



COMMONWEALTH of VIRGINIA

Office of the Attorney General

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MEMORANDUM

TO: BRIAN MCCORMICK
Regulatory Supervisor
Department of Medical Assistance Services

FROM: MARY-GRACE MENDOZA *mm*
Assistant Attorney General

DATE: November 1, 2012

SUBJECT: Exempt Submission - Asset Verification System (12 VAC 30-40-347)

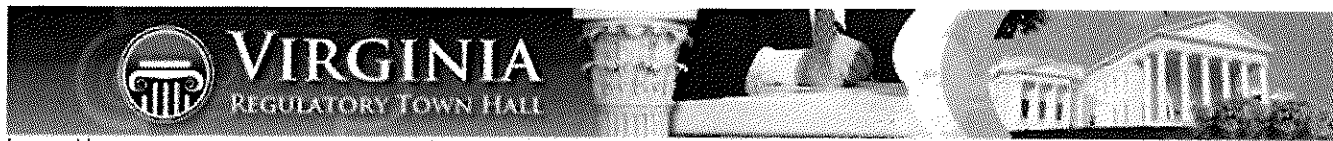
This memorandum responds to your request that this Office review 12 VAC 30-40-347, "Asset Verification System," which was promulgated to implement the use of an asset verification system that will electronically verify, through financial institutions, the ownership and amount of resources held by elderly or disabled Virginia Medicaid applicants or recipients, as required by Title XIX of the Social Security Act, P.L. 110-252, Section 1940.

Based on my review, it is this Office's view that DMAS has the authority, subject to compliance with the provisions of Article 2 of the Administrative Process Act (APA), and has not exceeded that authority.

The action is necessary in order to comply with Section 1940 of Title XIX of the Social Security Act. Accordingly, it is my view that this regulation was properly promulgated as an exempt action pursuant to Virginia Code Section 2.2-4006(A)(4)(c).

Please call me at (804) 786-6004 if you have any questions regarding this memorandum. Thank you.

cc: Kim F. Piner
Chief/Senior Assistant Attorney General



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Final Text

Action: Asset Verification System

Stage: Final

8/2/12 3:34 PM [latest] ▼

12VAC30-40-347

12VAC30-40-347. Asset verification system.

1. The agency is providing for the verification of assets for purposes of determining or redetermining Medicaid eligibility for aged, blind and disabled Medicaid applicants and recipients using an Asset Verification System (AVS) that meets the following minimum requirements.

A. The request and response system are electronic:

(1) Verification inquiries are sent electronically via the internet or similar means from the agency to the financial institution (FI).

(2) The system is not based on mailing paper-based requests.

(3) The system has the capability to accept responses electronically.

B. The system is secure, based on a recognized industry standard of security (e.g., as defined by the U.S. Commerce Departments National Institute of Standards and Technology, or NIST).

C. The system establishes and maintains a database of FIs that participate in the agencies AVS.

D. Verification requests are also sent to FIs other than those identified by applicants and recipients, based on some logic such as geographic proximity to the applicants home address, or other reasonable factors whenever the agency determines that such requests are needed to determine or redetermine the individuals eligibility.

E. The verification request must include a request for information on both open and closed accounts, going back up to 5 years, as determined by DMAS.

2. System Development

A. The agency is hiring a contractor to develop an AVS.

B. AVS implementation information: Virginia is implementing a web-based Asset Verification System (AVS) as part of its Eligibility Modernization Project for implementing the mandatory provisions of Health Care Reform. The selected contractors will provide an AVS that meets all requirements of the Centers for Medicare and Medicaid Services (CMS) and P.L. 1940. It will be secure and meet all MITA standards.