

NUMBER

#24-21-03

DATE

March 28, 2024

OF INTEREST TO

County Directors

Social Services Supervisors and
Staff

Financial Assistance Supervisors
and Workers

Tribal Chairpersons and Tribal
Health Directors

Navigators, Certified
Application Counselors and
Brokers

ACTION/DUE DATE

Please read and implement.

EXPIRATION DATE

March 28, 2026

DHS Explains Electronic Verification of Certain Assets for Minnesota Health Care Programs

TOPIC

Using the Account Validation Service (AVS) to electronically verify certain assets when determining eligibility for Medical Assistance (MA) for people who are age 65 or older, who are blind or who have disability (MA-ABD), and for the Medicare Savings Programs (MSP).

PURPOSE

This bulletin provides information about using AVS to electronically verify certain assets.

CONTACT

County and tribal eligibility workers should submit policy questions via HealthQuest.

All others should direct questions to:

Health Care Eligibility and Access Division
PO Box 64989
540 Cedar Street
St. Paul, MN 55164-0989

SIGNED



JULIE MARQUARDT, Interim State Medicaid Director
Health Care Administration

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

I. Background

For applicants and enrollees of Minnesota Health Care Programs (MHCP) who are subject to an asset limit, the total value of their countable assets must be within program limits to qualify for and maintain eligibility. Paper proof is required to verify the value of assets a person owns to determine that the assets do not exceed program limits at application, renewal and when changes in assets are reported between renewals.

The Account Validation Service (AVS) has been used to identify if an applicant or enrollee, spouse, or sponsor and the sponsor's spouse, if applicable, had unreported financial accounts. When AVS returned information about an account that the applicant or enrollee had not previously reported, the county or tribal worker requested more information from the individual about the account to resolve the inconsistency. Eligibility could not be determined or redetermined until the inconsistency was resolved.

In [Bulletin #23-21-19](#), the Department of Human Services (hereafter referred to as "DHS" or "we") announced a temporary asset disregard policy for people who were enrolled in MHCP on March 31, 2023, and were subject to an asset limit when they applied or at their most recent eligibility redetermination. Enrollees in the "asset disregard group" who have assets in excess of program limits are provided an asset disregard until their second annual eligibility renewal is conducted after March 31, 2023.

Beginning with renewals due for July 2024 eligibility, enrollees in the asset disregard group will start to have their second annual renewals conducted after March 31, 2023, and program asset limits will apply. The temporary asset disregard will be phased out over 12 months starting with the July 2024 renewal cohort and ending with the June 2025 renewal cohort.

To expedite asset verification for applicants and enrollees, AVS will now be used to electronically verify certain types of assets at application and at an enrollee's annual renewal and will now be known as the Asset Verification Service. County and tribal workers will use information returned by AVS to verify certain assets and will include AVS verified values in application and renewal eligibility determinations, instead of requesting paper documentation from applicants and enrollees whenever possible.

II. AVS as an Electronic Verification Service

AVS gathers information from financial institutions about certain financial accounts including checking, savings, money market accounts and certificates of deposit (CDs). AVS searches a database of the nation's largest financial institutions for the presence of an account associated with the person's Social Security number, and performs a geo-search based on the person's home address zip code.

The information returned by AVS may include:

- Open and closed accounts in the name of the person
- Other account owner names and account numbers associated with the person's account
- The account balance as of the first day of the month of the request

AVS does not provide information such as:

- Individual transactions for an account, such as deposits and withdrawals
- Stocks, bonds, securities, and mutual funds purchased through a brokerage firm
- Life insurance policies issued by insurance companies
- Accounts from financial institutions that respond more than 90 days after the request

At application and renewal, workers must use AVS to electronically verify financial accounts (i.e., checking, savings, money market accounts and CDs).

A. AVS Authorization

The policies describing the authorization requirements for AVS in the Minnesota Health Care Programs Eligibility Policy Manual (EPM) continue to apply. See EPM [Section 2.3.1.3 MA-ABD Authorization to Obtain Information](#). There are no changes about who must sign the authorization form or when a new authorization form ([DHS-7823](#)) is required. A valid authorization form is a condition of eligibility. Workers must deny or close eligibility when any person whose signature is required on the authorization form refuses to sign or revokes the authorization and provide notice of denial to the applicant or a 10-day advance notice of closure to the enrollee.

B. Using AVS at Application

Beginning with applications received on and after April 1, 2024, county and tribal workers must use AVS to verify financial accounts for all of the following:

- People applying who have an MA-ABD basis of eligibility who are subject to an asset limit, including people with an MA-ABD basis of eligibility requesting MA for payment of long-term care (LTC) services or Emergency Medical Assistance (EMA).
- People applying for Medicare Savings Programs (MSP): Qualified Medicare Beneficiaries (QMB), Service Limited Medicare Beneficiaries (SLMB), Qualified Individuals (QI) and Qualified Working Disabled (QWD).
- People enrolled in other MHCP who experience a change in circumstances and are being redetermined for MA-ABD or an MSP.

When an application is received, the county or tribal worker must first confirm that a valid AVS authorization form ([DHS-7823](#)) is on file, and then submit a request through AVS as soon as possible. The worker must wait 10 days after the date the request was submitted to allow AVS to return results before completing the eligibility determination. During this time, the worker must review the application and any paper proofs provided with the application, and request information about other types of assets reported if paper proofs were not provided with the application. The worker must not require paper proofs for financial accounts that AVS can verify (i.e., checking, savings, money market accounts and CDs).

The worker must use any AVS returned results and all required proofs submitted by the applicant in the reasonable compatibility check. The reasonable compatibility check must occur after the 10-day wait time for AVS results has elapsed and the enrollee has submitted all requested proofs for other assets that cannot be verified by AVS. (See Section II.D.)

C. Using AVS at Renewal

Beginning with annual renewals due for July 2024 eligibility, county and tribal workers must use AVS to verify financial accounts for MA-ABD enrollees who are subject to an asset limit including those receiving MA for LTC services or EMA.

1. Ex Parte Renewals

The simplified ex parte renewal process announced in [Bulletin #23-21-18C](#) uses electronic sources and information from the enrollee's MAXIS case without requiring more information from the enrollee to renew coverage. For enrollees selected for ex parte renewal, workers must confirm that a valid AVS authorization is on file and, if so, must submit a request to AVS up to three months before the annual renewal month. (If a valid authorization is not on file, the enrollee's eligibility cannot be renewed through the ex parte process. They are systematically mailed a renewal form and the worker must mail the authorization form ([DHS-7823](#)) to the enrollee to complete and return.) After 10 days the worker must review the AVS results to determine whether the enrollee is asset eligible for the ex parte process to continue.

The ex parte process continues if either of the following occur:

- AVS returns financial accounts that exactly match the financial accounts in the enrollee's case (i.e., the account numbers and financial institutions match, not account values), and the sum of all account values provided by AVS plus the value of other countable assets in the MAXIS case are at or below the applicable program asset limit.
- AVS returns financial accounts that do not exactly match the financial accounts in the enrollee's case, but the sum of all account values provided by AVS combined with the value of any non-matching financial accounts in the MAXIS case, plus the value of any other countable assets in the case are at or below the applicable program asset limit.

Enrollees eligibility cannot be renewed through the ex parte process, and they must complete a renewal form if the total account values provided by AVS, combined with the value of any non-matching financial accounts in the MAXIS case, plus the value of other countable assets in the case are above the applicable program asset limit.

2. Paper Renewals

Enrollees who cannot be renewed through the ex parte process are mailed a renewal form to complete and return. After confirming that a valid AVS authorization is on file, the worker must submit a request to AVS up to two months before the enrollee's annual renewal month, but no later than 10 days before the renewal processing month. This is to ensure that renewal

processing is not delayed while waiting for an AVS response. (If a valid authorization is not on file, the worker must mail the AVS authorization form ([DHS-7823](#)) to the enrollee to complete and return.)

After receiving the renewal form, the worker must request paper proof for countable assets reported that cannot be verified by AVS if the proofs were not provided with the form. The worker must not require paper proofs for financial accounts that AVS can verify (i.e., checking, savings, money market accounts and CDs).

The worker must use any AVS results returned, and all required proofs submitted by the enrollee in the reasonable compatibility check. The reasonable compatibility check must occur after the 10-day wait time for AVS results has elapsed and the enrollee has submitted all requested proofs for other assets that cannot be verified by AVS. (See Section II.D.)

D. The Reasonable Compatibility Check

The worker performs a reasonable compatibility check to determine asset eligibility for an applicant or enrollee. Reasonable compatibility compares the value of all applicant or enrollee reported countable assets and the value of total countable assets after verification to the applicable program asset limit. If these values are reasonably compatible, assets are considered verified, and the applicant or enrollee is asset eligible.

The reasonable compatibility check does not alter requirements for which assets must be verified or how assets are counted. Applicants and enrollees must continue to provide paper proof for all types of assets that AVS cannot verify. Workers must assist applicants and enrollees who are unable to provide proof, including obtaining their authorization to contact a third party on their behalf, if appropriate. Self-attestation is accepted if electronic or paper proofs do not exist or are unavailable. See EPM [Section 2.3.1.1 MA-ABD Mandatory Verifications](#).

When the worker is determining eligibility for MSP in addition to MA, a separate reasonable compatibility check must be performed for MSP. In situations where assets are reasonably compatible for MSP but exceed the asset limit for MA, approve or renew the MSP without requiring the person to provide further verification of assets for that program.

The reasonable compatibility check consists of three steps.

Step 1: The worker adds the countable asset values reported on the application or renewal form (including at renewal those indicated in the MAXIS case) together and compares the total reported assets to the applicable program asset limit.

- If the total value of reported assets is above the applicable asset limit, workers must give applicants or enrollees an opportunity to reduce their assets. If they do not reduce their assets within the allotted timeframe, deny eligibility for an applicant or close with 10-day advance notice to the enrollee.

- If the total value of reported assets is at or below the applicable program asset limit, the worker proceeds to step 2.

Step 2: The worker evaluates the financial account information returned by AVS to determine whether there are any financial accounts reported on the application or renewal form (including at renewal those indicated in the MAXIS case) that do not appear in the AVS results.

The worker adds together all of the following:

- The value of financial accounts, if any, returned by AVS.
- The value of any financial accounts reported on the application or renewal (including at renewal those indicated in the MAXIS case) that do not appear in the AVS results.
- The value of all other verified assets.

Note: An applicant or enrollee may submit paper proof for a financial account with the application or renewal form that is more recent than AVS results. When this occurs, use the asset value indicated by the paper proof to determine reasonable compatibility instead of the AVS returned value.

The worker proceeds to step 3.

Step 3: The worker compares the results from step 1 and step 2.

- If both amounts are at or below the applicable program asset limit, then the applicant or enrollee's assets are reasonably compatible and considered verified. The applicant or enrollee is asset eligible. Workers must record the verified asset values used in the reasonable compatibility check in the person's MAXIS case.
- If the result of step 1 is at or below the applicable program asset limit, and the result of step 2 is above the applicable asset limit, the applicant or enrollee's assets are not reasonably compatible.

When AVS values were used in the reasonable compatibility check and assets are not reasonably compatible, the worker must request more information from the applicant or enrollee about the assets before determining eligibility. The worker must not deny or close eligibility until the applicant or enrollee has had an opportunity to refute AVS results or show assets have been reduced to be at or below the asset limit by sending paper proof.

If an applicant or enrollee sends paper proof, use it if it is more recent than the AVS results. If the applicant or enrollee does not provide the requested information by the due date, deny eligibility for the applicant or close with 10-day advance notice to the enrollee.

Example 1:

Kasha, a single person with a disability applies for MA. Kasha reports on the application form a Wells Fargo account #456 with a balance of \$850. She provides verification of a second vehicle valued at \$1,000 and reports no other countable assets. AVS results indicate that she has a Wells Fargo account #456 with \$950.

Step 1: The total value of assets Kasha reported is \$1,850 (i.e., Wells Fargo account of \$850 plus second vehicle valued at \$1,000). This is below the \$3,000 MA asset limit.

Step 2: The total value of Kasha's assets returned from AVS is \$950. Adding the verified value of \$1,000 for the second vehicle, the total value of Kasha's verified assets is \$1,950. This is below the \$3,000 MA asset limit.

Step 3: Kasha's assets are reasonably compatible because step 1 and step 2 results are both at or below the MA asset limit, and she is asset eligible. Record the AVS results for the Wells Fargo account in Kasha's MAXIS case.

E. Unreported Accounts

When information about an account that has not been reported by the applicant or enrollee is returned by AVS, this is an unreported account. Eligibility must not be denied or terminated based solely on the detection of an unreported account.

When assets are reasonably compatible, even if there is an unreported account, the person is asset eligible and not required to provide more information or paper proof about the unreported account. Consider the account verified and document that in the applicant or enrollee's case in MAXIS.

However, when the applicant or enrollee's assets are not reasonably compatible, the worker must request more information before determining eligibility. The worker must not deny or close eligibility until the applicant or enrollee has had an opportunity to refute AVS results or show the assets have been reduced to be at or below the asset limit by sending paper proof.

If the person submits paper proof, the worker must use the documentation that is the most recent, either the paper proof or the AVS results as the asset verification. If the applicant or enrollee does not provide the requested information by the due date, deny eligibility must for the applicant or close with 10-day advance notice to the enrollee.

Example 2:

Kasha, a single person with a disability applies for MA. Kasha reports on the application form a Wells Fargo account #456 with a balance of \$850. She provides verification of a second vehicle valued at \$1,000 and reports no other countable assets. AVS results indicate that she has a Wells Fargo account #456 with \$1,200 and a U.S. Bank account #789 with \$1,000.

Step 1: The total value of assets Kasha reported is \$1,850 (i.e., Wells Fargo account of \$850 plus second vehicle valued at \$1,000). This is below the \$3,000 MA asset limit.

Step 2: The total value of assets returned from AVS is \$2,200. Adding the verified value of \$1,000 for the second vehicle, the total value of Kasha's verified assets is \$3,200. This is above the \$3,000 MA asset limit.

Step 3: Kasha’s assets are not reasonably compatible because the amount in step 2 is above the MA asset limit. The worker sends Kasha the Asset Reduction letter ([DHS-3341](#)) and notes in the letter the AVS results that Kasha may refute by sending more recent paper proof. Kasha may provide proof that she has reduced her assets by \$200 or she may provide more recent paper proof of her account values. If Kasha provides proof that her assets have been reduced, she is asset eligible for MA. If Kasha provides more recent paper proof of her financial accounts, the worker must use these account values instead of those returned by AVS in step 2 of the reasonable compatibility check.

III. Action Required

County and tribal eligibility workers must follow the policies outlined in this bulletin.

IV. Legal Authority

Section 1940 of the Social Security Act

42 Code of Federal Regulations, § 435.916

42 Code of Federal Regulations, § 435.952

Minnesota Statutes, section 256.01, subdivision 18f

Minnesota Rules, part 9505.0095

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling 651-297-3862 or toll free at 800-657-3672 or by using your preferred relay service. For other information on disability rights and protections, contact the agency’s ADA coordinator.