

July 2012

MEDICAID LONG-TERM CARE

Information Obtained by States about Applicants' Assets Varies and May Be Insufficient

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Why GAO Did This Study

Medicaid—a joint federal-state health care financing program for certain low-income individuals—paid for nearly half of the nation’s \$263 billion long-term care expenditures in 2010. To be financially eligible for Medicaid coverage for long-term care, applicants cannot have assets—income and resources—above certain limits. Federal law discourages individuals from artificially impoverishing themselves in order to establish financial eligibility for Medicaid. Specifically, those who transfer assets for less than fair market value during a specified time period—or “look-back” period—before applying for Medicaid may be ineligible for coverage for long-term care for a period of time. The DRA extended the look-back period to 60 months and introduced new requirements for the treatment of certain types of assets, such as annuities, in determining eligibility. States are responsible for assessing applicants’ eligibility for Medicaid, the criteria for which varies by state.

GAO was asked to provide information on states’ requirements and practices for assessing the financial eligibility of applicants for Medicaid long-term care coverage. GAO examined the extent to which states (1) require documentation of assets from applicants, (2) obtain information from third parties to verify applicants’ assets, and (3) obtain information about applicants’ assets that could be used to implement eligibility-related DRA provisions. From October 2011 to November 2011, GAO surveyed Medicaid officials from each of the 50 states and the District of Columbia. GAO also interviewed officials from CMS, the agency within HHS that oversees Medicaid.

View [GAO-12-749](#). For more information, contact Carolyn L. Yocom at (202) 512-7114 or yocomc@gao.gov.

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What GAO Found

States reported requiring applicants to provide documentation for most of the 13 types of assets included in GAO’s survey.

Number of States That Reported Requiring Documentation, by Type of Asset

Asset type	Description	Number of states
Income	Earned income	50
	Unearned income	49
Resources	Annuity, burial contract and prepaid funeral, financial and investment, life estate, and trust	51
	Life insurance, promissory note or loan, and real property other than primary residence	50
	Continuing care retirement community entrance fee	46
	Vehicle	38
	Primary residence	37

Source: GAO web-based survey administered to state Medicaid officials.

States varied in the extent to which they obtained information from third parties to verify applicants’ assets. For example, all states conducted data matches with the Social Security Administration but used other sources to a lesser extent. While states’ implementation of an electronic asset verification system (AVS) was required on a rolling basis beginning in 2009, no state had fully implemented an AVS at the time of GAO’s survey. Among the implementation challenges reported by states were lack of resources and getting financial institutions to participate. Officials from the Centers for Medicare & Medicaid Services (CMS) were aware of states’ progress and challenges and told GAO that they regularly communicated with states on AVS implementation.

On the basis of states’ responses to questions about the extent of documentation required from applicants and information obtained from third parties, it is unclear whether some states obtain sufficient information to implement certain provisions of the Deficit Reduction Act of 2005 (DRA). For example, 31 states reported requiring less than 60 months of documentation from applicants and financial institutions. The results of GAO’s survey raise questions about states’ implementation of the DRA, but are not conclusive. CMS officials said that it is reasonable for states to only conduct reviews when there is reason to believe a transfer of assets occurred. GAO has additional work planned related to Medicaid long-term care financial eligibility.

States must balance the costs of eligibility determination efforts with the need to ensure that those efforts provide sufficient information to implement federal requirements. Given the complexities involved, it may be reasonable for states to adhere to a risk-based approach and focus their eligibility determination efforts on applicants who appear to be more likely to have assets or to have transferred assets that would make them ineligible. It is too early to assess the effectiveness of the AVS; its utility will ultimately depend on the breadth of the financial institutions participating and the depth of the information obtained.

The Department of Health and Human Services (HHS) concurred with GAO’s findings and commented that GAO’s comprehensive report will serve as a helpful resource for CMS and other interested parties.

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Abbreviations

ADL	activities of daily living
AVS	asset verification system
CCRC	continuing care retirement community
CMS	Centers for Medicare & Medicaid Services
DMV	Department of Motor Vehicles
DRA	Deficit Reduction Act of 2005
FMV	fair market value
HHS	Department of Health and Human Services
IADL	instrumental activities of daily living
IEVS	Income and Eligibility Verification System
PARIS	Public Assistance Reporting Information System

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July 26, 2012

The Honorable Orrin G. Hatch
Ranking Member
Committee on Finance
United States Senate

The Honorable Tom Coburn, M.D.
Ranking Member
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate

Long-term care, particularly nursing home care, can be costly; in 2010, the average annual cost for care in a nursing home was about \$79,000.¹ Nearly half of the nation's \$263 billion long-term care expenditures in 2010 were paid by Medicaid, a joint federal-state health care financing program that covers certain categories of low-income individuals. Long-term care expenditures represent a significant portion of total Medicaid expenditures, comprising over one-quarter of the total \$401 billion spent in fiscal year 2010. As the number of elderly Americans continues to grow and more individuals are likely to need long-term care, Medicaid spending for long-term care services is projected to increase. In light of the increased demand and associated burden that this places on already strained federal and state resources, it is important to ensure that only eligible individuals receive Medicaid coverage for long-term care.

Individuals applying for Medicaid coverage for long-term care must meet certain financial and functional eligibility criteria.² To meet the financial

¹MetLife Mature Market Institute, *The 2011 MetLife Market Survey of Nursing Home, Assisted Living, Adult Day Services, and Home Care Costs* (Westport, Conn.: October 2011).

²For this report, we focus on financial eligibility—specifically financial eligibility for Medicaid coverage for long-term care. However, individuals applying for Medicaid coverage for long-term care must also meet functional eligibility criteria that are established by each state and generally involve a degree of impairment measured by limitations in an individual's ability to carry out activities of daily living—eating, bathing, dressing, using the toilet, getting in and out of bed, and getting around the house—and instrumental activities of daily living, such as preparing meals, shopping for groceries, and getting around outside.

eligibility criteria, individuals must have assets that fall below established levels, which vary by state, but are within standards set by the federal government. Within the Medicaid program, assets have two broad categories: income, which includes any funds received during a calendar month that are used or could be used to meet food, clothing, or shelter needs; and resources, which include anything owned, such as savings accounts, stocks, or property, that can be converted to cash.³ Not all assets are counted in determining financial eligibility for Medicaid. For example, states generally exclude—within specified limits—the value of an individual’s primary residence, car, and prepaid burial arrangements. Additionally, federal law includes provisions to discourage individuals from artificially impoverishing themselves—for example, by transferring their assets to certain family members—in order to establish financial eligibility for Medicaid. Specifically, those who transfer assets for less than fair market value (FMV) during a specified “look-back” period—a period of time before application in which an individual’s assets are reviewed—may be deemed ineligible for Medicaid coverage for long-term care for a period of time. The Deficit Reduction Act of 2005 (DRA), which was enacted in February 2006, amended certain existing provisions regarding asset transfers for less than FMV and introduced new requirements related to financial eligibility for Medicaid coverage for long-term care.⁴ For example, the DRA extended the look-back period from 36 months to 60 months for transfers occurring on or after its enactment and introduced new requirements regarding how certain types of assets, such as an individual’s home, should be considered when determining Medicaid eligibility.

As the day-to-day administrators of the Medicaid program, states are responsible for assessing applicants’ financial eligibility for Medicaid coverage for long-term care; that is, determining whether an applicant’s income and resources are below the state-established standards, and whether an applicant transferred assets for less than FMV during the look-back period. Our prior work and the work of others found that the

³This terminology is based on definitions provided in *The State Medicaid Manual* issued by the Centers for Medicare & Medicaid Services (CMS), which specifies that assets include both income and resources.

⁴See Pub. L. No. 109-171, §§ 6011-6016, 120 Stat. 4, 61-67 (2006).

proportion of applicants deemed to be financially eligible for Medicaid coverage for long-term care varied both across and within states.⁵

Given the potential for state variation, you asked us for information on states' requirements and practices for assessing the financial eligibility of individuals applying for Medicaid coverage for long-term care, including states' implementation of relevant DRA provisions. In this report, we provide details on the extent to which states: (1) require individuals to document assets when applying for Medicaid coverage for long-term care; (2) obtain information from third parties to verify applicants' assets; and (3) obtain information about applicants' assets that could be used to implement DRA provisions related to eligibility for Medicaid coverage for long-term care.

To address all three objectives, from October 2011 through November 2011, we administered a web-based survey to Medicaid officials from each of the 50 states and the District of Columbia.⁶ To ensure the clarity and precision of our survey questions, we interviewed officials from the Centers for Medicare & Medicaid Services (CMS), the agency within the Department of Health and Human Services (HHS) that oversees Medicaid; interviewed Medicaid officials from 3 states; reviewed states' Medicaid applications for long-term care coverage; and pretested the survey with Medicaid officials from 3 states. The survey requested information about the types of documentation, if any, that states require applicants for Medicaid coverage for long-term care to submit for 13 types of assets: earned income, unearned income, financial and investment resources, life insurance, primary residence, real property other than primary residence, vehicles, annuities, burial contracts and prepaid funeral arrangements, continuing care retirement community (CCRC)

⁵GAO, *Medicaid Long-Term Care: Few Transferred Assets before Applying for Nursing Home Coverage; Impact of Deficit Reduction Act on Eligibility Is Uncertain*, [GAO-07-280](#) (Washington, D.C.: Mar. 26, 2007); Nelson A. Rockefeller Institute of Government, *Assessing Asset Transfer for Medicaid Eligibility in New York State* (March 2009).

⁶Throughout this document, the term state refers to the 50 states and the District of Columbia.

entrance fees, life estates, promissory notes or loans, and trusts.⁷ In addition, the survey asked about the number of months of documentation states required for earned income, unearned income, and financial and investment resources.⁸ The survey also asked about states' practices to obtain information from third parties to verify applicants' assets, such as whether, and to what extent, states conduct data matches with 10 sources, including the Social Security Administration and the Internal Revenue Service, which primarily allow states to verify applicants' income. Finally, the survey asked about any additional documentation states require or additional steps states take to determine whether applicants transferred assets for less than FMV during the 60-month look-back period. We received survey responses from officials from all 51 states, although not every official responded to every question. We relied on the data as reported by the state officials who were identified as the primary contact for states' documentation requirements and practices for verifying the financial eligibility of applicants for Medicaid coverage for long-term care. We did not independently verify these data; however, we reviewed all responses for reasonableness and internal consistency, and followed up with state officials for clarification where necessary. On the basis of these activities, we determined these data were sufficiently reliable for the purposes of our report. In addition to administering a survey, we collected states' application forms for Medicaid coverage for long-term care to assess the types of asset information asked about on the applications.⁹ Finally, we interviewed CMS officials about federal requirements related to eligibility determinations for Medicaid coverage for long-term care, including the DRA provisions.

⁷A CCRC is generally a residential facility established in a campus-like setting that provides access for older individuals to three levels of housing and care: independent homes or apartments where residents live much as they did in their own homes; assisted living, which provides help with the daily tasks of living; and skilled nursing care for those with greater physical needs. Most residents must be able to live independently when they enter into a contract with a CCRC, with the intent of moving through the three levels of care as their needs change. A life estate is an interest in real property that gives the owner of the interest the right to use and possess the property only for the duration of the life of a person, usually the person who occupies the premises.

⁸The survey did not ask about the number of months of documentation required for other types of assets, such as real property and trusts, as the documentation and value of these assets are less likely to fluctuate over time.

⁹The application forms reviewed were those provided by the state officials who were identified as the contacts for our survey. See app. I for information on states' application forms for Medicaid coverage for long-term care.

We conducted this performance audit from July 2011 to July 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Long-term care includes many types of services needed by individuals who have a physical disability, a mental disability, or both. Long-term care services can be provided in a variety of settings, including an individual's home or an institution, such as a nursing home. To be eligible for Medicaid coverage for long-term care, individuals must be within certain eligibility categories—such as those that are aged or disabled—and meet functional and financial criteria. Within broad federal standards, states determine whether an individual meets the functional criteria for long-term care coverage by assessing an individual's ability to carry out activities of daily living (ADL), such as eating and getting around the house; and instrumental activities of daily living (IADL), such as preparing meals and shopping for groceries. The financial eligibility criteria are based on individuals' assets—income and resources together. States are responsible for determining whether applicants meet the financial and other eligibility criteria for Medicaid coverage for long-term care.

Financial Eligibility for Medicaid Coverage for Long-Term Care

To qualify for Medicaid coverage for long-term care, individuals must have assets that fall below established standards, which vary by state, but are within standards set by the federal government. The Medicaid program bases its characterization of assets—income and resources—on that used in the Supplemental Security Income program.¹⁰ Income is something received during a calendar month, paid either in cash or in-kind, that is used or could be used to meet food or shelter needs; resources are cash or real or personal property that are owned that can be converted to cash and be used for food or shelter. (See table 1 for examples of different types of income and resources.) In establishing policy for determining financial eligibility for Medicaid coverage for long-

¹⁰The Supplemental Security Income program provides cash assistance to aged, blind, or disabled individuals with limited income and resources. 42 U.S.C. §§1381-1383f.

term care, states can decide, within federal standards, which assets are countable. For example, states may disregard certain types or amounts of income, and may elect not to count certain resources.¹¹ In most states, to be financially eligible for Medicaid coverage for long-term care, individuals must have \$2,000 or less in countable resources (\$3,000 for a married couple).¹²

Table 1: Types of Assets and Examples

Type of asset	Examples
Income	• Money earned from work • Money generated from resources, such as interest, dividends, and annuity payments • Money received from other sources, such as Social Security, worker's compensation, and unemployment benefits
Resources	• Cash • Financial and investment resources, such as bank accounts, stocks, and bonds • Trusts • Annuities • Real property • Vehicles, such as automobiles and boats • Life insurance

Source: GAO analysis of Supplemental Security Income requirements.

¹¹Although noncountable resources vary by state, for purposes of determining Medicaid eligibility for long-term care, they generally include an individual's home (typically if the individual expresses the intent to return home), an automobile, household goods and personal effects, burial spaces, and life insurance and burial arrangements up to a certain value, among other things.

¹²For married couples, the Medicaid statute requires states to use specific minimum and maximum resource standards in determining eligibility when one spouse is in an institution, such as a nursing home, and the other remains in the community (referred to as the community spouse). 42 U.S.C. § 1396r-5. The community spouse may retain an amount equal to one-half of the couple's combined countable resources, up to a state-specified maximum level. States' maximum resource levels cannot exceed the maximum federal standard (\$113,640 in 2012). If one-half of the couple's combined resources is less than a state-specified minimum resource level (which has to be at least \$22,728 in 2012), then the community spouse may retain resources up to that minimum level.

Transfers of Assets and the DRA

Federal law limits Medicaid payment for long-term care services for persons who divest themselves of—or “transfer”—their assets for less than FMV within a specified time period.¹³ As a result, when an individual applies for Medicaid coverage for long-term care, states conduct a review, or “look back,” to determine whether the applicant (or his or her spouse, if married) transferred assets to another person or party. If the state determines an applicant transferred an asset for less than FMV during the look-back period, the individual may be ineligible for Medicaid coverage for long-term care for a period of time, called the penalty period. The DRA extended the look-back period for transfers made on or after February 8, 2006, to 60 months; prior to that, it was generally 36 months.¹⁴

The DRA also specified circumstances under which the purchase of certain assets—such as an annuity, promissory note or loan, or life estate—is considered a transfer for less than FMV, and when entrance fees for CCRCs are countable for purposes of determining Medicaid eligibility. Additionally, while an individual’s primary residence is generally not a countable resource for determining Medicaid eligibility, the DRA specified when an individual with substantial equity interest in his or her home is to be excluded from eligibility for Medicaid payment for long-term care; the amount of allowable equity interest is established by each state within federal guidelines.¹⁵ See table 2 for a summary of these DRA

¹³Federal law requires states to apply the transfer of asset provisions to institutionalized individuals, who are defined in the Social Security Act as individuals who are inpatients in a nursing facility or in a medical institution that is being paid based on a level of care received in a nursing home, or certain recipients of home and community-based services. 42 U.S.C. § 1396p(h)(3). States have the option to apply such provisions to noninstitutionalized individuals.

¹⁴Among other things, the DRA also changed the beginning date of the penalty period; included provisions regarding how the penalty period was to be calculated; and established criteria and application, notice, and appeal requirements for undue hardship waivers. Undue hardship exists when the application of a penalty period would deprive an individual of (1) medical care such that the individual’s health or life would be endangered or (2) food, clothing, shelter, or other necessities of life. Prior to the DRA, the criteria for determining undue hardship had been established by the Secretary of HHS in Medicaid guidance, namely *The State Medicaid Manual*. These provisions regarding the penalty period and undue hardship are outside the scope of our study.

¹⁵The DRA also included a provision regarding how a married applicant’s income should be treated when determining how much of the applicant’s resources the community spouse is entitled to retain. This provision is outside the scope of our study.

provisions. Most, but not all, of these DRA provisions became applicable on the date the law was enacted, February 8, 2006.

Table 2: Summary of Selected Provisions in the Deficit Reduction Act of 2005 (DRA) Related to Medicaid Eligibility for Long-Term Care and Asset Transfers

DRA provision	Description
Annuities	- States are required to treat the purchase of an annuity as a transfer for less than fair market value (FMV) unless the annuity names the state as either (1) the remainder beneficiary in the first position for at least the total amount of Medicaid expenditures paid on behalf of the annuitant, or (2) a remainder beneficiary in the second position after the community spouse, or minor or disabled child (or in the first position if any of those individuals transfer the remainder of the annuity for less than FMV). - Annuities purchased by or on the behalf of an individual who applied for Medicaid coverage for long-term care shall be treated as a transfer of assets for less than FMV unless the annuity is irrevocable, nonassignable, actuarially sound, and provides for payments in equal amounts during the term of the annuity, with no deferral and no balloon payments. - Annuities purchased by or on the behalf of an individual who applied for Medicaid coverage for long-term care services that are defined as individual retirement accounts under federal tax code or purchased with the proceeds of certain retirement accounts and meet certain federal tax code requirements are not considered transfers for less than FMV. - Applications for Medicaid coverage for long-term care shall: (1) describe any interest an applicant or community spouse may have in an annuity, regardless of whether the annuity is irrevocable or treated as an asset, and (2) include a statement that the state becomes a remainder beneficiary of an annuity purchased on or after enactment by virtue of the applicant's receipt of Medicaid assistance for long-term care.
Continuing care retirement communities	States are required to consider certain entrance fees for continuing care retirement communities or life care communities as countable resources.
Home equity	An individual with an equity interest in his or her home of more than \$500,000 is excluded from eligibility for Medicaid payment for long-term care unless his/her spouse, child under age 21, or child who is considered blind or disabled lives in the home. A state can elect to increase this value up to \$750,000. Beginning in 2011, the limit was to be increased each year based on the percentage increase in the consumer price index for all urban consumers. ^a
Life estates	States are required to consider a purchase of a life estate interest in another person's home as a transfer of assets for less than FMV unless the purchaser lived in the home for at least 1 year after the date of purchase.
Promissory notes and loans	States are required to consider funds used to purchase a promissory note, loan, or mortgage as a transfer of assets for less than FMV unless the repayment terms are actuarially sound, provide for payments to be made in equal amounts during the term of the loan with no deferral or balloon payments, and prohibit the cancellation of the balance upon the death of the lender.

Source: GAO analysis of the DRA.

^aIn 2012, states' home equity limits could range from \$525,000 through \$786,000.

States' Determination of Applicants' Financial Eligibility

To assess applicants' financial eligibility for Medicaid coverage for long-term care, and to determine whether they transferred assets for less than FMV, states generally require applicants to submit applications and to provide documentation of certain assets reported on the applications. State Medicaid programs may also obtain information from third parties, such as financial institutions or other government agencies, such as the Social Security Administration. Such information helps states verify the accuracy of applicants' reported assets, as well as determine whether applicants have assets they failed to report or transferred for less than FMV during the look-back period. The processing of Medicaid applications—including the collection of documentation and information from applicants and third parties—is generally performed by local or county-based eligibility workers.

In 2008, Congress passed legislation that required states to implement electronic asset verification systems (AVS) to verify the assets of aged, blind, or disabled applicants for Medicaid, including those seeking Medicaid coverage for long-term care, with financial institutions.¹⁶ An AVS would provide states with an electronic mechanism to contact multiple financial institutions, including those not reported by an applicant, to determine if an applicant has, or had, an account and the value of any existing accounts.¹⁷ The law provides for states' implementation of these systems to occur on a rolling basis; the first systems were to be implemented by the end of fiscal year 2009, with all states implementing systems by the end of fiscal year 2013.¹⁸ (See table 3.)

¹⁶Supplemental Appropriations Act, 2008, Pub. L. No. 110-252, § 7001(d)(1), 122 Stat. 2323, 2391 (codified at 42 U.S.C. § 1396w).

¹⁷According to guidance issued by CMS, verification requests through a state's AVS must be sent to financial institutions not identified by applicants based on some logic, such as geographic proximity to the applicant's home address, or other reasonable factors whenever the state determines that such requests are needed for eligibility determination. Additionally, per CMS guidance, the verification requests must include a request for information on both open and closed accounts, going back for a period up to 5 years, as determined by the state.

¹⁸The Supplemental Appropriations Act, 2008, required California, New Jersey, and New York to implement an AVS for aged, blind, and disabled applicants by the end of fiscal year 2009 and directed the Secretary of HHS to require the remaining states to implement their systems in a manner that results in a specified percentage of aged, blind, and disabled Medicaid applicants being subject to this type of asset verification each year over the 5-year period of fiscal year 2009 through fiscal year 2013.

Table 3: Asset Verification System Implementation Timeline, by Fiscal Year

Fiscal year	Number of states	States
2009	9	California, Missouri, New Hampshire, New Jersey, New Mexico, New York, Oregon, South Carolina, Washington
2010	9	Connecticut, Georgia, Kentucky, Mississippi, Nevada, Oklahoma, Rhode Island, Vermont, Wisconsin
2011	7	Hawaii, Indiana, Michigan, Maryland, North Carolina, Ohio, Wyoming
2012	11	Alaska, Arizona, Florida, Iowa, Illinois, North Dakota, South Dakota, Tennessee, Texas, Utah, West Virginia
2013	15	Alabama, Arkansas, Colorado, District of Columbia, Delaware, Idaho, Kansas, Louisiana, Massachusetts, Maine, Minnesota, Montana, Nebraska, Pennsylvania, Virginia

Source: Supplemental Appropriations Act, 2008, Pub. L. No. 110-252, § 7001(d)(1), 122 Stat. 2323, 2391 (codified at 42 U.S.C. § 1396w) and the Centers for Medicare & Medicaid Services.

Note: The Supplemental Appropriations Act, 2008, required California, New Jersey, and New York to implement an asset verification system for aged, blind, and disabled applicants by the end of fiscal year 2009 and directed the Secretary of the Department of Health and Human Services to require the remaining states to implement their systems in a manner that results in a specified percentage of aged, blind, and disabled Medicaid applicants being subject to this type of asset verification each year over the 5-year period of fiscal year 2009 through fiscal year 2013.

States Required Applicants to Document Most Assets, but What Was Considered Acceptable Proof Varied

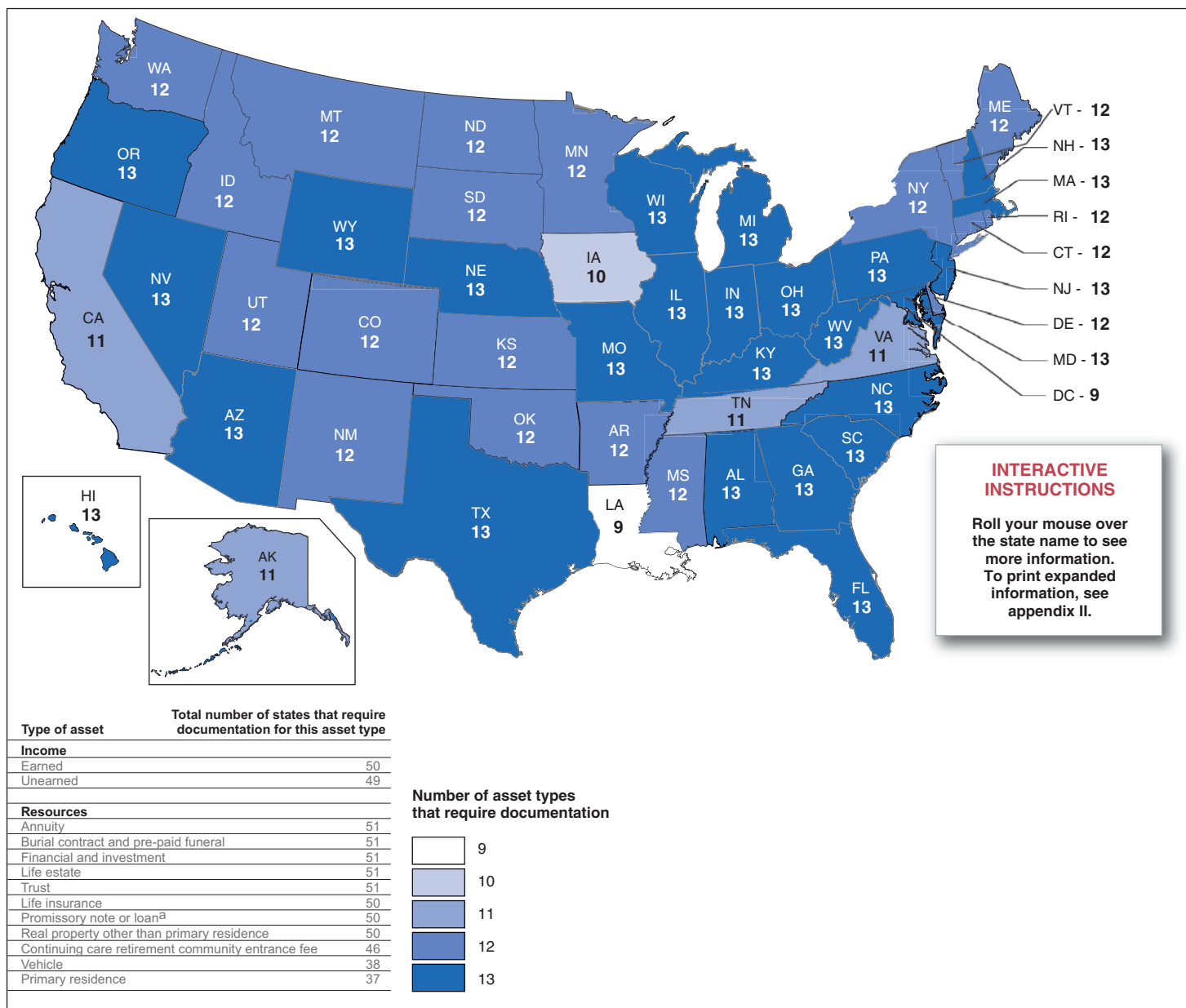
States reported requiring applicants to provide documentation for most of the 13 types of assets contained in our survey; however, the types and number of months of documentation that the states considered to be acceptable proof for determining an applicant's financial eligibility for Medicaid coverage for long-term care varied.¹⁹ Specifically, 44 states required documentation for at least 12 of the 13 types of assets. All states reported requiring documentation of annuities, burial contracts and prepaid funeral arrangements, financial and investment resources, life estates, and trusts, while fewer states reported requiring documentation of other types of assets. States were least likely to require documentation of vehicles (38 states) and primary residence (37 states), resources that

¹⁹As previously noted, the 13 types of assets included in our survey were: earned income, unearned income, financial and investment resources, life insurance, primary residence, real property other than primary residence, vehicles, annuities, burial contracts and prepaid funeral arrangements, CCRC entrance fees, life estates, promissory notes or loans, and trusts.

states may choose not to count for purposes of determining financial eligibility for Medicaid coverage for long-term care.²⁰ (See fig. 1.)

²⁰Officials from several states reported not requiring documentation of an applicant's vehicle, primary residence, or both because the state does not count them for purposes of determining financial eligibility for Medicaid coverage for long-term care.

Figure 1: Asset Documentation Requirements, by State, 2011



Source: GAO web-based survey administered to state Medicaid officials (data); Map Resources (map).

^aThe District of Columbia did not respond to the question about whether or not documentation of promissory notes or loans is required.

Officials from several states reported not requiring documentation for a particular type of asset because the state was able to obtain the necessary information from a third party. For example, while 50 states reported requiring applicants to submit documentation of earned income, one state did not have such a requirement because the amount of earned income was verified through an interface with the state’s Department of Labor. It was less clear how states assessed other assets—such as vehicles or CCRC entrance fees—absent documentation.

Our survey also showed that states varied in how they treated specific types of documentation; that is, whether the documentation was required, acceptable as proof by itself, acceptable as proof with other documentation, or not acceptable as proof of an applicant’s assets. For example, while states generally found a written statement of earnings from an employer as acceptable documentation of earned income, there was more variation in how they treated other types of documentation. (See table 4.)

Table 4: Example of States’ Variation in Treatment of Earned Income Documentation, by Type of Documentation

Type of documentation	Number of states			
	Required	Acceptable as proof itself	Acceptable with other documentation	Not acceptable
Copy of check or check stub ^a	3	33	9	4
Itemized bank statement ^a	1	6	20	22
Written statement of earnings from employer	0	49	1	0

Source: GAO web-based survey administered to state Medicaid officials.

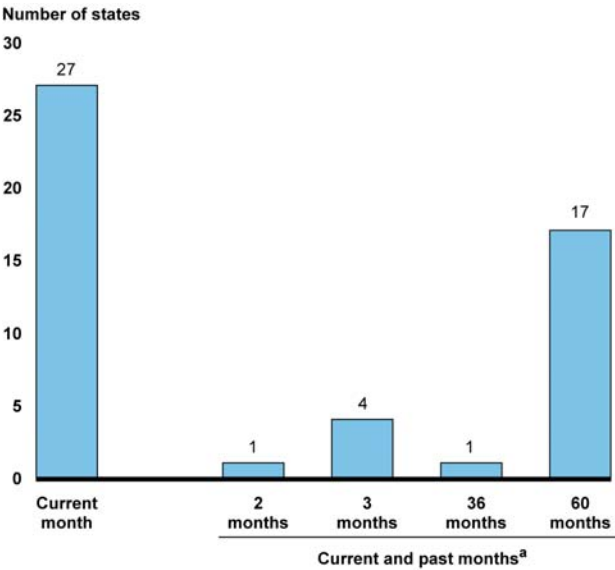
Notes: This table only includes responses from the 50 states that required documentation of earned income.

^aOne state did not specify the level of acceptability for this type of documentation.

States also varied in the number of months of documentation required from applicants, especially as it related to financial and investment resources. Although all 51 states reported requiring documentation of financial and investment resources, 27 required only current documentation, while the remaining 24 required both current and past documentation. Of the 24 states that required documentation of both current and past financial and investment resources, most required 60 months of documentation, while the remaining states required fewer

months of documentation. (See fig. 2.) There was some variation, but to a lesser extent, in the amount of documentation of earned and unearned income that states required from applicants. Of the 50 states that required applicants to provide earned income documentation, 47 required only current documentation. Of the 3 remaining states, 2 required 3 months of documentation and 1 required 2 months of documentation.²¹ Of the 49 states that required unearned income documentation, 47 only required documentation of current unearned income. The other 2 states required 3 months of documentation.²²

Figure 2: Number of States That Require Financial and Investment Resources Documentation, by Number of Months of Documentation Required, 2011



Source: GAO web-based survey administered to state Medicaid officials.

^aOne state reported it required both current and past documentation for financial and investment resources, but did not specify the number of months of documentation required because it is determined on a case-by-case basis. In some cases, the state may require up to 60 months of documentation.

²¹Missouri and Montana required 3 months of earned income documentation and Tennessee required 2 months of earned income documentation.

²²The 2 states are New Hampshire and Vermont.

In addition to the documentation required to assess whether applicants' assets were within state financial eligibility levels, 38 states reported requiring additional documentation from at least some applicants to identify assets transferred for less than FMV. Of these 38 states, 16 indicated they required additional documentation only if an applicant reported making a transfer, 5 reported doing so only if an applicant's information was questionable, and 8 reported both of these reasons. Of the remaining 9 states, 7 required additional documentation from all applicants, and 2 did not specify the circumstances that would result in a request for additional documentation.

Appendix II provides additional information on states' asset documentation requirements for individuals applying for Medicaid coverage for long-term care.

All States Obtained Some Amount of Asset Information from Third Parties, and No State Had Implemented an Asset Verification System

All 51 states reported that they obtained some amount of asset information from third parties, although the extent of the screenings conducted varied by state. No state had implemented an electronic AVS, which would allow them to contact multiple financial institutions—including those not reported by an applicant—to determine the existence and value of any accounts belonging to an applicant. States reported challenges to implementing an AVS including not having sufficient resources.

States Varied in the Extent to Which They Obtained Information from Third Parties

To varying degrees, states reported obtaining information from third parties through a variety of mechanisms, including data matches, direct contact with financial institutions, and property and vehicle records searches. Some states also reported taking additional verification steps to determine if an applicant transferred assets for less than FMV during the look-back period.

Conduct Data Matches

All 51 states reported that they conduct data matches with the Social Security Administration to verify at least some applicants' assets. However, states' use of data matches with other sources of asset information—primarily related to income—varied, ranging from 48 states reporting data matches with state unemployment records, to as few as 6 states reporting data matches with state tax records. On average, states conducted data matches with 6 of the 10 sources included in our survey; the number of sources states reported using ranged from 1 to 9.²³ In addition to variations in the use of data match sources, states varied in terms of the proportion of applicants screened, and when during the eligibility process the state conducted the screen. For example, most states reported conducting a data match with the Social Security Administration generally before determining an applicant's eligibility. In contrast, of the 30 states that reported conducting a data match with the Internal Revenue Service for at least some applicants, 21 reported doing so generally after determining eligibility. (See table 5 for summary information and app. III for more detailed information about the data matches conducted by states.)

²³While all states provided some information about their use of data matches, some states did not provide responses about their use of all 10 of the sources included in our survey.

Table 5: Number of States That Reported Conducting Data Matches with Other Sources, the Proportion of Applicants Screened, and When Screened in Relation to Eligibility Determination, by Source of Data Match, 2011

Source of the data match	States that conduct data match ^a	Proportion of applicants ^b				When screened in relation to eligibility determination ^c		
		All	Most ^d	Some	None	Generally before	Varied ^e	Generally after
Social Security Administration	51	43	6	2	0	40	6	2
State unemployment records	48	31	5	12	2	29	7	6
Income and Eligibility Verification System ^f	44	36	4	4	6	21	6	14
Public Assistance Reporting Information System ^g	42	31	2	9	6	4	6	30
State wage files/directory of new hires	41	26	7	8	8	20	9	8
Internal Revenue Service	30	22	1	7	20	6	2	21
Department of Veterans Affairs	22	9	0	13	26	11	6	3
State workman's compensation records	17	7	1	9	30	6	5	4
National Directory of New Hires ^h	14	9	2	3	33	7	3	4
State tax records	6	2	1	3	42	3	1	2

Source: GAO web-based survey administered to state Medicaid officials.

^aRepresents the number of states that reported conducting the data match for at least some applicants.

^bIn each row, the number of states may not add to 51 because not all states answered the question regarding the proportion of applicants, if any, for the respective data match source.

^cIn each row, the number of states may not add to the total number that conduct a data match with that source because not all states specified when the screening occurred in relation to eligibility determination.

^d"Most" is more than half of applicants.

^e"Varied" is sometimes before and sometimes after eligibility determination.

^fEach state is required to operate an Income and Eligibility Verification System that allows the state to match applicant-reported income information with data from the Internal Revenue Service, the Social Security Administration, and state wage and unemployment insurance benefit records. States that reported using this system to verify applicants' assets may use some or all of the data available.

^gThe Public Assistance Reporting Information System (PARIS) is an electronic data matching and information exchange system that is designed to match state enrollment information, including Medicaid enrollment, with data from other participating states and from a selected group of federal databases. The federal databases include, among other things, information on individuals' receipt of income from the Department of Veterans Affairs, the Department of Defense, and the Office of Personnel Management. States that reported conducting a PARIS data match may use some or all of the data available.

^hThe National Directory of New Hires is a national database of employment wage and unemployment insurance information for use by federal and state agencies.

Contact Financial Institutions

Twenty-four states reported that they contact financial institutions to verify at least some applicants' financial and investment resources, while the remaining 27 did not. However, these 24 states varied in terms of the range of financial institutions they contacted and the proportion of applicants about whom they inquired. (See table 6.)

Table 6: Number of States That Contact Financial Institutions to Verify Applicants' Assets, by Financial Institutions Contacted and Proportion of Applicants, 2011 (n=24)

Type of financial institution	Total	Proportion of applicants		
		All	Most	Some
Institutions with accounts reported by applicant	24	11	0	13
Local institutions that were not reported by applicant	11	4	1	6
Statewide institutions that were not reported by applicant	7	3	1	3
National institutions that were not reported by applicant	5	1	2	2

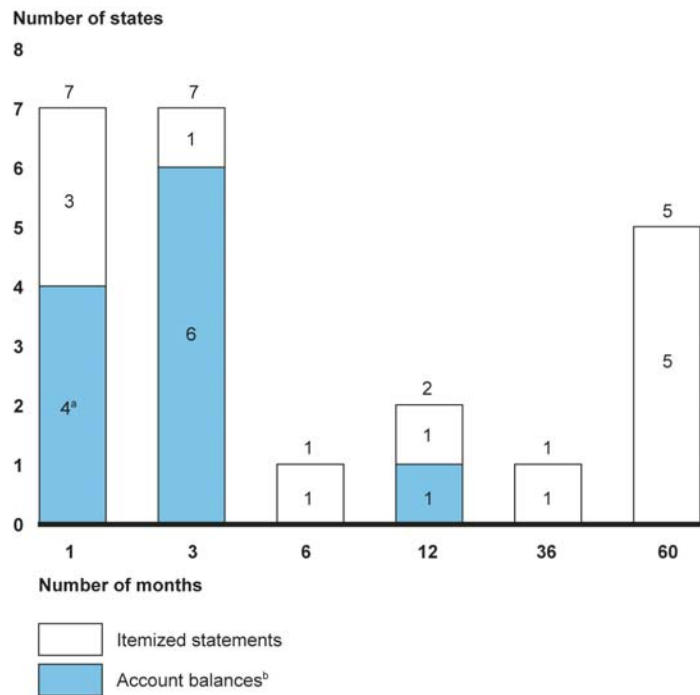
Source: GAO web-based survey administered to state Medicaid officials.

Some states reported contacting multiple types of financial institutions, such as institutions applicants reported having accounts with, and some that applicants did not report. However, 13 of the 24 states reported contacting only financial institutions with whom the applicant reported having an account; of these 13 states, 3 states contacted financial institutions for all applicants, while the other 10 states did so for some applicants. These 13 states, and the 27 that reported not contacting any financial institutions, are unlikely to identify accounts that an applicant failed to report. Of the remaining 11 states that reported contacting financial institutions not reported by an applicant, 3 reported contacting only local institutions, whereas the other 8 contacted a combination of local, statewide, and national institutions. Regarding the proportion of applicants for which states contact financial institutions, half of the 24 states reported they only contact financial institutions if an applicant submits insufficient information or provides questionable information.

Of the 24 states that reported they contact financial institutions to request information, the type of information—account balances or itemized statements—and the number of months they request varied. (See fig. 3.) Specifically, half of these states requested itemized statements that include information on each transaction, while the other half requested monthly account balances. Most of the states that requested account balances did so for 3 or fewer months. Of the 12 states that requested

itemized statements, 5 requested 60 months of statements, 3 requested only the statement for the current month, and the other 4 states requested between 3 and 36 months of information.

Figure 3: Number of States Requesting Applicant Asset Information from Financial Institutions, by Number of Months and Type of Information Requested, 2011 (n=24)



Source: GAO web-based survey administered to state Medicaid officials.

^aOne state reported that it requests the current balance for any open accounts and the closing balance for any accounts that were closed within the past 60 months.

^bTwelve states reported that they request account balances from financial institutions; however, one of these states did not specify the number of months of information it requested and noted it would request whatever amount is needed.

Most of the states (20 of 24) reported that they contact financial institutions for asset information before determining eligibility. Appendix IV provides additional information about states' contact with financial institutions to verify applicants' assets.

Search Property Records

Thirty-five states reported that they conduct some type of property records search to verify at least some applicants' real property. The extent of the searches varied in terms of the geographic area covered and the proportion of applicants for which property searches were conducted. (See table 7.)

Table 7: Number of States That Conduct Property Searches to Verify Applicants' Assets, by Geographic Area Covered and Proportion of Applicants, 2011 (n=35)

Geographic area of property search conducted	Total	Proportion of applicants		
		All	Most	Some
Applicant's county of residence	34	16	7	11
Some other counties in state	31	6	3	22
All counties in state	19	6	1	12
Locations in other states	16	2	0	14

Source: GAO web-based survey administered to state Medicaid officials.

Of the 35 states that reported conducting property searches, 2 states conduct property searches only within an applicant's county of residence. Of the 33 states that reported conducting property searches beyond an applicant's county of residence, 8 do so only if they have reason to believe the applicant lived in another county or state. Additionally, 12 of the 35 states indicated they conduct property searches only when an applicant submits questionable or insufficient information, an applicant reports the property, or a combination of both factors.

States reported being able to conduct property searches using several types of information, including an applicant's name (33 states), property address (32 states), property zip code (12 states), or an applicant's Social Security number (10 states). Most of the states (29 of the 35) reported that they generally conduct property searches before determining eligibility. Appendix V provides additional information about the property searches conducted by states.

Search Vehicle Records

Thirty states reported that they conduct searches of Department of Motor Vehicles' (DMV) records to verify at least some applicants' vehicles. Specifically, 14 states reported conducting vehicle searches for all applicants and 1 state reported conducting searches for most of its applicants. The remaining 15 reported conducting such searches for less than half of their applicants; of these 15 states, 6 indicated that they only conduct searches of vehicle records if they receive information from an

applicant that they deem questionable. States reported being able to search these records using several types of information, including an applicant's name (29 states), a vehicle identification number (20 states), and an applicant's driver's license or license plate number (18 states each). Most of the states (25 of the 30 states) reported that they generally conduct DMV searches before determining eligibility. Appendix VI provides additional information about the vehicle searches conducted by states.

Take Additional Steps to Identify Asset Transfers

Twenty-two states reported taking additional steps to obtain information from third parties, such as conducting additional property searches, to identify assets transferred for less than FMV; 7 states reported doing this for all applicants; and 15 states reported doing this for some applicants. Of the 15 states that reported taking additional verification steps for just some applicants, most of them indicated they do so only if they question the information provided by applicants or have reason to believe a transfer may have occurred, such as if an applicant reported making a transfer. Appendix VII provides information on the proportion of applicants for which each state reported taking additional verification steps to identify assets transferred for less than FMV during the look-back period.

No State Had Implemented an Asset Verification System to Obtain Information from Financial Institutions

Although 25 states were supposed to have implemented their electronic AVS to obtain information from financial institutions by the end of fiscal year 2011, no state had implemented one at the time of our survey. Eighteen states reported that they were in the process of implementing an AVS, while the remaining 33 states had yet to begin implementation.

When asked about the challenges to implementing an AVS, 32 states reported that they did not have enough resources—such as money, staff, or time—required to implement such a system, and 18 states reported that it had been or would be challenging to get financial institutions to participate and provide information. One state reported that it had initially planned to have its AVS implemented by December 2011, but was unable to do so because financial institutions in the state were unwilling to participate in the AVS until state legislation is passed that releases the financial institutions from any liability, ensures they are fairly reimbursed for their services, and makes the process voluntary. The state Medicaid program is seeking such legislation during the state's 2012 legislative session and then plans to proceed with implementing its AVS.

CMS acknowledged that states may have challenges that could affect their ability to implement an AVS as scheduled. CMS officials were aware of states' progress in implementing the AVS and told us that the agency was regularly communicating with states regarding AVS implementation.

It Is Unclear Whether Some States Obtain Sufficient Information to Implement Certain DRA Provisions

On the basis of states' responses to questions about the documentation required from applicants and the asset information obtained from third parties, it is unclear whether some states obtain sufficient information to implement certain DRA provisions, particularly the provisions related to the look-back period and home equity. The results of our survey raise questions about some states' implementation of the DRA, but are not conclusive, and we have additional work planned related to Medicaid long-term care financial eligibility.

- **Look-back Period.** We asked states about (1) the number of months of financial and investment resources documentation required to determine eligibility, (2) additional documentation required to identify assets transferred for less than fair market value, and (3) number of months of documentation obtained directly from financial institutions. When considering states' responses to those questions, we found that 31 states reported obtaining less than 60 months of information about at least some applicants' assets.²⁴ Three of the 31 states reported requiring a single month of documentation from applicants and did not obtain any information from financial institutions.²⁵ CMS officials noted that it is costly and time consuming to conduct a review for the 60 month look-back period. Thus, these officials stated, it was understandable for states to use discretion and only conduct reviews when there is reason to believe that a transfer could have been made during the look-back period. For example, a state might determine the need to conduct a more thorough review as a result of red flags found

²⁴The 31 states are: Alaska, Arizona, Arkansas, California, Colorado, District of Columbia, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Nebraska, New Mexico, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. Ten of these states reported they may require up to 60 months of additional documentation from at least some applicants to identify assets that were transferred for less than FMV or may request additional information from financial institutions or a combination of both factors, in situations where, for example, an applicant reported making a transfer or submitted insufficient information.

²⁵The 3 states are: Arkansas, District of Columbia, and Minnesota.

through other checks, such as when an applicant has very high income and no resources. However, the application forms in 6 of the 31 states did not ask about transfers made during the entire look-back period.²⁶ Thus, it is unclear how these 6 states would know whether assets were transferred for less than FMV in the 60 months prior to application, and how all 31 states would be able to detect unreported transfers of assets made during the entire look-back period. In contrast, 20 states reported requiring 60 months of documentation from all applicants, 5 of which also requested 60 months of information from financial institutions for at least some applicants.²⁷

- **Home Equity.** Fourteen states reported not requiring documentation of a primary residence. Of these 14 states, 8 indicated that they conduct property record searches in the county of residence for at least some applicants to try to obtain information about property the applicant may own.²⁸ Additionally, 1 state indicated that it could obtain information about an applicant's primary residence from a third party.²⁹ The remaining 5 states reported they did not conduct property records searches; as such, it is unclear how these states would determine if an applicant owns a home that he or she failed to report,

²⁶The 6 states are: Arizona, Arkansas, California, District of Columbia, Georgia, and Indiana. These states' application forms either did not ask about transfers of assets or asked about transfers made for a period of time less than 60 months. Our review was limited to state application forms for Medicaid coverage for long-term care provided to us by state officials. Some states might ask about transfers made during the look-back period through other means, such as a form other than the long-term care application form or through an interview conducted as part of the application process.

²⁷The 20 states are: Alabama, Connecticut, Delaware, Hawaii, Illinois, Maine, Maryland, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, South Carolina, Utah, and Vermont.

²⁸Of the 8 states, 4 conduct searches of property records from the county of residence for all applicants (Louisiana, Maine, Montana, and Oklahoma); 1 conducts such searches for most applicants (Iowa); and 3 do so for less than half of applicants (Alaska, New York, and Vermont). Additionally, although Vermont reported not requiring documentation of a primary residence, the state indicated that documentation would be required if it appeared as though an applicant's equity interest in his or her primary residence might exceed the allowable amount.

²⁹The state is Minnesota.

and the value of an applicant's equity interest in the home.³⁰ Of the 37 states that reported requiring applicants to submit documentation of a primary residence, only 3 reported requiring documentation that could provide the state with information on the value of the home or an applicant's equity interest in the home.³¹ The remaining 34 states reported requiring documentation about applicants' primary residence, but the documentation received may not provide all of the information necessary to determine if applicants' equity interest in their homes exceeds the state's allowable amount.

- **Life Estates.** Among the 32 states that provided information on our survey about life estates, 2 states reported not assessing the length of time an applicant with a life estate resided in the property.³² The remaining 30 states reported requiring some type of proof in order to determine the amount of time an applicant resided in the property after the purchase of the life estate interest.³³ On the basis of our analysis of state responses, 7 of the 30 states reported relying only on a statement from an applicant or another person who owns the residence to determine the length of time an applicant resided in the property; however, 2 of these 7 states said that they would require more documentation if they determined that the information they received was questionable. The remaining 23 states reported relying on documentation, such as a utility bill; a statement from an applicant;

³⁰The 5 states are: Arkansas, California, District of Columbia, Tennessee, and Virginia. Although Arkansas reported not requiring documentation of a primary residence and not conducting property searches, the state indicated that documentation would be required if it appeared as though an applicant's equity interest in his or her primary residence might exceed the allowable amount.

³¹The 3 states are: Delaware, Indiana, and Nebraska. Delaware and Indiana reported requiring applicants to provide documentation of the current assessed value of their primary residence; this documentation should provide the states with sufficient information to know if a home is valued above the states' home equity limit and thus whether additional information about an applicant's equity interest is needed. Nebraska required applicants to submit mortgage statements and property tax assessments; this combination of documentation should provide the state with sufficient information to determine if an applicant's equity interest exceeds the state-specified maximum level.

³²The 2 states are Iowa and Maine; it is unclear how these 2 states would have the necessary information to implement the DRA provision that life estates are to be considered a transfer for less than FMV unless the purchaser resided in the home for at least a year after the date of purchase.

³³Nineteen states either did not provide an answer to this question or they did not provide a response that adequately answered the question.

a statement from a third party; or some combination of these sources to determine the length of time an applicant lived in the property.

- **CCRCs.** On the basis of our survey results, most states—46 of 51—reported requiring applicants to provide documentation of CCRC or life care community entrance fees, such as a copy of the contract or agreement. Thus, these states should have sufficient information to determine if, under the DRA, an applicant's entrance fees should be countable resources for determining Medicaid eligibility. However, it is unclear how the remaining 5 states would be able to determine if an applicant has paid such fees, and whether they should be counted toward the applicant's Medicaid long-term care eligibility determination.
- **Promissory Notes.** Fifty states reported on our survey that they require applicants to provide documentation of promissory notes or loans; such documentation should allow the state to determine if a note meets the requirements specified in the DRA, such as providing for payments to be made in equal installments throughout the course of the loan, or if a note should be treated as a transfer of assets for less than FMV.³⁴
- **Annuities.** In responding to our survey, all states reported requiring documentation of annuities and thus should have sufficient information to determine whether an annuity should be considered a transfer of assets for less than FMV under the DRA. Additionally, our review of 49 states' long-term care application forms found that 45 required the disclosure of any interest the applicant or spouse has in an annuity and 27 contained statements regarding the state becoming a remainder beneficiary of such annuities. (See app. VIII.)³⁵

³⁴One state, the District of Columbia, did not indicate whether documentation of promissory notes was required.

³⁵Two states, Arizona and Kentucky, collected information from applicants through an interview rather than a paper application form and, as such, were not included in our analysis. Our review was limited to state application forms for Medicaid coverage for long-term care provided to us by state officials. Some states might require disclosure of an interest in an annuity or include a statement regarding the need to name the state as a remainder beneficiary through other means, such as a form other than the long-term care application form or through an interview conducted as part of the application process.

Concluding Observations

As the demand for long-term care services increases and federal and state resources continue to be strained, it is important to ensure that only eligible individuals receive Medicaid coverage for long-term care. Since each state is responsible for day-to-day implementation of its Medicaid program, variation in policies and practices for determining financial eligibility is expected. However, some of the variation we found may raise questions regarding how states determine Medicaid eligibility for long-term care and enforce certain provisions of the DRA.

States must balance the costs of eligibility determination efforts with the need to ensure that those efforts provide sufficient information to implement federal requirements. While third-party verification of applicants' financial information likely provides states with the best assurance of having a complete picture of an applicant's financial status, it can be a complex and costly process that requires a significant amount of information and review. Given the complexities involved, it may be reasonable for states to adhere to a risk-based approach and focus their eligibility determination efforts on applicants who appear to be more likely to have assets or to have transferred assets that would make them ineligible. The electronic AVS that is required by law may help states identify some unreported or transferred assets. However, it is too early to assess its overall effectiveness, which will ultimately depend on the breadth of the financial institutions participating and the depth of the information obtained.

Agency Comments

We provided a draft of this report to HHS for its review, and HHS provided written comments (see app. IX). HHS concurred with our findings and noted that the results of our comprehensive report will serve as a resource for all interested parties. Further, HHS indicated that the report will be helpful for targeting CMS's ongoing technical assistance and oversight efforts with states.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Administrator of CMS and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7114 or yocomc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix X.

A handwritten signature in black ink, appearing to read "Carolyn L. Yocom". The signature is fluid and cursive, with a long horizontal stroke at the end.

Carolyn L. Yocom
Director, Health Care

Appendix I: GAO Analysis of State Applications

Table 8: Characteristics of Medicaid Long-Term Care Application Processes, by State, 2011

State	Level of information on assets requested on application form		Whether interviews are conducted for	
	Comprehensive ^a	General	All applicants	Some applicants
Alabama	•		•	
Alaska	•		•	
Arizona	^b		•	
Arkansas	•		•	
California	•			•
Colorado	•			•
Connecticut	•			
Delaware	•		•	
District of Columbia		•		
Florida	•			•
Georgia		•	•	
Hawaii	•		•	
Idaho	•			•
Illinois	•			
Indiana		•	•	
Iowa	•			•
Kansas	•			
Kentucky	^c	^c	•	
Louisiana	•			•
Maine	•		•	
Maryland	•			•
Massachusetts	•			•
Michigan	•			•
Minnesota	•			•
Mississippi	•		•	
Missouri	•			•
Montana	•			•
Nebraska	•		•	
Nevada	•			
New Hampshire		•	•	
New Jersey	•		•	

Appendix I: GAO Analysis of State Applications

State	Level of information on assets requested on application form		Whether interviews are conducted for	
	Comprehensive ^a	General	All applicants	Some applicants
New Mexico	•		•	
New York	•			
North Carolina	•			
North Dakota	•			•
Ohio		•		•
Oklahoma	•		•	
Oregon	•		•	
Pennsylvania	•			•
Rhode Island	•		•	
South Carolina	•			•
South Dakota	•			•
Tennessee	•		•	
Texas	•			•
Utah	•			•
Vermont	•		•	
Virginia	•			•
Washington	•		•	
West Virginia	•		•	
Wisconsin	•			•
Wyoming	•		•	
Total	44	5	23	21

Source: GAO analysis of state application forms for Medicaid coverage for long-term care and GAO web-based survey administered to state Medicaid officials.

^aApplication forms requesting comprehensive information on assets asked applicants to provide detailed information on several types of assets, such as specifically requesting or referencing checking and savings accounts, stocks and bonds, retirement accounts, burial insurance, real property, and vehicles.

^bState collected information from applicants through an interview rather than a paper application form. A state official provided the form eligibility workers use during their interviews with applicants, and this form requests comprehensive information on applicants' assets.

^cState collected information from applicants through an interview rather than a paper application form.

Table 9: Time Frame of Information on Transfers of Assets Requested in Medicaid Long-Term Care Application Forms, by State, 2011

State	Application form requested information on transfers	
	Within previous 60 months	Within another time frame
Alabama	•	
Alaska	•	
Arizona		^a
Arkansas	^b	^b
California		• ^c
Colorado	•	
Connecticut		• ^d
Delaware	•	
District of Columbia		• ^e
Florida	•	
Georgia	^f	^f
Hawaii	•	
Idaho	•	
Illinois		• ^d
Indiana	^f	^f
Iowa	•	
Kansas	•	
Kentucky	^g	^g
Louisiana		• ^h
Maine	•	
Maryland	•	
Massachusetts	•	
Michigan	•	
Minnesota	•	
Mississippi	•	
Missouri	•	
Montana	•	
Nebraska	•	
Nevada	•	
New Hampshire	•	
New Jersey		• ⁱ
New Mexico	•	
New York	•	

Appendix I: GAO Analysis of State Applications

State	Application form requested information on transfers	
	Within previous 60 months	Within another time frame
North Carolina		• ^d
North Dakota	•	
Ohio	†	†
Oklahoma	•	
Oregon	•	
Pennsylvania	•	
Rhode Island	•	
South Carolina	•	
South Dakota	•	
Tennessee	•	
Texas	•	
Utah	•	
Vermont	•	
Virginia	•	
Washington	•	
West Virginia	•	
Wisconsin	•	
Wyoming	•	
Total	38	7

Source: GAO analysis of state application forms for Medicaid coverage for long-term care.

Notes: Our review was limited to state application forms for Medicaid coverage for long-term care provided to us by state officials. Some states might ask about transfers of assets through other means, such as a form other than the long-term care application form or through an interview conducted as part of the application process.

^aState collected information from applicants through an interview rather than a paper application form. A state official provided the form eligibility workers use during their interviews with applicants, and this form asked about transfers made in the last 36 months; 60 months for trusts.

^bState's application form did not ask about transfers, but did ask whether the applicant or his/her spouse sold or gave away a home or other real property.

^cState's application form asked about transfers made in the last 30 months; 60 months for trusts.

^dState's application form asked about transfers made in the last 36 months; 60 months for trusts.

^eState's application form asked about transfers greater than \$1,000 that were made during the last 36 months.

^fState's application form did not ask about transfers.

^gState collected information from applicants through an interview rather than a paper application form.

^hState's application form asked about transfers ever made.

ⁱState's application form asked about transfers made in the last 36 months.

Appendix II: States' Asset Documentation Requirements

Table 10a: Applicant Documentation Requirements for Medicaid Long-Term Care, by State and Type of Asset, 2011

	Earned income	Unearned income	Financial and investment resources	Life insurance	Primary residence	Other real property	Vehicles
Alabama	•	•	•	•	•	•	•
Alaska	•	• ^a	•	•	• ^b	•	
Arizona	•	•	•	•	•	•	•
Arkansas	•	•	•	•	• ^c	•	•
California	•	•	•	•	• ^d	•	•
Colorado	• ^e	•	•	•	•	•	•
Connecticut	•	•	•	•	•	•	•
Delaware	•	•	•	•	•	•	•
District of Columbia	•	•	• ^f	•	• ^g	•	
Florida	•	•	•	•	•	•	•
Georgia	•	•	•	•	•	•	•
Hawaii	•	•	•	•	•	•	•
Idaho	•	• ^a	• ^f	•	•	•	• ^h
Illinois	•	• ^a	•	•	•	•	•
Indiana	•	•	•	•	•	•	•
Iowa	•	•	•	•	• ⁱ	• ⁱ	
Kansas	•	•	•	•	•	•	
Kentucky	•	•	•	•	•	•	•
Louisiana	•	• ⁱ	•	• ^j		•	
Maine	•	•	•	•		•	•
Maryland	•	•	•	•	• ⁱ	•	• ^k
Massachusetts	•	•	•	•	•	•	•
Michigan	•	• ^a	•	•	•	•	•
Minnesota	•	•	•	•	• ⁱ	•	•
Mississippi	•	• ^a	•	•	•	•	
Missouri	•	•	•	•	•	•	•
Montana	•	•	•	•	• ⁱ	•	•
Nebraska	•	•	•	•	•	•	•
Nevada	•	•	•	•	•	•	•
New Hampshire	•	•	•	•	•	•	•
New Jersey	•	•	•	•	•	•	•
New Mexico	•	• ⁱ	•	•	•	•	•
New York	•	•	•	•	• ^d	•	•
North Carolina	•	•	•	•	•	•	•

Appendix II: States' Asset Documentation Requirements

	Earned income	Unearned income	Financial and investment resources	Life insurance	Primary residence	Other real property	Vehicles
North Dakota	•	•	•	•	•	•	
Ohio	•	•	•	•	•	•	•
Oklahoma	•	•	•	•	ⁱ	•	•
Oregon	•	•	•	•	•	•	•
Pennsylvania	•	•	•	•	•	•	•
Rhode Island	•	•	•	•	•	•	•
South Carolina	•	•	•	•	•	•	•
South Dakota	•	•	•	•	•	•	
Tennessee	•	^a	•	•	^c	•	
Texas	•	•	•	•	•	•	•
Utah	•	•	^j	•	•	•	
Vermont	•	•	•	^m	ⁿ	•	•
Virginia	•	^a	•	•	^b	•	
Washington	•	•	^o	•	•	•	
West Virginia	•	•	•	•	•	•	•
Wisconsin	•	ⁱ	•	•	•	•	•
Wyoming	•	•	•	•	•	•	•
Total	50	49	51	50	37	50	38

Source: GAO web-based survey administered to state Medicaid officials.

^aState reported it did not require documentation of at least some types of unearned income that could be verified with third parties.

^bState reported it did not count a primary residence when determining an applicant's eligibility—and therefore did not require documentation—if an applicant was living in the home or intended to return home.

^cState reported it did not require documentation of primary residence unless it appeared as though the primary residence could exceed the allowable amount of equity interest.

^dState reported it did not require documentation of primary residence because it was not countable when determining an applicant's eligibility.

^eState reported it did not require documentation of earned income because it was verified through an interface with the state's Department of Labor.

^fState reported it did not require documentation of financial and investment resources if reported resources were below a designated level.

^gState reported it did not count a primary residence when determining an applicant's eligibility—and therefore did not require documentation—if an applicant's spouse, child under 20 years old, or disabled child was living in the home.

^hState reported requiring documentation of vehicle loan value only if it affected eligibility determination.

ⁱState reported it did not require documentation of this type of asset if it could be verified with a third party.

^jState reported requiring documentation of a life insurance policy if the applicant reported that it had a face value of \$10,000 or more.

^kState reported only requiring documentation of vehicles other than automobiles.

Appendix II: States' Asset Documentation Requirements

^lState reported it may not require documentation of financial and investment resources if applicant reported having resources valued at well below the standard.

^mState reported it did not require documentation of term life insurance policies. State also did not require documentation of a life insurance policy if the applicant reported that it had a face value of \$1,500 or less.

ⁿState reported it did not require documentation of primary residence unless the applicant reported the value of the residence was within \$200,000 of the allowable amount of equity interest.

^oState reported requiring documentation of financial and investment resources if the applicant was applying for the first time, was previously denied coverage, had not received benefits in many years, or if the applicant's reported resources were deemed questionable; otherwise, state did not require documentation.

**Table 10b: Applicant Documentation Requirements for Medicaid Long-Term Care, by State and Type of Asset, 2011
(continued)**

State	Annuity	Burial contract ^a	CCRC entrance fee ^b	Life estate ^c	Promissory note or loan	Trust
Alabama	•	•	•	•	•	•
Alaska	•	•	•	•	•	•
Arizona	•	•	•	•	•	•
Arkansas	•	•	•	•	•	•
California	•	•		•	•	•
Colorado	•	•	•	•	•	•
Connecticut	•	•		•	•	•
Delaware	•	•		•	•	•
District of Columbia	•	•		•	—	•
Florida	•	•	•	•	•	•
Georgia	•	•	•	•	•	•
Hawaii	•	•	•	•	•	•
Idaho	•	•	•	•	•	•
Illinois	•	•	•	•	•	•
Indiana	•	•	•	•	•	•
Iowa	•	•	•	•	•	•
Kansas	•	•	•	•	•	•
Kentucky	•	•	•	•	•	•
Louisiana	•	•	•	•	•	•
Maine	•	•	•	•	•	•
Maryland	•	•	•	•	•	•
Massachusetts	•	•	•	•	•	•
Michigan	•	•	•	•	•	•
Minnesota	•	•	•	•	•	•
Mississippi	•	•	•	•	•	•
Missouri	•	•	•	•	•	•
Montana	•	•	•	•	•	•
Nebraska	•	•	•	•	•	•
Nevada	•	•	•	•	•	•
New Hampshire	•	•	•	•	•	•
New Jersey	•	•	•	•	•	•
New Mexico	•	•	•	•	•	•
New York	•	•	•	•	•	•
North Carolina	•	•	•	•	•	•
North Dakota	•	•	•	•	•	•

Appendix II: States' Asset Documentation Requirements

State	Annuity	Burial contract ^a	CCRC entrance fee ^b	Life estate ^c	Promissory note or loan	Trust
Ohio	•	•	•	•	•	•
Oklahoma	•	•	•	•	•	•
Oregon	•	•	•	•	•	•
Pennsylvania	•	•	•	•	•	•
Rhode Island	•	•		•	•	•
South Carolina	•	•	•	•	•	•
South Dakota	•	•	•	•	•	•
Tennessee	•	•	•	•	•	•
Texas	•	•	•	•	•	•
Utah	•	•	•	•	•	•
Vermont	•	•	•	•	•	•
Virginia	•	•	•	•	•	•
Washington	•	•	•	•	•	•
West Virginia	•	•	•	•	•	•
Wisconsin	•	•	•	•	•	•
Wyoming	•	•	•	•	•	•
Total	51	51	46	51	50	51

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

— = Response not provided.

^aIncludes burial contracts and prepaid funeral arrangements.

^bCCRC is an abbreviation for continuing care retirement community.

^cA life estate is an interest in real property that gives the owner of the interest the right to use and possess the property only for the duration of the life of a person, usually the person who occupies the premises.

Table 11: States' Treatment of Earned Income Documentation, by Type of Documentation, 2011

Type of documentation	Number of states			
	Required	Acceptable as proof itself	Acceptable with other documentation	Not acceptable
Earning statement or pay stub	4	45	1	0
Copy of check or check stub ^a	3	33	9	4
Itemized bank statement ^a	1	6	20	22
Income tax return ^a	0	20	25	4
W-2 tax form ^a	0	17	16	16
1099 tax form ^b	0	16	17	15
Written statement of earnings from employer	0	49	1	0

Source: GAO web-based survey administered to state Medicaid officials.

Notes: This table only includes responses from the 50 states that reported requiring documentation of earned income. In each row, the number of states may not add to 50 because not all states specified the level of acceptability for the respective type of documentation.

^aOne state did not specify the level of acceptability for this type of documentation.

^bTwo states did not specify the level of acceptability for this type of documentation.

Appendix II: States' Asset Documentation Requirements

Table 12: States' Treatment of Earned Income Documentation, by State and Type of Documentation, 2011

State	Earning statement or pay stub	Copy of check or check stub	Itemized bank statement	Income tax return	W-2 tax form	1099 tax form	Written statement of earnings from employer
Alabama	☐	☐	☐	☐	☐	☐	☐
Alaska ^{a,b}	☐	☐	☐	☐	☐	☐	☐
Arizona ^{a,b}	☐	☐	☐	☐	☐	☐	☐
Arkansas	☐	☐	☐	☐	☐	☐	☐
California ^c	☐	☐	☐	☐	☐	☐	☐
Connecticut	☒	☐	☐	☐	☐	☐	☐
Delaware	☐	☐	☐	☐	☐	☐	☐
District of Columbia	☐	☐	☐	☐	☐	☐	☐
Florida ^d	☐	☐	☐	☐	☐	☐	☐
Georgia ^{a,d}	☐	☐	☐	☐	☐	☐	☐
Hawaii	☐	☐	☐	☐	☐	☐	☐
Idaho ^d	☐	☐	☐	☐	☐	☐	☐
Illinois	☐	☐	☐	☐	☐	☐	☐
Indiana	☐	☐	☐	☐	☐	☐	☐
Iowa ^b	☐	☐	☐	☐	☐	☐	☐
Kansas	☐	☐	☐	☐	☐	☐	☐
Kentucky ^a	☐	☐	—	—	—	☐	☐
Louisiana	☐	☐	☐	☐	☐	☐	☐
Maine	☒	☒	☐	☐	☐	☐	☐
Maryland	☐	☐	☐	☐	☐	☐	☐
Massachusetts	☐	☐	☐	☐	☐	☐	☐
Michigan ^{a,b}	☐	☐	☐	☐	☐	☐	☐
Minnesota ^d	☐	☐	☐	☐	☐	☐	☐
Mississippi	☐	☐	☐	☐	☐	☐	☐
Missouri	☐	☐	☐	☐	☐	☐	☐
Montana	☐	☐	☐	☐	☐	☐	☐
Nebraska	☐	☐	☐	☐	☐	☐	☐
Nevada	☐	☐	☐	☐	☐	☐	☐
New Hampshire	☐	☐	☐	☐	☐	☐	☐
New Jersey	☐	☐	☐	☐	☐	☐	☐
New Mexico	☐	☐	☐	☐	☐	☐	☐
New York ^c	☐	☐	☐	☐	☐	☐	☐
North Carolina ^c	☐	☐	☐	☐	☐	☐	☐

Appendix II: States' Asset Documentation Requirements

State	Earning statement or pay stub	Copy of check or check stub	Itemized bank statement	Income tax return	W-2 tax form	1099 tax form	Written statement of earnings from employer
North Dakota	☐	☐	☐	☐	☐	☐	☐
Ohio	☐	☐	☐	☐	☐	☐	☐
Oklahoma	☐	☐	☐	☐	☐	☐	☐
Oregon	☐	☐	☐	☐	☐	—	☐
Pennsylvania	☐	☐	☐	☐	☐	☐	☐
Rhode Island	■	■	■	☐	☐	☐	☐
South Carolina	☐	☐	☐	☐	☐	—	☐
South Dakota	☐	☐	☐	☐	☐	☐	☐
Tennessee ^d	■	■	☐	☐	☐	☐	☐
Texas ^c	☐	☐	☐	☐	☐	☐	☐
Utah	☐	☐	☐	☐	☐	☐	☐
Vermont ^d	☐	☐	☐	☐	☐	☐	☐
Virginia ^d	☐	—	☐	☐	☐	☐	☐
Washington	☐	☐	☐	☐	☐	☐	☐
West Virginia	☐	☐	☐	☐	☐	☐	☐
Wisconsin ^b	☐	☐	☐	☐	☐	☐	☐
Wyoming	☐	☐	☐	☐	☐	☐	☐

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

■ = Required.

☐ = Acceptable as proof by itself.

☐ = Acceptable as proof with other documentation.

☐ = Not acceptable as proof.

— = Response not provided.

Notes: This table only includes responses from the 50 states that reported requiring documentation of earned income. One state—Colorado—reported it did not require documentation of earned income.

^aState reported that it verified applicants' earned income using The Work Number, which is a national database of employment and income information contributed directly by over 2,200 employers. The state considered The Work Number acceptable as proof by itself for documenting earned income.

^bState reported that it verified applicants' earned income by contacting the employer directly, which it considered acceptable as proof by itself for documenting earned income.

^cState reported that it may accept applicants' self-attestation in lieu of earned income documentation.

^dState reported that tax forms are acceptable only to show proof of earned income for self-employed applicants.

Appendix II: States' Asset Documentation Requirements

Table 13: States' Treatment of Unearned Income Documentation, by Type of Documentation, 2011

Type of documentation	Number of states			
	Required	Acceptable as proof itself	Acceptable with other documentation	Not acceptable
Statement or letter from Social Security Administration ^a	1	45	0	1
Statement or letter from Veterans Administration	4	45	0	0
Pension statement	3	44	2	0
Retirement statement	3	41	5	0
Statement of investment earnings	3	40	5	1
Copy of check or check stub ^b	1	25	16	6
Itemized bank statement	1	10	23	15
Income tax return	0	13	27	9
Tax form showing interest, dividends, etc.	1	18	21	9
Annuity schedule of payments	3	33	11	2
Promissory note schedule of payments/interest ^b	2	30	15	1
Copy of court documents	2	30	17	0

Source: GAO web-based survey administered to state Medicaid officials.

Notes: This table only includes responses from the 49 states that reported requiring documentation of unearned income. In each row, the number of states may not add to 49 because not all states specified the level of acceptability for the respective type of documentation.

^aTwo states did not specify the level of acceptability for this type of documentation.

^bOne state did not specify the level of acceptability for this type of documentation.

Appendix II: States' Asset Documentation Requirements

Table 14a: States' Treatment of Unearned Income Documentation, by State and Type of Documentation, 2011

State	Statement or letter from SSA ^a	Statement or letter from VA ^b	Pension statement	Retirement statement	Statement of investment earnings	Copy of check or check stub
Alabama	☐	☐	☐	☐	☐	☐
Alaska	☐	☐	☐	☐	☐	☐
Arizona	☐	☐	☐	☐	☐	☐
Arkansas	☐	☐	☐	☐	☐	☐
California	☐	☐	☐	☐	☐	☐
Colorado	☐	☐	☐	☐	☐	☐
Connecticut	☐	☐	☐	☐	☐	☐
Delaware	☐	☐	☐	☐	☐	☐
District of Columbia	☐	☐	☐	☐	☐	☐
Florida	☐	☐	☐	☐	☐	☐
Georgia	☐	☐	☐	☐	☐	☐
Hawaii	☐	☐	☐	☐	☐	☐
Idaho	☐	☐	☐	☐	☐	☐
Illinois	☐	☐	☐	☐	☐	☐
Indiana	—	☐	☐	☐	☐	☐
Iowa	☐	☐	☐	☐	☐	☐
Kansas	☐	☐	☐	☐	☐	☐
Kentucky	☐	☐	☐	☐	☐	☐
Maine	☐	☐	☐	☐	☐	☐
Maryland	☐	☐	☐	☐	☐	☐
Massachusetts	☐	☐	☐	☐	☐	☐
Michigan	☐	☐	☐	☐	☐	☐
Minnesota	☐	☐	☐	☐	☐	☐
Mississippi	☐	☐	☐	☐	☐	☐
Missouri	☐	☐	☐	☐	☐	☐
Montana	☐	☐	☐	☐	☐	☐
Nebraska	☐	☐	☐	☐	☐	☐
Nevada	☐	☐	☐	☐	☐	☐
New Hampshire	☐	☐	☐	☐	☐	☐
New Jersey	☐	☐	☐	☐	☐	☐
New York	☐	☐	☐	☐	☐	☐
North Carolina	☐	☐	☐	☐	☐	☐
North Dakota	—	☐	☐	☐	☐	☐
Ohio	☐	☐	☐	☐	☐	☐

Appendix II: States' Asset Documentation Requirements

State	Statement or letter from SSA ^a	Statement or letter from VA ^b	Pension statement	Retirement statement	Statement of investment earnings	Copy of check or check stub
Oklahoma	☐	☐	☐	☐	☐	☐
Oregon	☐	☐	☐	☐	☐	☐
Pennsylvania	☐	☐	☐	☐	☐	☐
Rhode Island	☐	☐	☐	☐	☐	☐
South Carolina	☐	☐	☐	☐	☐	—
South Dakota	☐	☐	☐	☐	☐	☐
Tennessee	☐	■	■	■	■	☐
Texas	☐	☐	☐	☐	☐	☐
Utah	☐	■	■	■	■	☐
Vermont	☐	☐	☐	☐	☐	☐
Virginia	☐	☐	☐	☐	☐	☐
Washington	☐	☐	☐	☐	☐	☐
West Virginia	☐	☐	☐	☐	☐	☐
Wisconsin	☐	☐	☐	☐	☐	☐
Wyoming	☐	☐	☐	☐	☐	☐

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- = Required.
- ☐ = Acceptable as proof by itself.
- ☐ = Acceptable as proof with other documentation.
- ☐ = Not acceptable as proof.
- = Response not provided.

Notes: This table only includes responses from the 49 states that reported requiring documentation of unearned income. The two states that reported they generally did not require documentation of unearned income were Louisiana and New Mexico.

^aSSA is an abbreviation for the Social Security Administration.

^bVA is an abbreviation for the Veterans Administration.

Appendix II: States' Asset Documentation Requirements

Table 14b: States' Treatment of Unearned Income Documentation, by State and Type of Documentation, 2011 (continued)

State	Itemized bank statement	Income tax return	Tax form showing interest/dividends	Annuity schedule of payments	Promissory note schedule of payments/interest	Copy of court documents
Alabama	☒	☒	☒	☒	☒	☒
Alaska	☐	☐	☐	☒	☒	☒
Arizona	☒	☒	☒	☒	☒	☒
Arkansas	☒	☒	☒	☒	☒	☒
California	☒	☒	☐	☒	☒	☒
Colorado	☒	☒	☒	☒	☒	☒
Connecticut	☐	☒	☐	☒	☒	☒
Delaware	☐	☒	☒	☒	☒	☒
District of Columbia	☒	☒	☒	☒	☒	☒
Florida	☐	☒	☒	☒	☒	☒
Georgia	☐	☒	☒	☒	☒	☒
Hawaii	☐	☐	☒	☒	☒	☒
Idaho	☒	☒	☒	☒	☒	☒
Illinois	☒	☒	☒	☒	☒	☒
Indiana	☒	☒	☒	☒	☒	☒
Iowa	☒	☒	☒	☒	☒	☒
Kansas	☒	☒	☒	☒	☒	☒
Kentucky	☐	☒	☐	☒	☒	☒
Maine	☒	☒	☒	☒	☒	☒
Maryland	☐	☒	☒	☒	—	☒
Massachusetts	☒	☐	☒	☒	☒	☒
Michigan	☐	☒	☒	☒	☒	☒
Minnesota	☒	☐	☐	☒	☒	☒
Mississippi	☒	☒	☒	☒	☒	☒
Missouri	☒	☒	☒	☒	☒	☒
Montana	☒	☐	☒	☒	☒	☒
Nebraska	☒	☒	☒	☒	☒	☒
Nevada	☒	☒	☒	☒	☒	☒
New Hampshire	☒	☒	☒	☒	☒	☒
New Jersey	☐	☒	☒	☒	☒	☒
New York	☒	☒	☒	☒	☒	☒
North Carolina	☒	☒	☒	☒	☒	☒
North Dakota	☒	☒	☐	☒	☒	☒

Appendix II: States' Asset Documentation Requirements

State	Itemized bank statement	Income tax return	Tax form showing interest/dividends	Annuity schedule of payments	Promissory note schedule of payments/interest	Copy of court documents
Ohio	☐	☒	☒	☒	☒	☒
Oklahoma	☒	☐	☐	☐	☐	☒
Oregon	☒	☒	☒	☒	☒	☒
Pennsylvania	☐	☒	☒	☒	☒	☒
Rhode Island	☒	☒	☒	☒	☒	☒
South Carolina	☒	☒	☒	☒	☒	☒
South Dakota	☒	☐	☐	☒	☒	☒
Tennessee	☒	☒	☒	☒	☒	☒
Texas	☒	☒	☒	☒	☒	☒
Utah	☐	☒	☒	☒	☒	☒
Vermont	☐	☐	☒	☒	☒	☒
Virginia	☐	☐	☐	☐	☒	☒
Washington	☒	☒	☒	☒	☒	☒
West Virginia	☒	☒	☒	☒	☒	☒
Wisconsin	☒	☒	☒	☒	☒	☒
Wyoming	☒	☒	☒	☒	☒	☒

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- ☒ = Required.
- ☒ = Acceptable as proof by itself.
- ☒ = Acceptable as proof with other documentation.
- ☐ = Not acceptable as proof.
- = Response not provided.

Note: This table only includes responses from the 49 states that reported requiring documentation of unearned income. The two states that reported they generally did not require documentation of unearned income were Louisiana and New Mexico.

Table 15: States' Treatment of Financial and Investment Resources Documentation, by Type of Documentation, 2011

Type of documentation	Number of states			
	Required	Acceptable as proof itself	Acceptable with other documentation	Not acceptable
Bank statement showing monthly balance	7	31	8	5
Itemized bank statement	4	41	4	2
Income tax return ^a	1	10	21	18
Retirement account statement	7	39	5	0
Retirement account award letter	1	30	16	4
Statement or letter from investment brokerages ^a	1	40	8	1
Certificate of stock or bond ownership	4	29	16	2

Source: GAO web-based survey administered to state Medicaid officials.

^aOne state did not specify the level of acceptability for this type of documentation.

Table 16: States' Treatment of Financial and Investment Resources Documentation, by State and Type of Documentation, 2011

State	Bank statement showing monthly balance	Itemized bank statement	Income tax return	Retirement account statement	Retirement account award letter	Statement or letter from investment brokerages	Certificate of stock or bond ownership
Alabama	☐	☐	☐	☐	☐	☐	☐
Alaska	☐	☐	☐	☐	☐	☐	☐
Arizona	☐	☐	☐	☐	☐	☐	☐
Arkansas	☐	☐	☐	☐	☐	☐	☐
California	☐	☐	☐	☐	☐	—	☐
Colorado	☐	☐	☐	☐	☐	☐	☐
Connecticut	☐	☐	☐	☐	☐	☐	☐
Delaware	☐	☐	☐	☐	☐	☐	☐
District of Columbia	☐	☐	☐	☐	☐	☐	☐
Florida	☐	☐	☐	☐	☐	☐	☐
Georgia	☐	☐	☐	☐	☐	☐	☐
Hawaii	☐	☐	☐	☐	☐	☐	☐
Idaho	☐	☐	☐	☐	☐	☐	☐
Illinois	☐	☐	☐	☐	☐	☐	☐
Indiana	☐	☐	☐	☐	☐	☐	☐
Iowa	☐	☐	☐	☐	☐	☐	☐
Kansas	☐	☐	☐	☐	☐	☐	☐
Kentucky	☐	☐	☐	☐	☐	☐	☐
Louisiana	☐	☐	☐	☐	☐	☐	☐
Maine	☐	☐	☐	☐	☐	☐	☐
Maryland	☐	☐	☐	☐	☐	☐	☐
Massachusetts	☐	☐	☐	☐	☐	☐	☐
Michigan	☐	☐	☐	☐	☐	☐	☐
Minnesota	☐	☐	☐	☐	☐	☐	☐
Mississippi	☐	☐	☐	☐	☐	☐	☐
Missouri	☐	☐	☐	☐	☐	☐	☐
Montana	☐	☐	☐	☐	☐	☐	☐
Nebraska	☐	☐	☐	☐	☐	☐	☐
Nevada	☐	☐	☐	☐	☐	☐	☐
New Hampshire	☐	☐	☐	☐	☐	☐	☐
New Jersey	☐	☐	☐	☐	☐	☐	☐
New Mexico	☐	☐	☐	☐	☐	☐	☐

Appendix II: States' Asset Documentation Requirements

State	Bank statement showing monthly balance	Itemized bank statement	Income tax return	Retirement account statement	Retirement account award letter	Statement or letter from investment brokerages	Certificate of stock or bond ownership
New York	☐	☐	☐	☐	☐	☐	☐
North Carolina	■	■	☐	☐	☐	☐	☐
North Dakota	☐	☐	☐	☐	☐	☐	☐
Ohio	☐	☐	☐	☐	☐	☐	☐
Oklahoma	☐	☐	☐	☐	☐	☐	☐
Oregon	☐	☐	☐	☐	☐	☐	☐
Pennsylvania	☐	☐	☐	☐	☐	☐	☐
Rhode Island	☐	☐	☐	☐	☐	☐	☐
South Carolina	☐	☐	—	☐	☐	☐	☐
South Dakota	☐	☐	☐	☐	☐	☐	☐
Tennessee	■	☐	☐	■	☐	☐	☐
Texas	☐	☐	☐	☐	☐	☐	☐
Utah	☐	☐	☐	■	☐	☐	■
Vermont	■	■	■	☐	☐	☐	☐
Virginia	☐	☐	☐	■	☐	☐	☐
Washington	☐	☐	☐	☐	☐	☐	☐
West Virginia	☐	☐	☐	☐	☐	☐	☐
Wisconsin	☐	☐	☐	☐	☐	☐	☐
Wyoming	☐	☐	☐	☐	☐	☐	☐

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- = Required.
- ☐ = Acceptable as proof by itself.
- ☐ = Acceptable as proof with other documentation.
- ☐ = Not acceptable as proof.
- = Response not provided.

Appendix II: States' Asset Documentation Requirements

Table 17: States' Treatment of Life Insurance Documentation, by Type of Documentation, 2011

Type of documentation	Number of states			
	Required	Acceptable as proof itself	Acceptable with other documentation	Not acceptable
Copy of life insurance policy ^a	4	33	12	0
Written statement from insurance company showing current/face value of life insurance policy	5	39	6	0

Source: GAO web-based survey administered to state Medicaid officials.

Notes: This table only includes responses from the 50 states that reported requiring documentation of life insurance. In each row, the number of states may not add to 50 because not all states specified the level of acceptability for the respective type of documentation.

^aOne state did not specify the level of acceptability for this type of documentation.

Table 18: States' Treatment of Life Insurance Documentation, by State and Type of Documentation, 2011

State	Copy of life insurance policy	Written statement from insurance company showing current/face value of life insurance policy
Alabama	☐	☐
Alaska	☐	☐
Arizona ^a	☐	☐
Arkansas	☐	☐
California	☐	☐
Colorado	☐	☐
Connecticut	☐	☐
Delaware	☐	☐
District of Columbia	☐	☐
Florida	☐	☐
Georgia	☐	☐
Hawaii	☐	☐
Idaho	☐	☐
Illinois	☐	☐
Indiana	■	■
Iowa	☐	☐
Kansas	☐	☐
Kentucky	☐	☐
Maine	■	■
Maryland	☐	☐
Massachusetts	☐	☐
Michigan ^a	☐	☐
Minnesota	☐	☐
Mississippi	☐	☐
Missouri	☐	☐
Montana	☐	☐
Nebraska	■	■
Nevada	☐	☐
New Hampshire	☐	☐
New Jersey	☐	☐
New Mexico	☐	☐
New York	☐	☐

Appendix II: States' Asset Documentation Requirements

State	Copy of life insurance policy	Written statement from insurance company showing current/face value of life insurance policy
North Carolina	☐	☐
North Dakota	☐	☐
Ohio	☐	☐
Oklahoma	☐	☐
Oregon	☐	☐
Pennsylvania	☐	☐
Rhode Island	☐	☐
South Carolina ^a	☐	☐
South Dakota	☐	■
Tennessee	■	☐
Texas ^a	☐	☐
Utah	☐	☐
Vermont ^a	—	☐
Virginia	☐	■
Washington	☐	☐
West Virginia	☐	☐
Wisconsin	☐	☐
Wyoming	☐	☐

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

■ = Required.

☐ = Acceptable as proof by itself.

☐ = Acceptable as proof with other documentation.

— = Response not provided.

Notes: This table only includes responses from the 50 states that reported requiring documentation of life insurance. One state—Louisiana—reported it generally did not require documentation of life insurance.

^aState reported it would contact insurance companies directly to verify ownership and value of life insurance.

Appendix II: States' Asset Documentation Requirements

Table 19: States' Treatment of Primary Residence Documentation, by Type of Documentation, 2011

Type of documentation	Number of states			
	Required	Acceptable as proof itself	Acceptable with other documentation	Not acceptable
Property deed	3	20	13	1
Property tax assessment statement or bill ^a	1	23	12	0
Assessment of current value ^a	2	26	8	0
Mortgage statement ^a	1	14	15	6
Income tax return ^b	0	4	9	21
Purchase or sale agreement	1	16	16	4

Source: GAO web-based survey administered to state Medicaid officials.

Notes: This table only includes responses from the 37 states that reported requiring documentation of a primary residence. In each row, the number of states may not add to 37 because not all states specified the level of acceptability for the respective type of documentation.

^aOne state did not specify the level of acceptability for this type of documentation.

^bThree states did not specify the level of acceptability for this type of documentation.

Appendix II: States' Asset Documentation Requirements

Table 20: States' Treatment of Primary Residence Documentation, by State and Type of Documentation, 2011

State	Property deed	Property tax assessment statement or bill	Assessment of current value	Mortgage statement	Income tax return	Purchase or sale agreement
Alabama	☐	☐	☐	☐	☐	☐
Arizona	☐	☐	☐	☐	☐	☐
Colorado	☐	☐	☐	☐	☐	☐
Connecticut	☐	☐	☐	☐	☐	■
Delaware	■	☐	■	☐	☐	☐
Florida	☐	☐	☐	☐	☐	☐
Georgia	☐	☐	☐	☐	☐	☐
Hawaii	☐	☐	☐	☐	☐	☐
Idaho	☐	☐	☐	☐	☐	☐
Illinois	☐	☐	☐	☐	☐	☐
Indiana	☐	☐	■	☐	—	☐
Kansas	☐	☐	☐	☐	☐	☐
Kentucky	☐	☐	☐	☐	☐	☐
Maryland	☐	☐	☐	☐	☐	☐
Massachusetts	☐	☐	☐	☐	☐	☐
Michigan	☐	☐	☐	☐	☐	☐
Mississippi	☐	☐	☐	☐	☐	☐
Missouri	☐	☐	☐	☐	☐	☐
Nebraska	■	■	☐	■	☐	☐
Nevada	☐	☐	☐	☐	☐	☐
New Hampshire	☐	☐	☐	☐	☐	☐
New Jersey	☐	☐	☐	☐	☐	☐
New Mexico	☐	☐	☐	☐	☐	☐
North Carolina	☐	☐	☐	☐	☐	☐
North Dakota	☐	☐	☐	☐	☐	☐
Ohio	☐	☐	☐	☐	☐	☐
Oregon	☐	☐	☐	☐	☐	☐
Pennsylvania	☐	☐	☐	☐	☐	☐
Rhode Island	■	—	—	—	—	☐
South Carolina	☐	☐	☐	☐	—	☐
South Dakota	☐	☐	☐	☐	☐	☐
Texas	☐	☐	☐	☐	☐	☐
Utah	☐	☐	☐	☐	☐	☐
Washington	☐	☐	☐	☐	☐	☐

Appendix II: States' Asset Documentation Requirements

State	Property deed	Property tax assessment statement or bill	Assessment of current value	Mortgage statement	Income tax return	Purchase or sale agreement
West Virginia	☐	☐	☐	☐	☐	☐
Wisconsin	☐	☐	☐	☐	☐	☐
Wyoming	☐	☐	☐	☐	☐	☐

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- = Required.
- ☐ = Acceptable as proof by itself.
- ☐ = Acceptable as proof with other documentation.
- ☐ = Not acceptable as proof.
- = Response not provided.

Note: This table only includes responses from the 37 states that reported requiring documentation of a primary residence. The following 14 states reported they generally did not require documentation of a primary residence: Alaska, Arkansas, California, District of Columbia, Iowa, Louisiana, Maine, Minnesota, Montana, New York, Oklahoma, Tennessee, Vermont, and Virginia.

Table 21: States' Treatment of Documentation of Real Property other than Primary Residence, by Type of Documentation, 2011

Type of documentation	Number of states			
	Required	Acceptable as proof itself	Acceptable with other documentation	Not acceptable
Property deed	7	24	16	3
Property tax assessment statement or bill ^a	2	32	14	1
Assessment of current value	4	34	10	2
Mortgage statement ^b	1	13	23	11
Income tax return ^c	0	3	14	30
Purchase or sale agreement ^a	3	20	25	1

Source: GAO web-based survey administered to state Medicaid officials.

Notes: This table only includes responses from the 50 states that reported requiring documentation of real property other than a primary residence. In each row, the number of states may not add to 50 because not all states specified the level of acceptability for the respective type of documentation.

^aOne state did not specify the level of acceptability for this type of documentation.

^bTwo states did not specify the level of acceptability for this type of documentation.

^cThree states did not specify the level of acceptability for this type of documentation.

Appendix II: States' Asset Documentation Requirements

Table 22: States' Treatment of Documentation of Real Property other than Primary Residence, by State and Type of Documentation, 2011

State	Property deed	Property tax assessment statement or bill	Assessment of current value	Mortgage statement	Income tax return	Purchase or sale agreement
Alabama	☐	☐	☐	☐	☐	☐
Alaska	☐	☐	☐	☐	☐	☐
Arizona	☐	☐	☐	☐	☐	☐
Arkansas	☐	☐	☐	☐	☐	☐
California	☐	☐	☐	☐	☐	☐
Colorado	☐	☐	☐	☐	☐	☐
Connecticut	☐	☐	☐	☐	☐	☐
Delaware	☐	☐	☐	☐	☐	☐
District of Columbia	☐	☐	☐	—	☐	☐
Florida	☐	☐	☐	☐	☐	☐
Georgia	☐	☐	☐	☐	☐	☐
Hawaii	☐	☐	☐	☐	☐	☐
Idaho	☐	☐	☐	☐	☐	☐
Illinois	☐	☐	☐	☐	☐	☐
Indiana	☐	—	☐	—	—	☐
Kansas	☐	☐	☐	☐	☐	☐
Kentucky	☐	☐	☐	☐	—	—
Louisiana	☐	☐	☐	☐	☐	☐
Maine	☐	☐	☐	☐	☐	☐
Maryland	☐	☐	☐	☐	☐	☐
Massachusetts	☐	☐	☐	☐	☐	☐
Michigan	☐	☐	☐	☐	☐	☐
Minnesota ^a	☐	☐	☐	☐	☐	☐
Mississippi	☐	☐	☐	☐	☐	☐
Missouri	☐	☐	☐	☐	☐	☐
Montana ^b	☐	☐	☐	☐	☐	☐
Nebraska	☐	☐	☐	☐	☐	☐
Nevada	☐	☐	☐	☐	☐	☐
New Hampshire	☐	☐	☐	☐	☐	☐
New Jersey	☐	☐	☐	☐	☐	☐
New Mexico	☐	☐	☐	☐	☐	☐
New York	☐	☐	☐	☐	☐	☐
North Carolina	☐	☐	☐	☐	☐	☐

Appendix II: States' Asset Documentation Requirements

State	Property deed	Property tax assessment statement or bill	Assessment of current value	Mortgage statement	Income tax return	Purchase or sale agreement
North Dakota	■	■	■	■	□	■
Ohio	■	■	■	■	□	■
Oklahoma	■	■	■	■	□	■
Oregon	■	■	■	■	■	■
Pennsylvania	■	■	■	■	□	■
Rhode Island	■	■	■	□	□	■
South Carolina	■	■	■	■	—	■
South Dakota	■	■	■	■	□	■
Tennessee	■	■	■	■	■	■
Texas	■	■	■	■	□	■
Utah	■	■	■	■	□	■
Vermont	■	■	■	□	□	■
Virginia ^c	■	■	■	■	□	■
Washington	■	■	■	■	■	■
West Virginia	■	■	■	■	■	■
Wisconsin	■	■	■	■	■	■
Wyoming	■	■	■	■	□	■

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- = Required.
- = Acceptable as proof by itself.
- = Acceptable as proof with other documentation.
- = Not acceptable as proof.
- = Response not provided.

Notes: This table only includes responses from the 50 states that reported requiring documentation of real property other than a primary residence. One state—Iowa—generally did not require documentation of real property other than the primary residence.

^aState reported requiring a statement from a licensed appraiser if there was no online access to property tax statements or if the applicant disputed the property tax value.

^bState reported requiring documentation of value, but verified ownership of property with a third party.

^cState reported requiring a purchase or sale agreement only if the applicant sold the property.

Appendix II: States' Asset Documentation Requirements

Table 23: States' Treatment of Vehicle Documentation, by Type of Documentation, 2011

Type of documentation	Number of states			
	Required	Acceptable as proof itself	Acceptable with other documentation	Not acceptable
Vehicle title	3	25	8	2
Vehicle registration document ^a	1	25	9	1
Statement of vehicle loan balance	2	13	17	6
Written assessment of vehicle value from vehicle dealer	2	23	12	1

Source: GAO web-based survey administered to state Medicaid officials.

Notes: This table only includes responses from the 38 states that reported requiring documentation of vehicles. In each row, the number of states may not add to 38 because not all states specified the level of acceptability for the respective type of documentation.

^aTwo states did not specify the level of acceptability for this type of documentation.

Table 24: States' Treatment of Vehicle Documentation, by State and Type of Documentation, 2011

State	Vehicle title	Vehicle registration document	Statement of vehicle loan balance	Written assessment of vehicle value from vehicle dealer
Alabama	☒	☒	☒	☒
Arizona	☐	☐	☐	☐
Arkansas	☒	☒	☒	☒
California	☐	☒	☐	☒
Colorado	☒	☒	☒	☒
Connecticut	☒	☐	☐	☐
Delaware	☒	☒	☐	☐
Florida	☒	☒	☐	☒
Georgia	☒	☒	☐	☒
Hawaii	☒	☒	☐	☐
Illinois	☐	☐	☐	☐
Indiana	☒	—	☒	☒
Kentucky	☒	☒	☐	☒
Maine	☒	☒	☐	☐
Maryland	☒	☒	☒	☒
Massachusetts	☒	☒	☐	☐
Michigan	☒	☒	☒	☒
Minnesota	☐	☐	☐	☒
Missouri	☐	☐	☐	☐
Montana	☐	☐	☐	☐
Nebraska	☒	—	☒	☒
Nevada	☒	☒	☒	☒
New Hampshire	☒	☒	☒	☒
New Jersey	☒	☒	☐	☐
New Mexico	☐	☐	☐	☐
New York	☒	☒	☐	☒
North Carolina	☐	☐	☐	☒
Ohio	☒	☒	☒	☒
Oklahoma	☒	☒	☐	☐
Oregon	☒	☒	☒	☒
Pennsylvania	☒	☒	☒	☒
Rhode Island	☒	☒	☐	☐
South Carolina	☒	☒	☒	☒
Texas	☐	☐	☐	☒

Appendix II: States' Asset Documentation Requirements

State	Vehicle title	Vehicle registration document	Statement of vehicle loan balance	Written assessment of vehicle value from vehicle dealer
Vermont	■	■	■	■
West Virginia	▣	▣	▣	▣
Wisconsin	■	■	■	■
Wyoming	■	■	▣	■

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

■ = Required.

▣ = Acceptable as proof by itself.

▣ = Acceptable as proof with other documentation.

□ = Not acceptable as proof.

— = Response not provided.

Note: This table only includes responses from the 38 states that reported requiring documentation of vehicles. The following 13 states reported they generally did not require documentation of vehicles: Alaska, District of Columbia, Idaho, Iowa, Kansas, Louisiana, Mississippi, North Dakota, South Dakota, Tennessee, Utah, Virginia, and Washington.

Table 25: Amount of Required Documentation for Financial and Investment Resources, by State, 2011

State	Current month	Current and past months			
		2 months	3 months	36 months	60 months
Alabama					•
Alaska	•				
Arizona	•				
Arkansas	•				
California	•				
Colorado	•				
Connecticut					•
Delaware					•
District of Columbia	•				
Florida	•				
Georgia	•				
Hawaii					•
Idaho	•				
Illinois					•
Indiana ^a					
Iowa			•		
Kansas	•				
Kentucky			•		
Louisiana	•				
Maine					•
Maryland	•				
Massachusetts	•				
Michigan	•				
Minnesota	•				
Mississippi					•
Missouri					•
Montana					•
Nebraska	•				
Nevada					•
New Hampshire					•
New Jersey					•
New Mexico	•				
New York	•				

Appendix II: States' Asset Documentation Requirements

State	Current month	Current and past months			
		2 months	3 months	36 months	60 months
North Carolina	•				
North Dakota	•				
Ohio					•
Oklahoma	•				
Oregon					•
Pennsylvania	•				
Rhode Island	•				
South Carolina					•
South Dakota	•				
Tennessee		•			
Texas			•		
Utah					•
Vermont					•
Virginia	•				
Washington			•		
West Virginia	•				
Wisconsin				•	
Wyoming	•				
Total	27	1	4	1	17

Source: GAO web-based survey administered to state Medicaid officials.

^aState reported it required both current and past documentation for financial and investment resources, but did not specify the number of months of documentation required because it is determined on a case-by-case basis. In some cases, the state may require up to 60 months of documentation.

Table 26: Proportion of Applicants for Which States Require Additional Documentation to Identify Assets Transferred for Less Than Fair Market Value, by State, 2011

State	Proportion of applicants
Alabama	●
Alaska ^a	⊙
Arizona	○
Arkansas	○
California ^a	⊙
Colorado ^a	⊙
Connecticut	●
Delaware	○
District of Columbia	○
Florida ^a	⊙
Georgia ^a	⊙
Hawaii	●
Idaho ^a	⊙
Illinois ^b	⊙
Indiana	—
Iowa ^{a,b}	⊙
Kansas ^a	⊙
Kentucky ^{a,b}	⊙
Louisiana ^a	⊙
Maine	○
Maryland	●
Massachusetts	●
Michigan ^{a,b}	⊙
Minnesota	○
Mississippi	○
Missouri ^a	⊙
Montana ^{a,b}	⊙
Nebraska ^{a,b}	⊙
Nevada ^b	⊙
New Hampshire	⊙
New Jersey	○
New Mexico ^a	⊙
New York	●
North Carolina	●

Appendix II: States' Asset Documentation Requirements

State	Proportion of applicants
North Dakota ^b	⊙
Ohio	○
Oklahoma	○
Oregon	○
Pennsylvania ^a	⊙
Rhode Island ^{a,b}	⊙
South Carolina	○
South Dakota ^a	⊙
Tennessee ^b	⊙
Texas ^{a,b}	⊙
Utah ^a	⊙
Vermont	⊙
Virginia ^a	⊙
Washington ^b	⊙
West Virginia ^{a,b}	⊙
Wisconsin ^a	⊙
Wyoming ^a	⊙

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- = All applicants.
- ⊙ = Some applicants.
- = No applicants.
- = Response not provided.

^aState reported requiring additional documentation only if an applicant reported a transfer.

^bState reported requiring additional documentation only if it questioned the applicant's information or had reason to believe a transfer may have occurred.

Appendix III: States' Use of Data Matches to Verify Applicants' Assets

Table 27a: Proportion of Applicants for which States Conduct Data Matches with Third Parties to Verify Applicants' Assets, by State and Source of Data Match, 2011

State	Social Security Administration	State unemployment records	IEVS ^a	PARIS ^b	State wage files/directory of new hires
Alabama	●	⊙	●	●	⊙
Alaska	○	●	●	⊙	○
Arizona	●	⊙	○	●	⊙
Arkansas	●	⊙	●	—	⊙
California	●	●	●	⊙	●
Colorado	●	○	●	●	●
Connecticut	●	●	●	○	○
Delaware	●	—	—	—	—
District of Columbia	●	●	●	●	○
Florida	●	●	●	●	●
Georgia	●	⊙	⊙	○	⊙
Hawaii	●	●	●	●	●
Idaho	●	●	●	⊙	●
Illinois	●	●	○	●	●
Indiana	●	●	●	—	●
Iowa	○	●	●	●	●
Kansas	●	●	○	●	●
Kentucky	●	●	●	⊙	●
Louisiana	●	⊙	●	●	⊙
Maine	●	●	●	●	●
Maryland	●	●	●	●	●
Massachusetts	●	⊙	●	⊙	—
Michigan	●	●	○	⊙	●
Minnesota	●	●	●	●	●
Mississippi	●	●	●	●	○
Missouri	●	●	●	●	●
Montana	●	●	●	●	○
Nebraska	●	●	●	●	●
Nevada	●	●	●	●	●
New Hampshire	●	●	●	●	●
New Jersey	⊙	●	●	●	●
New Mexico	●	●	●	●	●
New York	●	●	○	●	●

**Appendix III: States' Use of Data Matches to
Verify Applicants' Assets**

State	Social Security Administration	State unemployment records	IEVS ^a	PARIS ^b	State wage files/directory of new hires
North Carolina	●	⊙	●	○	⊙
North Dakota	●	●	●	●	●
Ohio	⊙	⊙	⊙	⊙	⊙
Oklahoma	●	●	●	●	●
Oregon	⊙	⊙	⊙	⊙	⊙
Pennsylvania	●	●	●	●	●
Rhode Island	●	○	●	⊙	○
South Carolina	⊙	⊙	●	○	○
South Dakota	●	●	●	●	●
Tennessee	●	●	○	○	●
Texas	●	● ^c	●	●	● ^c
Utah	●	●	⊙	●	●
Vermont	●	●	⊙	●	●
Virginia	⊙	⊙	⊙	⊙	○
Washington	●	●	●	●	⊙
West Virginia	⊙	⊙	●	○	⊙
Wisconsin	●	●	●	●	●
Wyoming	●	●	●	●	●

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- = All applicants.
- ⊙ = Most (more than half) applicants.
- ⊙ = Some applicants.
- = No applicants.
- = Response not provided.

^aIEVS is an abbreviation for Income and Eligibility Verification System; this system allows a state to match applicant-reported income information with data from the Internal Revenue Service, the Social Security Administration, and state wage and unemployment insurance benefit records. States that reported using this system to verify applicants' assets may use some or all of the data available.

^bPARIS is an abbreviation for Public Assistance Reporting Information System. PARIS is an electronic data matching and information exchange system that is designed to match state enrollment information, including Medicaid enrollment, with data from other participating states and from a selected group of federal databases. The federal databases include, among other things, information on individuals' receipt of income from the Department of Veterans Affairs, the Department of Defense, and the Office of Personnel Management. States that reported conducting a PARIS data match may use some or all of the data available.

^cState contracted with a data broker to perform various data matches including matches with state wage, unemployment, and workman's compensation sources.

Appendix III: States' Use of Data Matches to
Verify Applicants' Assets

Table 27b: Proportion of Applicants for which States Conduct Data Matches with Third Parties to Verify Applicants' Assets, by State and Source of Data Match, 2011 (continued)

State	Internal Revenue Service	Department of Veterans Affairs	State workman's compensation records	National Directory of New Hires ^a	State tax records
Alabama	○	●	○	○	○
Alaska	●	○	○	○	○
Arizona	○	⊙	○	○	○
Arkansas	●	●	○	—	○
California	○	⊙	○	○	●
Colorado	○	○	○	○	○
Connecticut	⊙	⊙	○	○	○
Delaware	—	—	—	—	—
District of Columbia	○	○	○	●	○
Florida	●	○	●	●	○
Georgia	⊙	⊙	⊙	○	○
Hawaii	●	●	○	○	○
Idaho	●	○	○	○	○
Illinois	●	○	○	●	○
Indiana	○	○	○	⊙	⊙
Iowa	●	—	—	—	—
Kansas	○	○	○	○	○
Kentucky	●	●	○	○	○
Louisiana	○	○	○	○	○
Maine	⊙	○	○	●	○
Maryland	○	○	○	●	○
Massachusetts	○	○	—	○	—
Michigan	●	○	○	○	○
Minnesota	○	○	●	●	●
Mississippi	○	○	○	○	○
Missouri	●	●	●	○	○
Montana	●	○	○	○	○
Nebraska	●	○	○	○	○
Nevada	●	⊙	⊙	●	○
New Hampshire	●	●	●	○	○
New Jersey	●	—	—	⊙	⊙
New Mexico	○	⊙	●	●	○
New York	○	○	○	○	○

**Appendix III: States' Use of Data Matches to
Verify Applicants' Assets**

State	Internal Revenue Service	Department of Veterans Affairs	State workman's compensation records	National Directory of New Hires ^a	State tax records
North Carolina	○	⊙	⊙	⊙	○
North Dakota	●	○	○	○	○
Ohio	⊙	○	⊙	○	○
Oklahoma	●	⊙	●	●	○
Oregon	⊙	⊙	⊙	○	⊙
Pennsylvania	●	●	○	●	○
Rhode Island	○	⊙	⊙	○	○
South Carolina	○	●	⊙	○	○
South Dakota	●	○	●	○	○
Tennessee	●	○	○	⊙	○
Texas	○	⊙	● ^b	○	○
Utah	⊙	○	○	○	○
Vermont	●	⊙	○	—	○
Virginia	○	○	○	○	○
Washington	⊙	●	⊙	○	○
West Virginia	●	○	○	○	●
Wisconsin	●	○	○	○	○
Wyoming	○	⊙	⊙	○	○

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- = All applicants.
- ⊙ = Most (more than half) applicants.
- ⊙ = Some applicants.
- = No applicants.
- = Response not provided.

^aThe National Directory of New Hires is a national database of employment wage and unemployment insurance information for use by federal and state agencies.

^bState contracted with a data broker to perform various data matches including matches with state wage, unemployment, and workman's compensation sources.

Appendix III: States' Use of Data Matches to
Verify Applicants' Assets

Table 28a: Timing of State Data Matches in Relation to Eligibility Determination, by State and Source of Data Match, 2011

State	Social Security Administration	State unemployment records	IEVS ^a	PARIS ^b	State wage files/directory of new hires
Alabama	◀	—	▷	▷	—
Alaska	◀▷	◀▷	▷	▷	—
Arizona	◀	◀	—	▷	▷
Arkansas	◀	◀	▷	N/A	◀
California	◀	◀	◀	▷	◀
Colorado	◀	N/A	◀	▷	◀
Connecticut	◀	◀	◀	—	—
Delaware	◀	—	—	—	—
District of Columbia	◀	◀	◀	▷	—
Florida	◀	—	◀	▷	◀
Georgia	◀	◀	◀	—	◀
Hawaii	◀▷	◀▷	◀	▷	◀▷
Idaho	◀	◀	◀	▷	◀
Illinois	◀	▷	N/A	▷	▷
Indiana	◀	—	—	▷	—
Iowa	◀	◀	◀	▷	◀
Kansas	◀	◀	N/A	▷	◀
Kentucky	▷	◀	◀	▷	◀
Louisiana	◀	◀	◀	◀	◀
Maine	—	—	—	—	—
Maryland	—	◀	◀	◀▷	◀
Massachusetts	◀	◀	◀	▷	N/A
Michigan	◀	◀	N/A	◀▷	▷
Minnesota	◀▷	▷	◀▷	▷	▷
Mississippi	◀	—	◀	▷	—
Missouri	◀	◀	◀	N/A	◀
Montana	◀	◀	◀▷	◀▷	—
Nebraska	—	—	—	—	—
Nevada	◀	◀	◀	◀▷	◀▷
New Hampshire	◀	▷	▷	▷	▷
New Jersey	◀▷	◀	▷	▷	◀
New Mexico	▷	◀▷	▷	▷	◀▷
New York	◀	◀	—	▷	◀
North Carolina	◀	◀	◀▷	—	◀

**Appendix III: States' Use of Data Matches to
Verify Applicants' Assets**

State	Social Security Administration	State unemployment records	IEVS ^a	PARIS ^b	State wage files/directory of new hires
North Dakota	◀	▷	▷	▷	▷
Ohio	◀▷	▷	▷	▷	◀▷
Oklahoma	◀▷	◀▷	▷	▷	◀
Oregon	◀	◀	▷	▷	▷
Pennsylvania	◀	◀	◀	◀	◀
Rhode Island	◀	—	◀	◀▷	—
South Carolina	◀	◀	◀	—	—
South Dakota	◀	◀▷	◀	◀▷	◀▷
Tennessee	◀	▷	—	—	▷
Texas	◀	◀	▷	▷	◀
Utah	◀	◀	◀▷	◀	◀
Vermont	◀	◀▷	◀▷	▷	◀▷
Virginia	◀	◀	▷	▷	—
Washington	◀	◀	▷	▷	◀▷
West Virginia	◀	◀▷	◀▷	—	◀▷
Wisconsin	◀	◀	◀	◀	◀
Wyoming	◀	◀	▷	▷	◀▷

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

◀ = Generally before eligibility determination.

◀▷ = Sometimes before and sometimes after eligibility determination.

▷ = Generally after eligibility determination.

N/A = Not applicable, state did not conduct data match with respective source.

— = Response not provided.

^aIEVS is an abbreviation for Income and Eligibility Verification System; this system allows a state to match applicant-reported income information with data from the Internal Revenue Service, the Social Security Administration, and state wage and unemployment insurance benefit records. States that reported using this system to verify applicants' assets may use some or all of the data available.

^bPARIS is an abbreviation for Public Assistance Reporting Information System. PARIS is an electronic data matching and information exchange system that is designed to match state enrollment information, including Medicaid enrollment, with data from other participating states and from a selected group of federal databases. The federal databases include, among other things, information on individuals' receipt of income from the Department of Veterans Affairs, the Department of Defense, and the Office of Personnel Management. States that reported conducting a PARIS data match may use some or all of the data available.

**Table 28b: Timing of State Data Matches in Relation to Eligibility Determination, by State and Source of Data Match, 2011
(continued)**

State	Internal Revenue Service	Department of Veterans Affairs	State workman's compensation records	National Directory of New Hires ^a	State tax records
Alabama	—	◀	—	—	—
Alaska	▷	—	—	—	—
Arizona	—	◀	—	—	—
Arkansas	▷	◀	—	N/A	—
California	—	◀▷	—	—	◀
Colorado	N/A	N/A	N/A	N/A	N/A
Connecticut	◀▷	◀▷	—	—	—
Delaware	—	—	—	—	—
District of Columbia	—	—	—	◀	—
Florida	▷	N/A	—	◀	—
Georgia	▷	◀	◀	—	—
Hawaii	◀▷	◀▷	—	—	—
Idaho	◀	—	—	—	—
Illinois	▷	N/A	N/A	▷	N/A
Indiana	▷	—	—	▷	◀
Iowa	▷	—	—	—	—
Kansas	N/A	N/A	N/A	N/A	N/A
Kentucky	◀	N/A	N/A	◀	N/A
Louisiana	N/A	N/A	N/A	N/A	N/A
Maine	—	—	—	—	—
Maryland	—	—	—	◀▷	—
Massachusetts	—	—	N/A	—	N/A
Michigan	▷	—	N/A	N/A	N/A
Minnesota	—	—	▷	◀	▷
Mississippi	—	—	—	—	—
Missouri	◀	▷	◀	—	—
Montana	▷	—	—	—	—
Nebraska	—	—	—	N/A	—
Nevada	N/A	◀	◀	◀▷	—
New Hampshire	▷	▷	▷	N/A	N/A
New Jersey	▷	—	—	◀▷	◀▷
New Mexico	—	◀▷	◀▷	◀	—
New York	—	—	—	—	—

**Appendix III: States' Use of Data Matches to
Verify Applicants' Assets**

State	Internal Revenue Service	Department of Veterans Affairs	State workman's compensation records	National Directory of New Hires ^a	State tax records
North Carolina	N/A	◀	▷	▷	N/A
North Dakota	▷	N/A	N/A	N/A	N/A
Ohio	▷	—	▷	N/A	—
Oklahoma	▷	◀▷	◀▷	▷	—
Oregon	◀	◀	◀	N/A	◀
Pennsylvania	▷	◀	N/A	◀	N/A
Rhode Island	—	—	—	—	—
South Carolina	◀	◀	◀	—	—
South Dakota	▷	N/A	◀▷	N/A	N/A
Tennessee	▷	—	—	◀	—
Texas	—	◀	◀	—	—
Utah	▷	N/A	N/A	N/A	N/A
Vermont	▷	◀▷	—	—	—
Virginia	—	—	—	—	—
Washington	▷	▷	◀▷	—	—
West Virginia	▷	—	—	—	▷
Wisconsin	◀	—	—	—	—
Wyoming	N/A	◀	◀▷	N/A	N/A

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

◀ = Generally before eligibility determination.

◀▷ = Sometimes before and sometimes after eligibility determination.

▷ = Generally after eligibility determination.

N/A = Not applicable, state did not conduct data match with respective source.

— = Response not provided.

^aThe National Directory of New Hires is a national database of employment wage and unemployment insurance information for use by federal and state agencies.

Appendix IV: States' Contact with Financial Institutions to Verify Applicants' Assets

Table 29: Proportion of Applicants for which States Contact Financial Institutions to Verify Applicants' Assets, by State and Type of Financial Institution, 2011

State	Institutions with accounts reported by applicant	Institutions not reported by applicant		
		Local	Statewide	National
Alaska ^a	⊙	⊙	⊙	⊙
Arizona ^a	⊙	○	○	○
Connecticut	●	⊙	⊙	○
Illinois ^a	⊙	○	○	○
Indiana ^a	⊙	⊙	—	—
Kentucky	●	●	○	○
Louisiana ^a	●	⊙	○	○
Maine	●	⊙	⊙	⊙
Maryland ^a	⊙	○	○	○
Michigan ^a	⊙	○	○	○
Missouri	●	○	○	○
New Jersey ^a	⊙	●	●	●
New York	●	●	●	○
North Carolina	●	○	○	○
Oklahoma	●	⊙	○	○
Pennsylvania	●	○	○	○
Rhode Island	●	●	●	●
South Carolina ^a	⊙	○	○	○
Texas ^a	⊙	○	○	○
Vermont	●	●	●	●
Virginia	⊙	○	○	○
Washington ^a	⊙	○	○	○
Wisconsin ^a	⊙	○	○	○
Wyoming	⊙	○	○	○

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- = All applicants.
- = Most (more than half) applicants.
- ⊙ = Some applicants.
- = No applicants.
- = Response not provided.

**Appendix IV: States' Contact with Financial
Institutions to Verify Applicants' Assets**

Notes: This table only includes responses from the 24 states that reported contacting financial institutions. The following 27 states reported they did not contact financial institutions: Alabama, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Massachusetts, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Ohio, Oregon, South Dakota, Tennessee, Utah, and West Virginia. Although Oregon reported that it generally did not contact financial institutions, the state noted it may request information from financial institutions with which an applicant reported having an account if an applicant did not provide sufficient documentation.

^aState reported only contacting financial institutions if an applicant submitted questionable or insufficient information.

Table 30: Types and Number of Months of Information Requested from Financial Institutions, by State, 2011

State	Type of information requested		Number of months requested
	Itemized statements	Account balances	
Alaska	•		3
Arizona		•	1
Connecticut	•		60
Illinois	•		60
Indiana		•	3
Kentucky		•	3
Louisiana		•	3
Maine	•		60
Maryland	•		60
Michigan	•		1
Missouri		•	3
New Jersey	•		60
New York		•	1
North Carolina		•	1
Oklahoma	•		12
Pennsylvania	•		1
Rhode Island	•		6
South Carolina		•	12
Texas		•	3
Vermont		•	1 ^a
Virginia		•	3
Washington		•	— ^b
Wisconsin	•		36
Wyoming	•		1
Total	12	12	

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

— = Response not provided.

**Appendix IV: States' Contact with Financial
Institutions to Verify Applicants' Assets**

Notes: This table only includes responses from the 24 states that reported contacting financial institutions. The following 27 states reported they did not contact financial institutions: Alabama, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Massachusetts, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Ohio, Oregon, South Dakota, Tennessee, Utah, and West Virginia.

^aState reported that it requested the current balance for any open accounts and the closing balance for any accounts that were closed within the past 60 months.

^bState did not specify the number of months of information it requested and noted it would request whatever amount is needed.

Table 31: Timing of States' Contacts with Financial Institutions in Relation to Eligibility Determination, by State, 2011

State	Point during eligibility determination process
Alaska	◀▷
Arizona	◀
Connecticut	◀
Illinois	◀▷
Indiana	◀
Kentucky	◀
Louisiana	◀
Maine	◀
Maryland	◀
Michigan	◀
Missouri	◀
New Jersey	◀▷
New York	▷
North Carolina	◀
Oklahoma	◀
Pennsylvania	◀
Rhode Island	◀
South Carolina	◀
Vermont	◀
Virginia	◀
Texas	◀
Washington	◀
Wisconsin	◀
Wyoming	◀

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

◀ = Generally before eligibility determination.

◀▷ = Sometimes before and sometimes after eligibility determination.

▷ = Generally after eligibility determination.

Note: This table only includes responses from the 24 states that reported contacting financial institutions. The following 27 states reported they did not contact financial institutions: Alabama, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Massachusetts, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Ohio, Oregon, South Dakota, Tennessee, Utah, and West Virginia.

Appendix V: States' Use of Property Records Searches to Verify Applicants' Assets

Table 32: Proportion of Applicants for which States Conduct Property Records Searches to Verify Applicants' Assets, by State and Geographic Area of Property Search Conducted, 2011

State	Applicant's county of residence	Some other counties in state	All counties in state	Locations in other states
Alabama	●	●	●	●
Alaska ^a	⊙	⊙	⊙	○
Arizona ^b	⊙	⊙	⊙	○
Colorado ^a	⊙	⊙	⊙	○
Connecticut ^a	●	○	○	⊙
Delaware	●	⊙	⊙	○
Georgia	●	●	○	⊙
Hawaii	●	●	●	○
Illinois ^a	⊙	⊙	⊙	⊙
Iowa ^c	●	⊙	⊙	⊙
Kansas ^{a,b}	⊙	⊙	○	—
Kentucky	●	⊙	—	—
Louisiana ^a	●	⊙	○	⊙
Maine	●	⊙	⊙	⊙
Maryland	●	⊙	●	⊙
Michigan ^a	⊙	⊙	○	○
Mississippi	●	⊙	○	○
Missouri ^a	⊙	⊙	⊙	⊙
Montana	●	●	●	⊙
Nevada ^d	●	●	●	○
New Hampshire ^e	●	⊙	●	●
New York	⊙	○	○	○
North Carolina	●	●	—	—
Ohio ^a	⊙	⊙	○	○
Oklahoma	●	●	⊙	○
Oregon ^b	⊙	⊙	⊙	⊙
Pennsylvania ^a	⊙	⊙	○	○
Rhode Island	●	●	●	○
South Carolina	●	●	—	⊙
South Dakota	●	⊙	⊙	⊙
Texas	●	⊙	○	⊙
Vermont	○	○	⊙	○

Appendix V: States' Use of Property Records Searches to Verify Applicants' Assets

State	Applicant's county of residence	Some other counties in state	All counties in state	Locations in other states
Washington	●	⊙	○	⊙
Wisconsin	●	○	○	○
Wyoming	⦿	⊙	○	○

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- = All applicants.
- ⦿ = Most (more than half) applicants.
- ⊙ = Some applicants.
- = No applicants.
- = Response not provided.

Notes: This table only includes responses from the 35 states that reported conducting property searches. The following 16 states reported they did not conduct property searches: Arkansas, California, District of Columbia, Florida, Idaho, Indiana, Massachusetts, Minnesota, Nebraska, New Jersey, New Mexico, North Dakota, Tennessee, Utah, Virginia, and West Virginia.

^aState reported conducting a property search only if an applicant submits questionable or insufficient information.

^bState reported conducting a property search only if an applicant reports a property.

^cState reported it did not conduct a property search when an applicant intended to return home, was receiving Supplemental Security Income, or was already receiving Medicaid and had an apartment as a home address.

^dState reported it did not conduct a property search when an applicant was already receiving Medicaid or other government assistance.

^eState contracted with a company that conducted nationwide property searches.

Table 33: Types of Information That Can Be Used to Conduct Property Records Searches, by State, 2011

State	Applicant's name	Applicant's Social Security number	Property street address	Property zip code
Alabama	•	•	•	
Alaska	•		•	
Arizona	•	—	•	—
Colorado	•	—	•	—
Connecticut	•		•	
Delaware	•		•	•
Georgia	•		•	
Hawaii			•	
Illinois	•	•	•	•
Iowa	•		•	
Kansas	•		•	
Kentucky	•	—	•	—
Louisiana	•		•	
Maine	•	•	•	•
Maryland	•	•	•	
Michigan	•	•	•	•
Mississippi	•		•	
Missouri	•		•	•
Montana	•			
Nevada	•		•	
New Hampshire	•	•	•	•
New York	•	—	—	—
North Carolina	•		•	
Ohio	•		•	•
Oklahoma	•	•	•	
Oregon	•		•	
Pennsylvania	•	—	•	—
Rhode Island	•	•	•	
South Carolina	•	—	•	•
South Dakota	•	•	•	•
Texas	•		•	•
Vermont	—	—	—	—

**Appendix V: States' Use of Property Records
Searches to Verify Applicants' Assets**

State	Applicant's name	Applicant's Social Security number	Property street address	Property zip code
Washington	•		•	
Wisconsin	•	•	•	•
Wyoming	•		•	•
Total	33	10	32	12

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

— = Response not provided.

Note: This table only includes responses from the 35 states that reported conducting property searches. The following 16 states reported they did not conduct property searches: Arkansas, California, District of Columbia, Florida, Idaho, Indiana, Massachusetts, Minnesota, Nebraska, New Jersey, New Mexico, North Dakota, Tennessee, Utah, Virginia, and West Virginia.

Table 34: Timing of States' Property Records Searches in Relation to Eligibility Determination, by State, 2011

State	Point during eligibility determination process
Alabama	◀
Alaska	◀▷
Arizona	◀
Colorado	◀▷
Connecticut	◀
Delaware	◀
Georgia	◀
Hawaii	◀
Illinois	◀▷
Iowa	◀
Kansas	◀
Kentucky	◀
Louisiana	◀
Maine	◀
Maryland	◀
Michigan	◀▷
Mississippi	◀
Missouri	◀▷
Montana	◀
Nevada	◀▷
New Hampshire	◀
New York	◀
North Carolina	◀
Ohio	◀
Oklahoma	◀
Oregon	◀
Pennsylvania	◀
Rhode Island	◀
South Carolina	◀
South Dakota	◀
Texas	◀
Vermont	◀
Washington	◀

**Appendix V: States' Use of Property Records
Searches to Verify Applicants' Assets**

State	Point during eligibility determination process
Wisconsin	◀
Wyoming	◀

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- ◀ = Generally before eligibility determination.
- ◀▷ = Sometimes before and sometimes after eligibility determination.
- ▷ = Generally after eligibility determination.

Note: This table only includes responses from the 35 states that reported conducting property searches. The following 16 states reported they did not conduct property searches: Arkansas, California, District of Columbia, Florida, Idaho, Indiana, Massachusetts, Minnesota, Nebraska, New Jersey, New Mexico, North Dakota, Tennessee, Utah, Virginia, and West Virginia.

Appendix VI: States' Use of Vehicle Records Searches to Verify Applicants' Assets

Table 35: Proportion of Applicants for Which States Conduct Records Searches with the Department of Motor Vehicles to Verify Applicants' Assets, by State, 2011

State	Proportion of applicants
Alabama	○
Alaska ^a	◉
Arizona	○
Arkansas	○
California	○
Colorado	◉
Connecticut	●
Delaware	●
District of Columbia	○
Florida	◉
Georgia	○
Hawaii	○
Idaho	○
Illinois	○
Indiana	○
Iowa	○
Kansas	◉
Kentucky	●
Louisiana	○
Maine	●
Maryland	●
Massachusetts	○
Michigan ^a	◉
Minnesota	○
Mississippi	○
Missouri ^a	◉
Montana	●
Nebraska	●
Nevada ^a	◉
New Hampshire	○
New Jersey	○
New Mexico	●
New York	○
North Carolina	◉

Appendix VI: States' Use of Vehicle Records Searches to Verify Applicants' Assets

State	Proportion of applicants
North Dakota	⊙
Ohio	⊙
Oklahoma	○
Oregon	⊙
Pennsylvania	⊙
Rhode Island ^a	⊙
South Carolina	⊙
South Dakota	●
Tennessee	○
Texas	○
Utah	●
Vermont ^a	⊙
Virginia	⊙
Washington	●
West Virginia	●
Wisconsin	●
Wyoming	●

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- = All applicants.
- ◐ = Most (more than half) applicants.
- ⊙ = Some applicants.
- = No applicants.

^aState reported conducting vehicle searches only if an applicant submitted questionable information.

Appendix VI: States' Use of Vehicle Records
Searches to Verify Applicants' Assets

Table 36: Types of Information That Can Be Used to Conduct Vehicle Records Searches, by State, 2011

State	Applicant's name	Applicant's driver license number	Applicant's license plate number	Applicant's Social Security number	Vehicle identification number
Alaska	•				
Colorado	—	—	—	—	•
Connecticut	•		•		
Delaware	•	•	•		•
Florida	•	•	•	•	•
Kansas	•	•	•	•	
Kentucky	•	—	—	—	—
Maine	•				
Maryland	•	•	•		•
Michigan	•	•	•	•	•
Missouri	•				
Montana	•		•		•
Nebraska	•	•	•		•
Nevada	•	•	•	•	•
New Mexico	•	•	•	•	•
North Carolina	•	•	•		•
North Dakota	•				
Ohio	•	•	•		•
Oregon	•	•	•		•
Pennsylvania	•			•	
Rhode Island	•	•	—	—	•
South Carolina	•	•	•	—	•
South Dakota	•	•		•	•
Utah	•		•	•	•
Vermont	•	•	•	•	
Virginia	•			•	
Washington	•				•
West Virginia	•	•	•		•
Wisconsin	•	•	•	•	•
Wyoming	•	•		•	•
Total	29	18	18	12	20

Source: GAO web-based survey administered to state Medicaid officials.

**Appendix VI: States' Use of Vehicle Records
Searches to Verify Applicants' Assets**

Legend:

— = Response not provided.

Note: This table only includes responses from the 30 states that reported conducting vehicle searches. The following 21 states reported they did not conduct vehicle searches: Alabama, Arizona, Arkansas, California, District of Columbia, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Minnesota, Mississippi, New Hampshire, New Jersey, New York, Oklahoma, Tennessee, and Texas.

Table 37: Timing of States' Record Searches with the Department of Motor Vehicles in Relation to Eligibility Determination, by State, 2011

State	Point during eligibility determination process
Alaska	◀▷
Colorado	◀
Connecticut	◀
Delaware	◀
Florida	◀
Kansas	◀
Kentucky	◀
Maine	◀
Maryland	◀
Michigan	◀
Missouri	◀▷
Montana	◀
Nebraska	◀
Nevada	◀▷
New Mexico	◀▷
North Carolina	◀
North Dakota	◀
Ohio	◀
Oregon	◀
Pennsylvania	◀
Rhode Island	◀
South Carolina	◀
South Dakota	◀
Utah	◀
Vermont	◀▷
Virginia	◀
Washington	◀
West Virginia	◀
Wisconsin	◀
Wyoming	◀

Source: GAO web-based survey administered to state Medicaid officials.

**Appendix VI: States' Use of Vehicle Records
Searches to Verify Applicants' Assets**

Legend:

◀ = Generally before eligibility determination.

◀▷ = Sometimes before and sometimes after eligibility determination.

▷ = Generally after eligibility determination.

Note: This table only includes responses from the 30 states that reported conducting vehicle searches. The following 21 states reported they did not conduct vehicle searches: Alabama, Arizona, Arkansas, California, District of Columbia, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Minnesota, Mississippi, New Hampshire, New Jersey, New York, Oklahoma, Tennessee, and Texas.

Appendix VII: States' Collection of Third-Party Information to Identify Transfers of Assets

Table 38: Proportion of Applicants for Which States Take Additional Steps to Obtain Information from Third Parties to Identify Assets Transferred for Less Than Fair Market Value, by State, 2011

State	Proportion of applicants
Alabama	●
Alaska ^a	◉
Arizona	○
Arkansas	○
California	○
Colorado	◉
Connecticut	●
Delaware	○
District of Columbia	○
Florida	○
Georgia	○
Hawaii	○
Idaho	○
Illinois	○
Indiana	—
Iowa	○
Kansas	○
Kentucky ^{a,b}	◉
Louisiana ^a	◉
Maine	○
Maryland ^b	◉
Massachusetts	○
Michigan ^a	◉
Minnesota	○
Mississippi	○
Missouri	○
Montana ^a	◉
Nebraska	○
Nevada ^a	◉
New Hampshire	●
New Jersey ^a	◉
New Mexico	○
New York	●
North Carolina	●

Appendix VII: States' Collection of Third-Party Information to Identify Transfers of Assets

State	Proportion of applicants
North Dakota	⊙
Ohio	○
Oklahoma	○
Oregon	○
Pennsylvania	○
Rhode Island	⊙
South Carolina ^b	⊙
South Dakota	●
Tennessee ^a	⊙
Texas	○
Utah	○
Vermont	○
Virginia	○
Washington	⊙
West Virginia	○
Wisconsin ^a	⊙
Wyoming ^a	●

Source: GAO web-based survey administered to state Medicaid officials.

Legend:

- = All applicants.
- ⊙ = Some applicants.
- = No applicants.
- = Response not provided.

^aState reported taking additional steps only if it questioned the applicant's information or had reason to believe a transfer may have occurred.

^bState reported taking additional steps only if an applicant reported a transfer.

Appendix VIII: GAO Analysis of Annuity Language Contained in States' Application Forms

Table 39: Characteristics of Medicaid Long-Term Care Application Forms Related to Deficit Reduction Act of 2005 (DRA) Annuity Provisions, by State, 2011

State	Application form contained language regarding requirements to	
	Disclose interest in an annuity	Name the state as a remainder beneficiary
Alabama	•	•
Alaska	•	•
Arizona	^a	^a
Arkansas	^b	•
California	•	
Colorado	• ^c	
Connecticut	•	
Delaware	•	•
District of Columbia		
Florida	•	• ^d
Georgia		
Hawaii	•	•
Idaho		
Illinois	•	
Indiana	• ^c	• ^e
Iowa	• ^c	• ^f
Kansas	•	•
Kentucky	^g	^g
Louisiana	•	•
Maine	•	•
Maryland	•	•
Massachusetts	•	• ^h
Michigan	•	
Minnesota	•	
Mississippi	•	
Missouri	•	
Montana	•	•
Nebraska	•	•
Nevada	•	
New Hampshire	•	•
New Jersey	•	
New Mexico	•	

**Appendix VIII: GAO Analysis of Annuity
Language Contained in States' Application
Forms**

State	Application form contained language regarding requirements to	
	Disclose interest in an annuity	Name the state as a remainder beneficiary
New York	•	•
North Carolina	•	• ^d
North Dakota	•	
Ohio	•	
Oklahoma	• ^c	
Oregon	•	•
Pennsylvania	•	
Rhode Island	•	•
South Carolina	•	•
South Dakota	•	•
Tennessee	•	•
Texas	•	•
Utah	•	
Vermont	•	
Virginia	•	•
Washington	•	•
West Virginia	•	
Wisconsin	•	• ⁱ
Wyoming	•	
Total	45	27

Source: GAO analysis of state application forms for Medicaid coverage for long-term care.

Notes: Our review was limited to state application forms for Medicaid coverage for long-term care provided to us by state officials. Some states might require disclosure of an interest in an annuity and include a statement regarding the state becoming a remainder beneficiary through another means, such as a form other than the long-term care application form or through an interview conducted as part of the application process.

^aState collected information from applicants through an interview rather than a paper application form. A state official provided the form eligibility workers use during their interviews with applicants and this form contained language regarding requirements to disclose interest in an annuity. It also contained language regarding the state becoming a remainder beneficiary, but specified this was for annuities purchased on or after July 1, 2006 (rather than the date included in the DRA provision—February 8, 2006).

^bState's application form included a statement regarding having to disclose interest in an annuity, but the sections of the application form that ask applicants to list their income or resources did not mention annuities.

^cState's application form did not specify that annuities must be disclosed for the applicant's spouse.

^dState's application form contained language regarding the state becoming a remainder beneficiary, but specified this was for annuities purchased on or after November 1, 2007 (rather than the date included in the DRA provision—February 8, 2006).

**Appendix VIII: GAO Analysis of Annuity
Language Contained in States' Application
Forms**

^eState's application form contained language regarding the state becoming a remainder beneficiary, but specified this was for annuities purchased on or after November 1, 2009 (rather than the date included in the DRA provision—February 8, 2006).

^fState's application form contained language regarding the state becoming a remainder beneficiary, but did not indicate that this is a requirement.

^gState collected information from applicants through an interview rather than a paper application form.

^hState's application form specified that the applicant may be required to name the state as a remainder beneficiary, and referred the applicant to a booklet for more information.

ⁱState's application form contained language regarding the state becoming a remainder beneficiary, but specified this was for annuities purchased on or after January 1, 2009 (rather than the date included in the DRA provision—February 8, 2006).

Appendix IX: Comments from the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF THE SECRETARY

Assistant Secretary for Legislation
Washington, DC 20201

JUL 11 2012

Carolyn L. Yocom
Director, Health Care
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Ms. Yocom:

Attached are comments on the U.S. Government Accountability Office's (GAO) report entitled, "MEDICAID LONG-TERM CARE: Information Obtained by States about Applicants' Assets Varies and May Be Insufficient" (GAO-12-749).

The Department appreciates the opportunity to review this report prior to publication.

Sincerely,

Jim R. Esquea
Assistant Secretary for Legislation

Attachment

**GENERAL COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN
SERVICES (HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO)
DRAFT REPORT ENTITLED, "MEDICAID LONG-TERM CARE: INFORMATION
OBTAINED BY STATES ABOUT APPLICANTS' ASSETS VARIES AND MAY BE
INSUFFICIENT" (GAO-12-749)**

The Department appreciates the opportunity to comment on this draft report.

HHS concurs with the findings of this draft report. The objective of this report was to provide information on states' requirements and practices for assessing the financial eligibility of applicants for Medicaid long-term care coverage. GAO examined the extent to which states: 1) Require documentation from individuals applying for Medicaid long-term care coverage; 2) Verify applicants' financial information with third parties; and 3) Obtain information about applicants' assets that could be used to implement eligibility-related Deficit Reduction Act of 2005 provisions.

GAO concluded that states vary in the types of documentation they require to determine if an individual's assets are within the Medicaid standards and their efforts to verify if assets have been transferred for less than fair market value. Because they do not have sufficient third party sources for verifying assets, many states limit deeper investigations to those individuals who appear to be more likely to have assets or to have transferred assets inappropriately. In the concluding observations, GAO asserts that states are challenged by the balance they must seek between the high cost of third-party verification procedures and their obligations to comply with federal requirements. GAO further indicates that it may be most practical for states to adhere to a risk-based approach in determining asset transfers by focusing on applicants who appear to be more likely to have assets or to have made transfers, and, while acknowledging the possible benefits of Asset Verification Systems (AVS), notes that it is too soon to assess their effectiveness.

GAO's report is detailed and comprehensive and will be a helpful resource for all interested parties. As noted in the report, CMS has been keeping in contact with states as they work toward implementation of their AVS, and this report will be helpful for purposes of targeting our ongoing technical assistance and oversight efforts with states.

We appreciate the effort that went into this report and look forward to working with GAO on this and other issues.

Appendix X: GAO Contact and Staff Acknowledgments

GAO Contact

Carolyn L. Yocom, (202) 512-7114 or yocomc@gao.gov

Staff Acknowledgments

In addition to the contact named above, Michelle B. Rosenberg, Assistant Director; Emily Binek; Julianne Flowers; Kaycee M. Glavich; Shirin Hormozi; Emily Loriso; Christina Ritchie; and Phillip J. Stadler made key contributions to this report.

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