

**South Dakota Medicaid:  
Asset Verification System**

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**Background**

The Supplemental Appropriations Act of 2008 required states to implement an asset verification system (AVS) for individuals in aged, blind or disabled Medicaid coverage groups.

The Affordable Care Act (ACA) further required the use of electronic systems for asset verification.

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## Background

In response to the AVS requirement, DSS released RFP# 670 seeking to use a vendor's system rather than trying to develop a system.

Public Consulting Group (PCG) was awarded the contract which will allow DSS to use their existing web-based AVS.

## Medicaid Eligibility

The majority of Medicaid coverage groups for aged, blind and disabled populations have resource requirements.

This amount is typically \$2,000 though there are various exclusions such as a single vehicle or your home if there is a community spouse.

If the individual has resources greater than \$2,000 they will have to spend the resources before being Medicaid eligible.

## Medicaid Eligibility – Look Back Period

Medicaid also requires the use of a “look back period” of 60 months.

This is to verify that the individual hasn’t transferred their assets to become eligible for Medicaid. Funds spent on normal living expenses are acceptable but large gifts, systematic cash withdrawals, etc. will be assumed to have been done for the purpose of obtaining Medicaid eligibility.

If a transfer is discovered, the individual will be subject to a transfer penalty equal to the amount transferred.

## Purpose

The AVS system will allow Economic Assistance (EA) staff to electronically verify the liquid resources of applicants and ongoing recipients held in participating banks. This includes

- Checking accounts;
- Savings accounts;
- IRAs; or
- Any other type of financial account an individual might have with a bank.

## Purpose Cont.

The AVS system will not verify non-liquid resources such as real property, vehicles, etc.

EA will continue using its existing methods for obtaining this information such as contacting county register of deeds or equalization offices and the South Dakota Department of Revenue.

If no electronic verification can be obtained, EA staff will revert to manually requesting information from banks in the form of letters and phone calls.

## Asset Verification System Features

The AVS is accessed through an online portal which will also Economic Assistance staff to search for applicants/recipients by SSN.

The search will return results on any accounts held at participating banks in the past 60 months.

The system will calculate the amount of funds across various accounts the individual has and alert the EA user if funds exceed the resource limit.

## Asset Verification System Features

EA staff will review the accounts of anyone determined to be over the resource limit to assure no excludable resources were included.

The system will be used to verify assets for both new applicants and during the annual review process.

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