



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

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MEDICAID COMMUNICATION NO. 17-16 DATE: December 27, 2017

TO: NJ FamilyCare Eligibility Determining Agencies

SUBJECT: Implementation of the Asset Verification System (AVS)

Federal regulations found under Section 1940 of the Social Security Act [42 USC 1396w] and New Jersey State regulations under 10:71-4.2(b)3 require the verification of liquid assets held in financial institutions for purposes of determining Medicaid eligibility for applicants or beneficiaries under the NJ FamilyCare - Aged, Blind and Disabled (ABD) Medicaid programs. As a result, New Jersey contracted with an electronic Asset Verification System (AVS) as of July 2016, which coordinates with financial institutions to detect and verify bank accounts based on identifiers including Social Security Numbers.

The AVS is only used to verify the bank records for Aged, Blind and Disabled Medicaid program applicants at initial application, annual redeterminations and other applicable changes in circumstances and may not be used for any other purposes. Authorization for an AVS check is a condition of eligibility and is part of the application. In the event that an applicant or beneficiary does not consent to this verification process the individual shall be denied for medical assistance per 42 U.S.C. 1396w(f).

If an account is located due to a match on the data entered by the eligibility worker, the automated AVS will return monthly balances on both opened and closed accounts held by the applicant/beneficiary at any time within the requested time frame (up to 60 months for those seeking long term care services and supports). The monthly balances reported are what existed as of 12:01 a.m. on the first day of the month(s) requested.

The AVS must be used first when performing the resource assessment for NJ FamilyCare - Aged, Blind and Disabled applicants/beneficiaries. While the balances reported on the AVS are determinative when approving eligibility, workers must still request resource information (sampling of quarterly statements or other information as needed) from the applicant/beneficiary if there is no response or no account found by the AVS within 15 business days that was reported on the application. In situations where resource information reported by the AVS would make the applicant/beneficiary ineligible or if information received from the AVS is inconsistent, then the eligibility worker shall request the bank statements from the applicant/beneficiary for review before issuing an approval or denial of benefits in accordance with 42 CFR 435.952(d).

If the client does not provide the bank statements in response to the CWA request, then the case can be denied based upon the AVS search.

For the 5 year (60 month) look-back review, if an eligibility worker identifies a change in the monthly balances reported that is greater than \$2,000, quarterly bank statements for the affected time period should be requested from the applicant/beneficiary for further review to ensure that there are no transfers of assets. If more information is necessary, additional statements may be requested. Eligibility workers are not required to scan AVS documents (reports) into DIMS (Document Imaging Management System) as this information will be saved on the Worker Portal. However, any received paper documentation must be scanned into DIMS.

All AVS requests for an applicant/beneficiary are limited to the time frames as follows:

ABD Applicant/Beneficiary	Retroactive Eligibility	Community Medicaid or other program that does not require long-term services and supports	Long Term Services and Supports (or other programs that require a 5 year (60 month) look-back review	Annual Redetermination/ Reported Change in Circumstances
AVS Review/ Request Period	3 months prior to month of application	Month of application thru the month eligibility determined	60 months prior to month of first application + month(s) eligibility determined	Month after initial eligibility established (or previous redetermination date) thru the month redetermination processed

The AVS is an eligibility verification tool; it is not always the end of the verification process. More information may be required from the applicant to complete the verification processes. Not all financial institutions participate in the AVS as it is not a federal requirement. Financial institutions who voluntarily participate may provide information on the following types of accounts:

- Checking/Savings bank accounts
- CDs (Certificates of Deposit) in bank accounts
- Custodial bank accounts
- Burial or funeral bank accounts
- IRA (Individual Retirement Account) bank accounts
- Money Market bank account
- Keogh bank accounts (for self-employed individuals)
- Rent securities held in bank accounts
- Christmas club bank accounts

Note: Applicants and beneficiaries who have a Special Needs Trust or a Qualified Income Trust cannot be verified by the AVS as all bank statements for these accounts must be submitted and reviewed for compliance/eligibility purposes.

Administrative renewals may now be processed for ABD cases, if all eligibility verifications can be completed electronically. All electronic verifications must be included in the case file and scanned into DIMS with an appropriate cross reference sheet, as needed.

Any updates or enhancements to the AVS will be disseminated via email to Eligibility Determining Agency supervisors/directors as appropriate. If you have any questions regarding this Medicaid Communication or the AVS, please refer them to the Division's Office of Eligibility field staff for your agency at 609-588-2556.

MD:jm

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