

**HHS-CMS-CMCS  
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3:00 pm ET**

Coordinator: Welcome and thank you for standing by.

At this time all participants are on listen-only mode.

During the Q&A session if you'd like to ask a question, you may press star 1 on your phone.

Today's call is being recorded. If you have any objections, please disconnect at this time.

I'll now turn the call over to Jackie Glaze.

Thank you. You may begin.

Jackie Glaze: Thank you and good afternoon and welcome everyone to today's All State Call.

I'll now turn to Sara Vitolo, our Deputy Center Director, for opening remarks. Sara?

Sara Vitolo: Thanks Jackie. Hi everyone. Welcome to today's All State Call.

On today's call, we'll be providing an overview of a proposal in a CCIIO Proposed Payment Notice that, if finalized, would require state Medicaid and CHIP agencies and state-based exchanges to pay for income data obtained through the optional Verify Current Income or VCI service on the Federal Data Services Hub.

Often we refer to this as the Commercial Sources of Income or CSI data. We will be discussing the CSI topic through a number of different angles. The purple one is the proposed policy that's out for comment. Two, the state utilization data we have shared with each state. Three, the anticipated cost of utilization. And four, some of the information we will need from each state in the future to support this change if finalized.

This proposal impacts state Medicaid and CHIP agencies and also state-based exchanges. Joy Kraybill and Marisa Beatley from the CCIIO Marketplace Eligibility and Enrollment Group and John Allison from the CCIIO State Marketplaces and Insurance Programs Group will be presenting on this topic today.

Before we get started, I want to let folks know that we'll be using the Webinar platform to share slides. If you're not already logged in, I suggest you do so now so you can see the slides for today's presentations. You can also submit any questions you have into the chat at any time during our presentation.

With that, I'm pleased to turn things over to Marissa Beatley to provide an overview of the proposed policy.

Marisa Beatley: Hello. Next slide please.

Okay. So here we have some just housekeeping items to keep in mind as you are reviewing the 2025 Notice of Benefit and Payment Parameters proposed rule. We have a link to the proposed rule here in this slide so where you can find it on the Federal Register. As a reminder, the proposed rule published on the Federal Register on November 24, 2023, and comment - the comment period will close on January 8, 2024. So this is a 45-day comment period.

Next slide please.

Okay. So just as a brief refresher and recap of what CMS is proposing in the 2025 proposed rule. So this is our proposal to require state marketplaces and state Medicaid and CHIP agencies to pay to access income data via the Verify Current Income Hub Service.

So CMS is proposing to reinterpret state marketplace and state Medicaid/CHIP agency use of the Federal Data Services Hub or the Hub to access and use that income data provided by the Verify Current Income Hub Service, otherwise known as the VCI Hub Service, as a state marketplace or a state Medicaid/CHIP agency function because these state entities are using this optional service to implement eligibility verification requirements that are applicable to them.

So while CMS is proposing to re-designate the use of the VCI Hub Service by state marketplaces and state Medicaid/CHIP agencies as a state function, HHS will continue to maintain contracts that make this service available through the Hub for state marketplace and state Medicaid/CHIP agency use as part of its ongoing implementation of Sections 1411 and 1413 of the Affordable Care Act, otherwise known as the ACA.

Also under this proposal, states would pay annually in advance for their state marketplace and/or state Medicaid/CHIP agencies' anticipated utilization of this optional Verify Current Income Hub Service.

However, state Medicaid and CHIP agencies can request federal financial participation for their share of the cost. In addition, states may also receive a 75% federal match for their Medicaid system operational costs to obtain the CSI income data that is obtained via the VCI Hub Service. State Medicaid agencies would submit an advanced planning document or APD to request that 75% federal match.

Also, it's not on the slide here but we also wanted to state that in the proposed rule, we also talk about alternative payment methods such as a post payment method, meaning that states would pay for their past utilization of the VCI service at a set cadence, so such as monthly, quarterly, and we've asked for comments also on these alternative payment methodologies. So definitely submit comments if you can there.

And I believe now I am turning the virtual mic back to Sara.

Sara Vitolo: Thanks Marisa. So recently we shared data. The CMCS team and CCIIO teams shared data with states to help them understand their recent utilization. We're hoping that states will use these data to better understand and estimate what their costs could look like under this proposal. So turning - so hopefully you all have gotten that. And if you have any questions on those data, we're happy to walk through them with you.

John?

John Allison: Yes. Hey, thanks Sara. This is John Allison from CCIIO State Marketplace and Insurance Programs Group. Hopefully everyone can hear me.

I'll just sort of repeat what Sara said but now to our - the state-based exchanges that have joined this call. We, the CCIIO State-Based Exchange team, we've been meeting actually one-on-one with those state-based exchanges that currently use the VCI Hub Service. We have been providing the utilization data that Sara mentioned to those state-based exchanges typically for the period from April 2022 through September 2023 so they can see the total number of requests they've made for the VCI - for the current income data on the VCI Hub Service, the total percentage of requests in which there was a response, whether it was the Tier 1 data that they received, which is the more current income data to help with their eligibility determinations, or the Tier 2 data.

We did provide that data to the state-based exchanges that we've been meeting with as well as information about those rates under the CMS contract with the private contractor that CMS pays for that service and, you know, let the state-based exchanges know that these are the rates that they would then be paying CMS for that service, for the Verify Current Income service.

So again, I think we may have one or two more meetings with state-based exchanges to conduct. But we have been meeting with them and getting - discussing the proposal for states to pay for current income that they obtained by the VCI Hub Service and just requesting their feedback on key provisions of the proposal including the payment options, whether the states would pay annually in advance for their use of the optional VCI Hub Service with a reconciliation process then, you know, towards the end of the year or if, you know, we go with the payment approach where CMS would invoice states on a monthly basis or another basis actually after the utilization.

Anyway, so yes, just we've been talking with the state-based exchanges about this and look forward to their feedback during the comment period on the proposed payment notice.

And with that, I think I turn it over to Joy.

Joy Kraybill: Hi. Good afternoon. This is Joy Kraybill. Like John, I also work in the CCIIO part of CMS and I am specifically in the Marketplace Eligibility and Enrollment Group.

I wanted to provide a little bit more information about the costs related to this. Sara and John both mentioned how each state's recent CSI usage data was shared with each respective state. And at the same time, the state-specific data was shared. What was also shared was a table of future contract costs for this service. So if you're looking for the cost, it's with the data that was provided as well.

And I wanted to talk just a little bit about that contract cost data. A couple of things that we've gotten questions on, et cetera. One question is whether people need to pay for a request. And the answer is that the payment doesn't work based on request but it based - it is based on a match. So when you put in the request, it will be looked for in the database and it - the data may or may not have full data on the person you would be requesting data on.

And so you or the state would only be charged in instances where a complete record can be sent back to you. So it's not based on request but it's based on a complete or full match that is able to be provided.

There are also two types of costs for this. We call them Tier 1 or Tier 2. And I should also clarify, I know different entities might have their own contracts set up for similar or very similar types of services and each contract could be set up separately. So if there are existing state contracts that are set up separately or differently, that is okay. The information I'm talking about would apply to how the federal contract is set up which may or may not be the same as some of the state contracts are set up.

So within the federal contract, there are - what I was saying was there are two tiers of data. There's Tier 1 and Tier 2. And they are basically defined based on the currentness or the timeliness of the data. So for us, Tier 1 data is slightly more expensive. And it is zero to 45 days old. Meaning the pay information or the income information is zero to 45 days old. Tier 2 data is a tiny bit less expensive and it is slightly older data. So it's 46 to 90 days old.

As you would have seen with the information that went out, the contract has a specific rate for Tier 1 and a specific rate for Tier 2. Tier 1 is slightly higher, as I mentioned, because it's slightly more current data. For our federal contract, the cost rate, the rate is set for each 12-month period of the contract. And the rates change each year so they are increasing each year, as you would have seen in the table that went out. So again, the rates are set for a 12-month period of the contract and then they change after each 12 months go by.

Currently, the rates are in the ballpark of \$5. But they will go up over time over the five years of the contract's life as will be very clear when you see the table of costs. So that's a basic overview of the costs related to this.

And with that, I will return the virtual mic back to Sara.

Sara Vitolo: Thanks Joy. So as you look at your utilization data that John and I sent and the cost data that Joy just presented on, you'll get a picture of, you know, of what your state's cost might look like if the proposal were to be finalized.

And you'll need to look at the utilization data and kind of project what you think your future utilization might be. And then you also need to think about your cost allocation methodology because, you know, your Medicaid and CHIP will be matched but at different rates, you know, and then there's also state-based exchange. So you need to kind of pull those pieces together to think about your future costs.

So we are anticipating that states will do that - like, do that analysis and will make different assessments of, like, what their state might want to do if the proposal is finalized. So we anticipate that some states might want to keep going as is, kind of see how it goes, see how their costs develop. We anticipate that some states might want to discontinue using that service. It's an optional data source. States certainly don't - they're not required to use it. And so some states may opt to not use the VCI service, the CSI data.

Other states we anticipate will want to adjust their hierarchy like their hierarchy in their systems to change when the state is paying for these data, to maybe use it less often or more efficiently or different.

Some states - so last year we paused new connections to this service on the Federal Data Services Hub. We anticipate that some states might want to newly begin using these data.

And then some states might want to - some states have one connection to the Hub for both their state-based exchange and their state Medicaid and CHIP agency. And we anticipate that some states might want to break that out to be



two connections. Either maybe they only want to use the data for state-based exchange or maybe cost allocation is easier with two connections.

And so those are some changes that we think states might be interested in making. All of them require work. And typically the CCIIO annual payment notice is finalized around April. This proposal, as proposed, would go into effect July 1, 2024. And there's not a lot of time between April and July. And so what we are asking is that states start thinking about - states look at the utilization data and cost data and start thinking about how they might want to move forward if the proposal were to be finalized and start working with your - across your programs across Medicaid, CHIP and state-based exchange to have those conversations and then to work with your CCIIO and CMCS state officers to discuss these options with them and where you think you are leaning if the proposal were to be finalized.

That way we can start working together on preparing for that change if the proposal is finalized. We don't want to, you know, first start thinking about the work that's going into changing a hierarchy or splitting out a connection in April. I know it might be - you know, if the proposal is not finalized, it, you know, I don't know, it's just - it's that - it's good to just prepare early.

And so what we're asking states to do is to get together across the, you know, the state functions using the data and talk with each other about the path forward here and then talk with your state officers by the end of January at the latest so that we can start all working together on how your state would make the transition if the proposal were to be finalized.

Just looking at my notes to make sure we're all - we covered everything. I think that - so we'll need states to identify who for the state is going to submit the cost allocation methodologies across programs and things like that. So

state-based exchange, Medicaid and CHIP will need to work together on those things. And I think that's it.

With that, I'll turn it over to - back to Jackie so that we can start answering questions. Thanks everybody.

Jackie Glaze: Thank you Sara. So as Sara indicated, we are ready to start taking the state's questions. So please ask questions about today's presentation or any other general questions you may have. So as we have in the past, we'll start by taking questions through the chat function. We've already received a few and then we'll follow by taking questions over the phone line.

So (Krista) I'll turn to you to start with the chat function.

(Krista): Thank you, Jackie. I see a couple of questions here. So I'll start with the first one which is actually about continuous eligibility.

"So in our state, children who receive the Katie Beckett Part B as part of our waiver do not receive full Medicaid benefits. They receive up to \$10,000 in service that includes specified HCBS through the Department of Intellectual and Developmental Disabilities. Do they qualify for continuous eligibility as they do not receive full Medicaid benefits?"

And so I think for this question today, I did check in with the team and we'll be able to answer this one offline. We'll take this one back for today.

So just one additional question that I'm seeing in the chat right now. For states that do not currently have state-based marketplaces, will anything be shared to help estimate future costs if they go to an SBM?

I think that might be a question for the CCIIO team.

John Allison: And this is John Allison. You know, we can look at again the CMS rates in the contract that we have. We can potentially work with our MIG side of the house to see if we can determine an estimate from the FFE in terms of the number of hits against the VCI service that potentially, you know, were coming from that state.

So we potentially could have some data that the state could use if they're moving to a state-based marketplace model that they could then use to project what their anticipated use could be of the Verify Current Income Service. So yes, we potentially do have something - some data based upon the FFE usage, the state using the FFE model, that could potentially translate and allow the state to anticipate or at least have a projection of what their VCI Hub Service usage might be in a state-based marketplace model.

(Krista): Thank you so much John. I'm seeing two additional questions in here. One is, "And was it sent to all states whether or not a state currently has access to the service?"

Sara Vitolo: No, we only sent to each state their own data. And so if you don't currently have a connection to the service, you wouldn't have had data. So we wouldn't have sent it.

(Krista): Thanks Sara. And I see one actually followup question to that which is, "When to whom in the state and by whom was the data and cost information being referenced sent to the state?" So I think this person is just wanting to know who sent it and when.

Sara Vitolo: So on the Medicaid and CHIP side, the National Association of Medicaid Directors sent it. I don't remember when. I can get back to you on when. It was like maybe three weeks ago. But also we're happy to - if you didn't get it or you don't want to track it down because - we're happy to resend it. Just let us know who we should reach out to your state officer and they can get it too.

John Allison: On the CCIIO side, for the state-based exchanges, the data has come in the last couple weeks. So it's just been the last two to three weeks that we've been sending the utilization data for each SBE using the VCI service on the Hub. It has come through the CCIIO state officer. The CCIIO state officer who's our main - the state-based exchanges.

And then we've, like I said before, we've been having calls individually one-on-one with each state-based marketplace to discuss this proposal and also to, you know, point to the utilization data as well as the rates that CMS pays that the state would pay to, as Joy was discussing, the rates that the state would pay to use the VCI Hub Service. That is to obtain current income under the VCI service. Like Joy said, it's not the request to the VCI Hub Service that the state would incur costs for. It is the resulting data that they would receive.

(Krista): Thanks so much John. A couple of new questions have come in here. One is, "Would FFE be available to," - sorry, "Would FFE be available if the state seeks to contract directly with Equifax?"

Sara Vitolo: Yes. States should work through the APD process. But, yes, certain states are already doing it that way.

(Krista): Thanks Sara. And one additional question here. "What went into the determination of where to set the price structure both at the start and the raises in cost?"

Joy, (Matt)?

Joy Kraybill: Yes. And I want to check if (Matt) is on, our contracting officer.

(Matt): I'm here. Can you repeat the question?

Joy Kraybill: (Unintelligible).

(Krista): Yes, (Matt) I'm happy to repeat the question. The question is, "What went into the determination of where to set the price structure both at the start and the raises in cost?"

(Matt): I don't know how much detail I can go into about the actual negotiations but I can tell you that generally the agreement that CMS has with the DSI contractor is a GSA scheduled task order. So it is issued under a contractor's GSA scheduled contract. So in this case, Equifax, specifically Equifax Workforce Solutions, has a product called the Work Number, which offers the income and employment verification service that you may be familiar with as a fixed price item on their GSA schedule.

That price is publicly available on their GSA schedule and it is \$9.72 per transaction. So the prices that were shared with you are discounted prices that CMS was able to obtain through negotiations with the contractor and are, you know, the rates that are currently negotiated and in the agreement that CMS has with the CSI contractor as of right now. And they increase over time as the discounts diminish but they are, at least in the first few years, substantially less than what the GSA schedule negotiated rate is. Does that help with the question?

(Krista): Yes. Thanks (Matt).

Jackie Glaze: Thank you. Yes, thank you (Matt) for that response.

We're ready to move to the phone lines at this point. So (Ted) can you please provide instructions for registering the questions and then if you could open the phone lines?

Coordinator: Yes, the phone lines are now open for questions. If you would like to ask a question over the phone, please press star 1 and record your name.

To withdraw your question, press star 2. Thank you.

And again if you would like to ask a question over the phone, please press star 1.

I'm showing no phone questions at this time.

Jackie Glaze: Thank you (Ted). (Krista) are you seeing any additional questions?

(Krista): I do see one additional question in the chat which is, whether we can confirm the price of each matched transaction.

Joy Kraybill: This is Joy. I guess I'm not sure that I follow the question. I think they're asking what the costs are. And I would say the chart that came out with the data that started with \$2, the fact that the (unintelligible) was up 10 (unintelligible).

Jackie Glaze: Joy if I could interrupt you for just a moment, you're cutting out. It's difficult to hear your response.

Sara Vitolo: Jackie do you want me to jump in for Joy?

Jackie Glaze: Please.

Sara Vitolo: Sorry Joy. We're not able to hear every other word or so but I think what Joy was going to say is that for this next 12-month period, the contract costs are around \$5 per usable return and then over the next five years it escalates to about \$9 or \$10 per usable return. I should say that states - so a state kind of pings the Hub. And if there's no usable data that's returned, then we don't pay for that ping. What we pay for is when the service returns a result that is usable for income verification. So that's the \$4, \$5-ish in this next year and then \$9, \$10-ish five years from now.

(Krista): Great. Thanks, Sara. And we actually just got one very specifically related to this usable CSI data to build off of what you were just saying. So it states that states will only be charged if the VCI Hub Service returns usable CSI data, as you just mentioned. Can you confirm what will be deemed to be usable CSI data? And for example, would a response of no income record found be deemed as usable or unusable?

Joy Kraybill: And Sara I can try to take this. But please cut me off if my audio goes out again, okay?

Sara Vitolo: Yes, you sound great.

Joy Kraybill: Perfect. So this is Joy Kraybill again.

I think the way to answer this is that in the federal contract, there are - I believe it's 13 required data fields that the vendor needs to be able to provide

in order for it to be considered a return. So it's considered - or it's something that needs to be paid for if all 13 data fields can be returned. I don't know that I'd call it usable because I think usable is up to the user to determine but it's whether they can provide 13 data fields, things like date of birth, SSN, you know, amount of pay, et cetera, et cetera.

Jackie Glaze: Thank you Joy. Are there any additional questions (Krista)?

(Krista): No, I'm not seeing any additional questions in the chat. Thanks Jackie.

Jackie Glaze: Okay, thank you. So (Ted) I'll circle back to you to ask if you could please provide instructions once again for how to register a question and then if you can open the phone lines please.

Coordinator: Sure. And again if you would like to ask a question over the phone, please press star 1 and record your name. Thank you.

I'm showing no phone questions at this time.

Jackie Glaze: Thank you (Ted). So we'll give it another minute or two and then we'll close early if we don't receive any additional questions.

Hey, (Krista) I'm not seeing any, are you? I think I just saw one.

(Krista): Yes, I did just see one come through. Actually two. The first is related to continuous eligibility SPA templates. And so I'm not sure if we have the right folks on the call to answer the question but I'll ask it and ask my colleagues to chime in if they know the answer. The question is, "Have the continuous eligibility SPA templates for Medicaid and CHIP been published yet? If so, where can we find them?"



Sara Vitolo: I think we should take that one back (Krista). Thank you.

(Krista): Okay, great. I will note this one down and have our colleagues follow up offline.

And then one additional question here which is related to the presentation today. "Just to confirm one more time, it sounds like one year from now and five years from now, the price would increase to \$10. Can you clarify during which time period it would increase, over one year or over five years?"

Joy Kraybill: And this is Joy. I'll try to answer that one again. I don't think I'd word it quite the way the question worded it. Maybe I can - if you don't have the table of rates, I would try to get the table of rates because that will make it very, very clear what the cost is for each 12-month period. But I'll say it this way. Right now we're in a current 12-month period where the cost is approximately \$5 more or less.

At the end of this 12-month period, we'll go to a new 12-month period called the first option year of the contract. The cost will go up. After those 12 months, we'll go to the second option year of the contract. The cost will go up. Repeat again. And then after - in the fifth year, the rates will be just under \$10. So it's \$9 - it depends on the tier but I think it's \$9.70-something and \$9.60-something or \$9.50-something.

But I would really look for that chart because the chart spells it out very clearly what the exact dollar and cents cost is for each return to match from CSI. So it depends on which 12 months of the year you're talking about.

Jackie Glaze: Thank you Joy.

So in closing, I would like to thank our presenters for their discussion today. Looking forward, the topics and invitations will be forthcoming. I would also like to note that this will be the last call this year. And so we will resume the calls beginning on January the 9th which is on a Tuesday.

If you do have questions that come up before then, please feel free to reach out to us, your state lead or bring the questions to the next call.

So again we do want to thank you for your participation this year and we do look forward to you joining us next year's call. So thank you again and we hope everyone has a great afternoon.

Coordinator: This concludes today's call. Thank you for your participation. You may disconnect at this time.

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