

Income Eligibility Verification System (IEVS) and Reasonable Compatibility

Fact Sheet June 2021

Policy Overview

The Health First Colorado (Colorado's Medicaid program) and Child Health Plan Plus (CHP+) programs accept self-attestation of earned and unearned income to determine eligibility for an applicant. An individual must not be required to provide documentation of income unless the self-attestation of income cannot be verified electronically, or the information verified electronically is not reasonably compatible.

The Reasonable Compatibility check applies to all MAGI programs and for certain Non-MAGI categories. It will not apply to the Old Age Pension (OAP) categories, Breast and Cervical Cancer program (BCCP) or SSI Mandatory.

What is reasonable compatibility?

Reasonable compatibility is a method of verification used for Medical Assistance programs that compares a member's self-attested income against income provided by an electronic data sources. The Department verifies income information provided by either the Federal Data Services Hub (FDSH), Equifax The Work Number (TWN), and the Colorado Department of Labor and Employment (CDLE) through the Income and Eligibility Verification System (IEVS) interface.

When is a member considered not reasonably compatible?

A member's income is not reasonably compatible when their income verification fails the reasonable compatibility check. This check entails self-attested income is below the income guidelines and the electronic income verified is above the income guidelines.

The two income amounts are then compared and if the difference between the two is over the reasonable compatibility threshold percentage of 10 percent, the

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income is not reasonably compatible. The Colorado Benefits Management System (CBMS) will consider all income for the member when conducting this check.

What happens when a member's income is not reasonably compatible?

If income information provided by or on behalf of a member is determined not reasonably compatible with income information obtained through electronic data sources, an Income Discrepancy Verification notice will be sent to the member. The member is provided a Reasonable Opportunity Period (ROP) of 30 days to provide a reasonable explanation of the discrepancy. A reasonable explanation includes an explanation or proof of income documentation supporting why there is an income increase based on the electronic data reported.

Does the member have to respond to the discrepancy notice?

If the member agrees with the electronic wage data reported on the income discrepancy verification notice, the member does not need to respond, and their eligibility will be determined using the income information from the electronic wage data. If the member disagrees with the income discrepancy verification notice a reasonable explanation or proof of current income, such as a letter from their employer or a paystub needs to be provided within 30 days of the ROP, or their eligibility may be affected.

Will the spouse's income be included for the Working Adults with Disabilities Buy-In program when performing the Reasonable Compatibility check?

No, a spouse's income is not used because a member on the (WAwD) program is considered a household of one for determining eligibility.

Will all countable income for the household be used to perform the Reasonable Compatibility check for the Children with Disabilities Buy-in program?

Yes, all countable income for determining eligibility for the (CBWD) program will have a Reasonable Compatibility check.

Can applicants that have a Social Security Number (SSN) but are not working in the State of Colorado self-declare



income? For example, clients may live in Colorado but work in Wyoming or Kansas.

Yes, an applicant can self-declare income when working out of state. Some out of state employers report to the CDLE, FDSH, and/or TWN. When an individual self-declares income and is known to work for an out of state employer, and this income cannot be verified through either CDLE, FDSH, and/or TWN, the case will automatically pend for income verification. The member will have 10 business days to provide proof of income.

What is the process for eligibility workers to follow when a member states they were a victim of identity theft?

These individuals should be encouraged to follow-up with the authorities due to identity theft or the eligibility site should refer these cases for review according to their business practices (some counties refer these cases to their fraud units for investigation).

Individuals that can submit documentation of identity theft (police report, etc.) should have the IEVS, FDSH, and/or TWN discrepancy removed from their case. IEVS, FDSH, and/or TWN discrepancies may continue until the issue is resolved. The Department encourages eligibility sites to flag these cases and remove the IEVS, FDSH, and/or TWN discrepancies according to the business process that best fits their needs.

Will CBMS accept self-declared income for undocumented individuals?

Yes, self-declared income is acceptable for any individual regardless of their citizenship status. For those who do not have an SSN and who provide self-declared income, CBMS will pend and request proof of income documentation. The member will have 10 business days to provide this information. If this information is not provided, it may impact eligibility of benefits for members who are part of the member's household.

For SSNs that are not verified through the State Online Query (SOLO) will proof of income documentation be requested?

For those whose SSN cannot be verified through SOLO, and who provide self-declared income, CBMS will pend and request proof of income documentation. The member will have 10 business days to provide this information. If this information is not provided, it may impact eligibility of benefits for members who are part of the member's household.

Will individuals who are in the home but not requesting assistance receive electronic wage discrepancies?

Yes, it is possible that individuals who are in the home but not requesting assistance will receive an electronic wage discrepancy. Although they are not



requesting assistance, it is possible that their information is needed to determine eligibility for another member in the household.

Do eligibility workers need to enter the employer's Federal Employer Identification Number (FEIN) number within CBMS?

If the FEIN number is on the paystub, we encourage eligibility workers to enter the to enter the employer's FEIN number within CBMS. TWN will return information without the FEIN. IEVS provides FEIN. FDSH provides the FEIN and it will be populated into CBMS

Will income from IEVS, FDSH, and/or TWN automatically end date when employment ends?

No, income from IEVS, FDSH, and/or TWN will not automatically end date when employment ends. Eligibility workers will need to enter the appropriate effective end date whenever employment ends in order for CBMS to recognize that the employment has ended.

If an eligibility worker has access to CDLE, can income be verified through CDLE instead of waiting for the IEVS wage interface?

If an eligibility worker has access to CDLE the eligibility worker should not be verifying income through CDLE and should allow the IEVS wage interface to post to the case. This can potentially double the member's income because of the manual record entered by the eligibility worker and can affect the member's benefits.

Will Unemployment Income Benefit (UIB) interface directly into CBMS?

Unemployment information will not interface directly into the CBMS case. Eligibility workers can verify unemployment income for applicants by accessing CDLE or checking the Search IEVS Discrepancy Reports page in CBMS. If unemployment wages are found, it will be identified as CDLE UIB.

Does CBMS match employer to employer?

No, CBMs does not match employer to employer. Please refer to the CBMS IEVS Processing Guide <https://cbmscommunity.force.com/> for details on IEVS criteria for the IEVS wage data match and calculation of the IEVS discrepancies. To access the



CBMS IEVS Processing Guide, log into the CBMS Portal and click on the CBMS Document Index link on the left-hand navigation panel, then click on the CBMS IEVS Processing Guide.

Does FDSH and TWN match employer to employer?

No, FDSH and TWN does not match employer to employer. FDSH and TWN does not have a Processing Guide for details on FDSH and TWN criteria for the FDSH and TWN wage data match and calculation of the FDSH and TWN discrepancies.

What happens if there are multiple employers and IEVS, FDSH, and/or TWN only creates one employer record? How will the income be calculated for the Medical Assistance program?

If there are multiple employers in CBMS, and the IEVS, FDSH, and/or TWN interfaces post only one employer record, the Medical Assistance program will conduct the reasonable compatibility check based on the IEVS, FDSH, and/or TWN employer record that was interfaced.

If another quarter of IEVS income is posted, will it end the previous quarter's income?

Yes, if there is another IEVS discrepancy identified in another quarter, the previous quarter's income will be end dated by the IEVS wage interface. The effective end date will be populated under the Paycheck Summary section within Earned Income page and a new record will be created for the new quarter.

Will a child's benefits be impacted if they are on continuous eligibility and the income reported is not reasonably compatible?

It depends. If this is the first-time income check being verified for the household, then yes, the child may lose benefits or may be eligible for a different Medical Assistance program. The child will receive a notice of action if this happens. If income was previously verified and determined reasonably compatible, the child's benefits will not be impacted.

Will a pregnant woman's benefits be impacted when the income reported is not reasonably compatible?



It depends. If this is the first-time income is being verified, their benefits may be terminated if they aren't eligible for any other Medical Assistance program. A notice of action will be sent to the member if this happens. If income was previously verified and determined reasonably compatible, the member's benefits will not be impacted.

Will Reasonable Compatibility apply to youth in Former Foster Care Medicaid?

No, income is not considered for youth that are on Former Foster Care Medicaid until they are no longer eligible after the end of the month in which they turn 26. At that time they will be reviewed for eligibility for any other Health First Colorado program and their income will be screened for Reasonable Compatibility in the same way as for any other member.

Once there is an IEVS, FDSH, and/or TWN income record in CBMS, should eligibility workers enter all pay stubs clients provide into CBMS?

Yes, all pay stubs provided by clients should always be entered into CBMS.

Do we need to verify income at redetermination?

Yes, income will continue to be verified for members at their redetermination.

Will reasonable compatibility apply to private retirement?

The Reasonable Compatibility check for MAGI and Non-MAGI only occurs when we can verify income against an interface. We do not have interfaces for private retirement or Veterans Benefits so we will not use Reasonable Compatibility and will still need physical verifications.

Does this apply to determining the community spouse resource allowance?

This does not apply to resources, so it will have no effect on determining a resource allowance.

If a member is terminated due to the use of an electronic income record and it is still within 90 days from the date of the termination, does the member have to complete a new application?

If a member is terminated due to their income not being reasonably compatible and is still within the 90 days from the date they were terminated, the member



does not need to complete a new application, but new income verification will need to be provided at that time. If it is past the 90 days, the member will need to complete a new application.

For more information contact

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