

### **Electronic Residency Verification: Consortia Overview**

*This paper is considered DRAFT and should be used for discussion purposes only*

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#### Overview

- The 2013-15 state budget directed DHS to implement a data exchange in order to verify residency electronically.
- Early phases were conducted centrally by DHS to define constraints and best practices that would maximize results for worker efforts.
- The data match and follow-up research will be rolled out for childless adult members, based on the information received from a data exchange.
- Electronic residency verification will be implemented statewide beginning January 1, 2016.
- This led to an increase in the income maintenance (IM) base contract from the original \$2.6 million to \$2.8 million.

#### Description and Background

- The 2013-15 state budget created section 49.84 (7) of the Wisconsin Statutes directing DHS to implement a data exchange to electronically verify residency of applicants and recipients in order to reduce benefits that are incorrectly issued to nonresidents.
- The law contains exceptions for persons who reside in nursing homes, children placed in foster care, and persons who are receiving FoodShare benefits who have already provided an acceptable form of residency verification. This will exclude FoodShare-only cases from the initiative, but not cases that have both a FoodShare and health care component.
- A contract was awarded to Public Consulting Group (PCG) in order to establish an electronic data source.
- PCG subcontracts with a LexisNexis database tool to conduct extensive search for address evidence. For example, searching utility and cell phone bills, subscriptions, fishing licenses, etc.

#### Phase 1: 2014

- In June 2014, DHS conducted an initial data exchange of the 1.2 million members in CARES who had an open and ongoing health care case, with or without a FoodShare component.
- This exchange resulted in over 38,000 individuals identified as “leads” for potentially living out of state. This did not mean they were in fact living out of state, but that research may be required to verify residency.
- PCG conducted an initial analysis of this data and delivered a “hot spot” report indicating geographic and programmatic concentrations. Hot spots included:
  - Counties bordering other states, and
  - Institutional Medicaid members and BadgerCare Plus childless adults.
- The Office of the Inspector General (OIG) drew a random sample of 150 leads in the initial exchange and assigned researchers to verify residency and document their results.

#### Lessons learned from Phase 1:

- The PCG results and the OIG investigation identified strategies to achieve a manageable workload volume and maximize the value of the leads.
- Even though Institutional Medicaid had a high concentration and number of leads, a deep dive into the information revealed that out of state data predated their institutionalization in Wisconsin.
- Some of the older lead data proved less valuable, so future PCG reports will exclude any leads that are based on address data more than six months old.

## Phase 2: January 2016 – ongoing

- Phase 2 will be limited to childless adults receiving BadgerCare Plus, with or without a FoodShare component.
- To increase the likelihood of savings, DHS will exclude:
  - Members marked as homeless or those who are otherwise using the agency address,
  - Members that are within 3 months of initial application, and
  - Any members who were part of a data exchange within the past six months.
- Administrative funding for performing this work was incorporated as an approximately \$200,000 increase to the base contract amount.

## Data Exchange

- DHS will upload select individuals with open and ongoing cases for PCG to search and PCG will return results in an Excel report, which CARES Call Center will distribute to IM agencies.
- Each exchange will result in leads where a “best known address” according to PCG’s search conflicts with residential and mailing addresses known to CARES and also appears to be out of state.
- Depending on the success of this initiative, DHS may look to interface with CARES in the future. Prior to automation, DHS will identify lessons learned and collect data.

## File Details

- DHS will perform the extract and submit inputs to PCG listing an individual’s name, date of birth, social security number, address, and program of enrollment.
- PCG will return a Residency Lead Report, appending the following fields to the CWW fields: AddressMatchedFlag, OutOfStateFlag, BestAddress1, BestAddress2, BestCity, BestState, BestZip, BestFirstSeen, and BestLastSeen, along with two columns for researchers to record their results.
- The CARES Call Center will distribute the Residency Lead Report to the IM agencies in Excel format via encrypted email.

## Roll-out

- Beginning January 1 2016, DHS will extract cases to be processed through the data exchange and the return leads will be distributed to the IM agency for follow-up.
- A forthcoming operations memo will identify research and documentation guidelines.
  - Required steps will include: making a note in case comments that research has begun, checking previous case comments, contacting the public benefits agency in the purported state and examining out of state EBT usage for FoodShare Members.
  - Other best practices may include using member contact, Google, Facebook, CCAP, KIDS, etc. depending on whether these are allowable and appropriate for your agency.
  - Consortia will have 45 days from distribution to research the leads and report results back to the CARES Call Center. Cases of suspected intentional fraud will be referred to the IM fraud consortia.

## Workload

- The consortia will receive a lead report either on a quarterly or monthly basis. We welcome consortia feedback on the frequency of these reports.
- The first data match will include approximately 100,000 individuals, the number of individuals who met the inclusion criteria (as of April 2015).
- The initiative estimates that 1-4 percent of members may be ineligible for residency reasons, so an exchange input of 100,000 is estimated to generate 4,000 leads.
- Based on the work completed by OIG as part of Phase 1, 4,000 leads are expected to result in a workload of about 1,000 hours statewide to research leads and record results.
- Subsequent matches are expected to be at a lower volume as each report will exclude any individuals exchanged in the previous six months.
- IM agencies will report results on the spreadsheet by selecting from a drop-down menu of six outcomes in the ‘results’ column, and returning the file to DHS via dropbox.