

**Service Chapter: ACA 510-03-85-25 and Non-ACA 510-05-85-23**

**Effective Date:** April 1, 2023

**Overview**

The following sections of the ACA and Non-ACA manuals regarding income conversion when using the ND Job Service Wage Match interface have been updated.

**Description of Changes****1. Income Compatibility 510-03-85-25 - Change**

Removing references to income conversion under the ND Job Service Wage Match interface.

**2. Income Compatibility 510-05-85-23 - Change**

Removing references to income conversion under the ND Job Service Wage Match interface

**Income Compatibility 510-03-85-25 (ACA manual) & 510-05-85-23 (Non-ACA manual)****Background**

Provisions in the Patient Protection and Affordable Care Act of 2010 (PPACA or ACA) require states to rely as much as possible on electronic data sources when verifying information provided by applicants or recipients. Federal regulations restrict states from requesting verification from applicants or recipients unless the verification cannot be obtained through an electronic data source, or information from the data source is not "reasonably compatible" with what the applicant or recipient has reported.

## Available Electronic Verification Sources

The Centers for Medicare and Medicaid (CMS) have identified electronic verifications received from the following data sources to be valid when determining reasonable income compatibility for health care coverage (HCC) programs. Below is the list of electronic data sources in hierarchy order:

- Federal Data Services Hub (FDSH) TALX or The Work Number) ○ Can only be used to determine HCC program eligibility
  - FDSH (TALX or the Work Number)
    - Employers are not required to provide payroll information to
- Equifax ○ Can only be used for combination cases (HCC and other programs such as SNAP, TANF etc.)
- SDX and BENDEX
- ND Job Service Unemployment Insurance Benefits
- ND State Directory of New Hires
- ND Job Service Wage Information, Quarterly Wage Verification ~~○ ACA—~~  
~~When applying “reasonable compatibility” use income verification from the most recent calendar quarter to arrive at a monthly amount. Divide the quarterly amount from each source by 13 and multiply by 4.3.~~
  - ~~Exception: Income received on a monthly or semi-monthly basis will not be converted.~~ ~~○ Non ACA—~~ ~~To arrive at the monthly amount, divide by 13 and multiple by 4.~~
- ND Child Support (FACSES)
- PARIS Interface

## Reasonable Compatibility

Income Compatibility is a comparison of the income in SPACES with electronic data sources against the income limit for the applicable HCC program.

Reasonable Compatibility exists when income information reported by an individual and available electronic data sources are compatible. When reasonable compatibility is determined no further verification is requested from the individual.

The combined income of all types must be used to determine reasonable compatibility.

- Earned income
- Unearned income

**Note:** When determining 'reasonable compatibility' of income, the most recent verification of income from electronic sources must be used unless the household has provided more current information.'

Verification of income CANNOT be requested from an applicant or recipient unless the information cannot be obtained through an electronic data source, or information from the data source is not "reasonably compatible" with what the applicant or recipient has reported.

**Exception:** 'Reasonable compatibility' does not apply to THMP months. Refer to policy at 510-03-90-60.

At the time of initial application or review for Medicaid and the individual also applies for or submits a review for another program, check all data sources and compare the data received against the information received for the other programs to determine reasonable compatibility.

### Scenarios for Reasonable Compatibility

If reported income and information obtained electronically through a data source are both above, at or below the applicable HCC program income standard, they are considered reasonably compatible.

1. When determining 'reasonable compatibility' for income other than self employment:

- If both the electronic data sources and the member-reported information results in the individual's total countable income being below the individual's budget unit income level, the two data sources are "reasonably compatible" and further verification may not be requested or

required. Utilize the most current information available. The calculation used to determine 'reasonable compatibility' MUST be narrated in the casefile.

**Example #1:** Joe is age 25 and single with an income limit of \$1,353.00 per month. At review, Joe reports that his earnings are \$500/month. ND Job Service Wage Match reports that his quarterly earnings are \$2,659.72.

~~To determine his monthly amount for ACA coverage from the Job Service wage electronic data verification source, divide \$2659.73 by 13 and multiply by 4.3. This results in verification of his monthly income of \$879.75.~~

To determine his monthly amount ~~for Non-ACA coverage~~ from the Job Service wage electronic data verification source, divide \$2659.73 by 13 and multiply by 4. This results in verification of his monthly income of \$818.37.

Since both his reported income and the ND Job Service Wage Match electronic data source verified income are below his budget unit income level, his income is "reasonably compatible" and Joe is re-determined eligible for HCC. The Job Service wage electronic data verification source will be used since it is the most current and additional verification cannot be requested

**Example #2:** A new application is received for Barb, who is age 31 and single with an income limit of \$1,353.00 per month. Barb reports she is employed and earns \$1,250 per month. Since Barb is a new applicant, a search of the electronic data sources did not return a response. Therefore,

'reasonable compatibility' cannot be determined and verification of wages must be requested from Barb.

- b. If both the electronic data source and the member-reported information results in the individual's total countable income being above the individual's budget unit income level, the two data sources are "reasonably compatible" and further verification may not be requested or required.

**Example #1:** Melanie is age 27 and single with an income limit of \$1,353.00 per month. At review, she reports that her earnings are \$1,500 per month. The ND Job Service Wage Match reports that her quarterly earnings for the most recent quarter are \$4,500.

~~To determine her monthly amount for ACA coverage, divide \$4,500 by 13 and multiple by 4.3. This results in a verification of her monthly income of \$1488.46. Melanie is determined not eligible for Medicaid and her case would be closed without requesting any further verification.~~

To determine her monthly amount from the Job Service wage electronic data verification source, divide \$4500.00 by 13 and multiply by 4. This results in verification of her monthly income of \$1384.61. Melanie is determined not eligible for Medicaid and her case would be closed without requesting any further verification.

**Example #2:** A new application is received for Brady, who is age 40 and single. Brady reports he is employed and earns \$1,925 per month. Since Brady is a new applicant, a search of the Federal Data Services Hub (FDSH) does not provide any response. Therefore, 'reasonable compatibility' cannot be determined, and verification of wages must be requested from Brady.

c. If verification from the electronic data source puts the individual's total countable income above the individual's budget unit income level, but the member-reported information puts the individual's total countable income below that level (or vice versa), the two sources are not "reasonably compatible" and further verification is required to determine eligibility.

- The calculation used to determine 'reasonable compatibility' MUST be narrated in the casefile.

**Example 1:** Lynn is age 34 and single with an income limit of \$1,353.00 per month. At review, the member reported information indicates his earnings are \$1,100/month. The Federal Data Services Hub (FDSH) reports that his earnings are \$2,066.95. Since there is a difference in the eligibility outcome, between the member reported earnings and the FDSH data source, Lynn's reported information is not considered to be "reasonably compatible", and the agency must request additional verification from Lynn to determine eligibility.

**Example 2:** Michelle applies for herself and her two children. She reports that she started a job last month and is earning \$1,400/month. Since this is a new application, the quarterly Job Service wage verification is not available, and the reasonable compatibility test cannot be performed. Michelle will be required to verify her earnings.

- If the electronic source of Equifax received through the Federal Data Services Hub (FDSH) provided verification of Michelle's wages from Walmart, 'reasonable compatibility' must be used to determine Michelle's eligibility.

2. When determining 'reasonable compatibility' for unearned income:

- If the source of the income reported matches the source verified through the available electronic sources and the amounts are considered "reasonably compatible", further verification cannot be requested from the applicant or recipient. If verification cannot be obtained through the electronic source, the individual must provide documentation of the unearned income.

The calculation used to determine 'reasonable compatibility' MUST be narrated in the casefile.

3. When determining 'reasonable compatibility' for self-employment income, the income must be verified based on current policy. See policy at 510-03-85-13 or 510-05-85-20 (Non-ACA)