



# Improving data services for benefits delivery

Fixing the technology and processes that underpin access to health coverage for more than 90 million Americans.

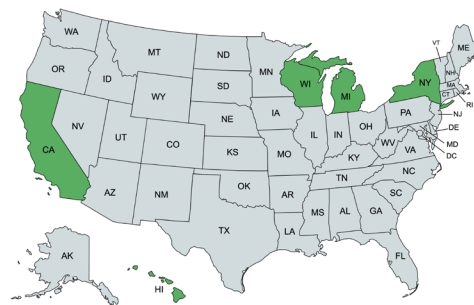
**Collaborating agencies:** HHS (HRSA, CMS, ACF), USDA (FNS), SSA, Treasury (BFS, IRS), HUD

**Foundation:**  
Discovery Research & Life Experience Charter

The United States Digital Services (USDS)-led *Data Services* team is seeking to reduce the administrative burden of navigating Federal programs using data and technology. The team’s work in 2023 focused on improving Federal services used to verify income during application and renewals, as well as providing direct technical assistance to States managing Medicaid renewals during the unwinding of the national Public Health Emergency.

**Medicaid renewals rapid response.** With the unwinding of the national Public Health Emergency, States restarted eligibility renewals for more than 90 million people covered by Medicaid. This renewal volume has caused significant operational challenges for States and placed a considerable burden on Medicaid recipients seeking to renew. To tackle this challenge, USDS deployed a rapid response team to provide direct technical assistance to States to understand and identify opportunities to streamline and simplify State workload and customer experience. Through this work, the Center for Medicaid & CHIP Services (CMCS), USDS, and State partners identified an error in State eligibility systems that resulted in erroneous coverage losses for over 500,000 children and families<sup>1</sup>. Thanks to the hard work, all 500,000+ people will have their Medicaid coverage reinstated across nearly 30 States. Beyond the resolution of this error, the rapid response team’s efforts on the ground in States have enabled millions of people to be renewed for Medicaid, as required by law, using existing data (*ex parte*), significantly reducing the burden on individuals and preventing administrative churn<sup>2</sup>, in particular for children. Rapid response teams have also implemented customer experience improvements with State partners, from improving renewal websites to redesigning the envelopes that package mailed notices.

**Income verification as a service.** Federally funded, State-administered programs like Medicaid, SNAP, and TANF require income verification as an essential part of eligibility determinations. Electronic verification processes are currently restricted to serving traditional earners (those that receive an annual Federal W-2 tax form) and lack the means for verifying non-traditional earners (those that receive a form 1099, “gig” laborers, and populations that lack specific types of personal information like Social Security numbers). The *Income Verification* team partnered with CMS and SNAP to pilot technology improvements to the verification process, which aim to reduce administrative burden, expand electronic verifications for all earners, and provide more efficient and integrated service to enable cross-enrollment and minimize duplication of effort (and costs) by State administrators.









To date, the team is on track to deliver more than 2,000,000 automatic recertifications across five states.

<sup>1</sup> <https://www.medicaid.gov/sites/default/files/2023-08/state-ltr-ensuring-renewal-compliance.pdf>

<sup>2</sup> Administrative churn occurs when an individual is disenrolled, likely due to the administrative burden of renewal processes, and then re-applies within a short period. Medicaid churning and continuity of care [ASPE, 2021]

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### DESIGN PHASE MILESTONES

Milestone	Status	Notes
Examine legal authority for the Centers for Medicare and Medicaid Services (CMS) of HHS to reuse income data from health and human services programs while upholding privacy protections for individuals, consistent with applicable law.		<b>In progress.</b> Timing changed from FY 2023 Q4 to FY 2024 Q3. HHS has evaluated possible data sharing scenarios and use cases.
Produce a baseline report with State needs and opportunities.		<b>In progress.</b> Timing changed from FY 2023 Q3 to FY 2024 Q4. The project team convened a summit with 30 state leaders in health and human services, and has identified priority state needs.
Test a prototype to offer multiple income verification data sources to agencies and States.		<b>In progress.</b> Timing changed from FY 2023 Q4 to FY 2024 Q3. State prototypes are underway to enable automated <i>ex parte</i> renewals (determining someone's eligibility with data already available), as required by law, using income verification data, including integration of new data sources and improved decision logic.
Review agency and program use data of existing services to support development of the business model for the design and expansion of the service.		<b>In progress.</b> Timing changed from FY 2023 Q4 to FY 2024 Q3. Deep dives with CMS and FNS on data use and program requirements are under way.
Propose improved guidance on permissible reuse of income data across programs, including a proof of concept to improve income verification.		<b>In progress.</b> Timing changed from FY 2023 Q4 to FY 2024 Q3. Data access and reuse guidance for States is in development.
Initiate State and Federal agency pilots, to the extent allowable within existing authorities, to test the income verification model.		<b>In progress.</b> Timing changed from FY 2023 Q4 to FY 2024 Q3. State Quarterly Wage Data pilot is under way. Additional pilots are planned through FY24 Q2.

### DESIGN PHASE PROJECT MEASURES

Design Phase Measure	Assessment Approach & Data	December 2023 Status
Increase in successful automatic verifications and decrease in the time it takes eligible claimants to enroll.	Pre and post numbers of auto-renewal and/or rate of number of people renewed after the intervention; using state administrative data; impact projected based on annual measures.	Too early to assess.
Improve coverage of automatic verifications for impacted group(s).	To be determined.	Too early to assess.
Increase the percentage of successful verifications run through the existing Federal services data hub.	To be determined.	Too early to assess.



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## Project Summary

The project seeks to improve automated benefits determinations for people facing financial shock by improving underlying Federal data infrastructure. Benefits programs rely on income verification to determine eligibility. In cases where programs cannot verify income data, applicants must manually verify their income, a burdensome and time-consuming process. By improving income verification services and improving the quality of verification data coverage, the Federal government can better leverage existing Federal data systems and, in doing so, greatly improve the customer experience of applying for and seeking enrollment in benefits programs that use these systems. Longer term, improvements in income verification can potentially be piloted across agencies with benefits programs to improve the experience of individuals applying to multiple benefits programs.

**Customer pain point:**

Applying for and enrolling in benefits programs can be confusing and time-consuming. By improving efficiencies in the systems that deliver these services, we can provide critical, quicker responses that address initial financial shocks. Overcoming these barriers would enable a quicker recovery and prevent further financial spirals that can have a compounding effect.

## Project Objectives

The improving data services project will pilot improvements for benefits-related income verification services and determinations for Federal and State-administered benefits programs. It will also explore using these improvements across additional benefits programs, such as SNAP and TANF.

**Target milestones in 2023 include:**

- Examine agencies' legal authorities to reuse income data across SNAP, Medicaid and TANF while upholding privacy protections for individuals and consistent with applicable law

- Analyze data that tracks the use of the service to support development of the business model for the design and expansion of the service
- Test a prototype to offer multiple income verification data sources to agencies and States
- Propose improved guidance on reuse of income data across programs
- Initiate State and Federal agency pilots, to the extent allowable within existing authorities, to test the verification model

**Primary deliverables in 2023 include:**

- Develop baseline report with State needs and opportunities for data improvements
- Analysis of tracking data currently collected from an existing Federal services data hub to support development of business model
- Develop model for proof of concept to improve verifications
- Proposal for consolidated Federal guidance on reuse of income data

## Measures of Success

**Key outcomes:**

Successfully improving data services will decrease the time needed for benefits eligibility determinations, improve benefits verification (by increasing automatic verifications and the quality of the source data), increase sharing of data or supporting systems for eligibility determinations, and decrease the manual burden on applicants.

**Design phase project measures:**

- Increase in successful automatic verifications and decrease in the time it takes eligible claimants to enroll
- Improve coverage of automatic verifications for impacted group(s)
- Increase the percentage of successful verifications run through the existing Federal services data hub