

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Kentucky

ASSET VERIFICATION SYSTEM

- 1940(a) 1. of the Act      The agency will provide for the verification of assets for purposes of determining or redetermining Medicaid eligibility for aged, blind and disabled Medicaid applicants and recipients using an Asset Verification System (AVS) that meets the following minimum requirements.
- A.      The request and response system must be electronic:
    - (1)      Verification inquiries must be sent electronically via the internet or similar means from the agency to the financial institution (FI).
    - (2)      The system cannot be based on mailing paper-based requests.
    - (3)      The system must have the capability to accept responses electronically.
  - B.      The system must be secure, based on a recognized industry standard of security (e.g., as defined by the U.S. Commerce Department's National Institute of Standards and Technology, or NIST).
  - C.      The system must establish and maintain a database of FIs that participate in the agency's AVS.
  - D.      Verification requests also must be sent to FIs other than those identified by applicants and recipients, based on some logic such as geographic proximity to the applicant's home address, or other reasonable factors whenever the agency determines that such requests are needed to determine or redetermine the individual's eligibility.
  - E.      The verification requests must include a request for information on both open and closed accounts, going back up to 5 years as determined by the State.

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2. System Development

A. The agency itself will develop an AVS.

In 3 below, provide any additional information the agency wants to include.

B. The agency will hire a contractor to develop an AVS.

In 3 below provide any additional information the agency wants to include.

C. The agency will be joining a consortium to develop an AVS.

In 3 below, identify the States participating in the consortium. Also, provide any other information the agency wants to include pertaining to how the consortium will implement the AVS requirements.

D. The agency already has a system in place that meets the requirements for an acceptable AVS.

In 3 below, describe how the existing system meets the requirements in Section 1.

E. Other alternative not included in A. – D. above.

In 3 below, describe this alternative approach and how it will meet the requirements in Section 1.

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3. Provide the AVS implementation information requested for the implementation approach checked in Section 2, and any other information the agency may want to include.

In order to implement the requirements of an asset verification system, the Kentucky Department for Medicaid Services will select a contractor through a Request for Proposal (RFP) process. The contractor will meet the Commonwealth's regulatory criteria and qualifications. The contractor will be responsible for utilizing the required authorizations from applicants and recipients to carry out the asset verification program aforementioned in Section 1 and consistent with the program utilized by the Commissioner of Social Security under section 1631(e)(1)(B)(ii) of the Social Security Act. The Commonwealth will provide guidance to the contractor in the development of the program and monitor the program's implementation. The contractor shall be responsible for compilation of data for the Commonwealth to comply with federally required AVS report submissions. The contracted entity shall be subject to the same requirement on use and disclosure of information as would be applicable if the Commonwealth were to directly perform the AVS activities.