that are determined in the Minnesota Eligibility Technology System (METS), which holds the vast majority of MHCP cases. The Center for Medicare & Medicaid Services (CMS) has informed States that they are passing the increasing costs of using Equifax to verify wage income on to states and is establishing this as a Medicaid-claimable service, meaning that it will be eligible for Federal Financial Participation (FFP).

Implementation: Authorize an appropriation of funds that will cover the State’s share of this cost. The appropriation should be ongoing and result in no disruption to the current Federal Data Services hub connection with Equifax beginning July 1, 2024. The appropriation should be sufficient and result in no cost-sharing on behalf of the counties.

Systemic Priority/Paradigm Trend Alignment (highlight all that apply and explain why)

- **Equity:** Promote racial equity and eliminate racial disparities in the human services system for all people across the state. *(systemic priority)*
- **Workforce:** Advocate for strategies to sustain and equip the workforce, and simplify work given the forecasted labor shortages. *(systemic priority/paradigm trend)*
- **Technology:** Collaboratively seek state investment in systems transformation and modernization which must include appropriate county collaboration, oversight, and guidance. *(systemic priority/paradigm trend)*
- **Governance/Partnerships:** Co-create state/county governance that results in clear accountability, appropriate allocation of resources, stabilized service delivery, and improved outcomes for people served. *(systemic priority/paradigm trend)*
- **Resident Service:** Adapt to individual needs to support real choices *(paradigm trend)*

WHY: It is critical that technology be leveraged to create process efficiencies without adding financial burden to counties who administer this program on behalf of the State.

Operational Priority (Committee) Alignment (highlight all that apply and explain why)

Adult Services	Children’s Services	Healthcare	Policy
Behavioral Health	Equity	Modernization	Self-Sufficiency

WHY: Medical Assistance is an important funding mechanism that allows for service provision to occur in many health and human service programs. It is critical that the State work closely with CMS on any changes to the current healthcare

system that may increase disenrollment from the Medicaid program due to procedural reasons. Keeping the Federal Data Services hub intact increases the likelihood that more eligible enrollees will retain coverage.

Rationale/Background:

The Federal Data Services hub has been in operation since September 2013. It helps verify information used to determine eligibility for Medical Assistance (Medicaid), among other programs. The Hub provides one highly secured connection to several trusted federal and state databases, eliminating the need for agencies to set up multiple and separate data connections.

CMS will be making changes to how States use the Federal Data Services Hub Commercial Sources of Income (CSI) function (Equifax/TALX). These changes are due to an exponential increase in cost associated with the function. CMS intends to migrate the CSI function to a Medicaid-claimable service that will be eligible for FFP, with a target effective date of July 1, 2024. Medicaid teams have been instructed to assess their current use of the CSI function, model the costs of moving to a claimable service starting July 1, 2024, and work this cost increase into budget and cost allocation plans. CMS intends to use rulemaking to make CSI a claimable Medicaid service eligible for enhanced systems match. As a state Medicaid agency, Minnesota DHS must consider budget implications for claiming after July 2024.

CMS has continued to express significant concern over the number of Medicaid enrollees that have been disenrolled due to procedural reasons. Ensuring that the Hub connection to Equifax remains intact will support the possibility that cases will auto-renew and retain coverage if still eligible.

High-level, one paragraph description of the issue and its importance:

The Federal Data Services Hub is critical to streamlining the process of enrolling and renewing Medical Assistance (Medicaid) enrollment for eligible Minnesotans. CMS has covered this cost for over a decade. The legislature should allocate funding to ensure there is no disruption in service and avoid a cost shift to counties for this State-supervised, County-administered program function.



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