AUTOMATED MONTHLY SOCIAL SECURITY NUMBER VERIFICATION

Inspection of HHSC Access and Eligibility Services’ Process for Addressing Non-Verified Social Security Numbers for Texas Medicaid Clients

January 3, 2019
OIG Report No. INS-18-006
WHY THE OIG CONDUCTED THIS INSPECTION

The OIG conducted an inspection to determine if HHSC Access and Eligibility Services (AES) properly addresses non-verified Social Security numbers (SSNs) to prevent ineligible client enrollment in Texas Medicaid.

The OIG report, Medicaid Payments for Deceased Clients, identified a potential for fraud, waste, and abuse to occur, such as providing benefits to ineligible clients or creating multiple identifications for a client, if SSNs are not verified to confirm the client’s identity and Medicaid benefits are provided to clients erroneously. Texas Medicaid has an average monthly enrollment of approximately 4 million clients with annual spending of $38.5 billion.

Texas Medicaid attempts to verify an applicant’s SSN upon enrollment and eligibility determination. Not all SSNs can be verified during the enrollment process. HHSC has an automated process at the end of each month to address non-verified SSNs in the Texas Integrated Eligibility Redesign System (TIERS) database with the Social Security Administration (SSA).

This inspection focused on the HHSC AES process for SSN verification. As the inspection progressed, the foster care/adoption assistance (FC/AA) clients with non-verified SSNs were evaluated more closely due to data received from OIG Data and Technology and the vulnerability of this segment of the Medicaid population.

View the report online at https://oig.hhsc.texas.gov/

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AUTO-MAUTOMATED MONTHLY SOCIAL SECURITY NUMBER VERIFICATION:

Inspection of HHSC Access and Eligibility Services’ Process for Addressing Non-Verified Social Security Numbers for Texas Medicaid Clients

WHAT THE OIG FOUND

The OIG Inspections and Investigations Division found HHSC AES has an effective process for verifying SSNs upon enrollment. However, the inspection found the automated monthly SSN verification interface process excludes certain groups, which prevents verification of the SSNs for those groups.

The OIG made the following observation:

- There were 76,501 SSNs that were not verified in June 2018 due to validation rules governing the automated monthly SSN verification interface process.

Data for June 2018 showed 76,501 clients enrolled in Medicaid with SSNs that were not verified due to validation rules governing the automated monthly SSN verification interface process. The benefits amount spent on these clients for June 2018 was $1,484,444, with $1,331,441 of that spent on 3,863 FC/AA clients. Although no determination is made in this report as to whether these benefits were inappropriately paid, it is money spent on clients whose identities and SSNs have not been verified.

During the automated monthly SSN verification process, SSA attempts to match the SSN provided by TIERS to information in the SSA database to verify the identity of the person. However, the validation rules governing the SSN verification process exclude certain groups from generating Alert 268 (indicating a client’s SSN cannot be verified). Due to this exclusion, the Texas Works Advisor (TWA) will not perform additional research on the non-verified SSNs and the Department of Family and Protective Services (DFPS) eligibility specialist will not be notified of the non-verified SSNs for FC/AA clients.

AES and DFPS do not have a policy to exclude the SSN for FC/AA clients from generating Alert 268, and there is no stated purpose or reason for the validation rules to exclude FC/AA clients. If the client group were not excluded, Alert 268 would be generated for the FC/AA clients and the TWA would be notified and required to resolve the alert.

The OIG noted three opportunities for improvement:

- Review the DFPS front-end eligibility process for enrolling foster care clients in Medicaid and their transition into the adoption assistance program.
- Review the validation rules governing the automated monthly SSN verification interface process to identify if changes are necessary.
- Develop a collaborative communication process between AES and DFPS to address the non-verified SSNs related to FC/AA clients.
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I. PURPOSE

The Texas Health and Human Services Commission (HHSC) Office of Inspector General (OIG) Inspections and Investigations Division conducted an inspection to determine if HHSC Access and Eligibility Services (AES) properly addresses non-verified Social Security numbers (SSNs) to prevent ineligible client enrollment in Texas Medicaid.

II. BACKGROUND

The OIG report, Medicaid Payments for Deceased Clients, identified a potential risk for fraud, waste, and abuse (FWA) to occur if SSNs are not verified to confirm the client’s identity.¹ Texas Medicaid has an average monthly enrollment of approximately 4 million clients with annual spending of $38.5 billion.² There is a potential for FWA to occur, such as providing benefits to ineligible clients or creating multiple identifications (IDs) for a client, if the SSN is not verified and Medicaid benefits are provided to clients erroneously.

SSN Verification

The state Medicaid agency is required to verify the SSN when determining eligibility.³ Texas Medicaid attempts to verify an applicant’s SSN upon eligibility and enrollment determination. Applicants become Medicaid clients during the eligibility and enrollment process. This inspection focused on the HHSC AES process for SSN verification. As the inspection progressed, the foster care/adoption assistance (FC/AA) clients with non-verified SSNs were evaluated more closely due to data received from OIG Data and Technology (DAT) and the vulnerability of this segment of the Medicaid population.

To be eligible to receive Medicaid benefits, an applicant is required to furnish their SSN.⁴ An SSN is not required for emergency Medicaid or initially for newborn children.⁵ Applicants are enrolled in Texas Medicaid by a Texas Works Advisor (TWA) within HHSC AES, with the exception of FC/AA applicants, who are enrolled by an eligibility specialist with the Department of Family and Protective Services (DFPS).

² Data provided by HHSC Forecasting, Financial Services Division; total annual spending is for federal fiscal year 2017 and average monthly enrollment is for state fiscal year 2017.
³ 42 Code of Federal Regulations (C.F.R.) § 435.920(c)
⁴ The agency must require, as a condition of eligibility, that each individual (including children) seeking Medicaid furnish his or her Social Security number. 42 C.F.R. § 435.910(a)
⁵ Per AES Policy A-410 General Policy
TWAs review the applicant’s information for accuracy on applications received by mail, fax, web portal, or in person. The TWA is required to verify the applicant’s SSN during the enrollment process through the State Online Query (SOLQ), which is accessed through the Texas Integrated Eligibility Redesign System (TIERS). SOLQ is a web portal that interfaces with the Social Security Administration (SSA) for SSN verification. Verification is not given unless the name and SSN match the SSA information exactly.

The DFPS eligibility specialist is required to verify the SSN through the Wired Third Party (WTPY), which also interfaces with SSA for SSN verification. Once verified, the eligibility specialist enters the SSN into the DFPS database, Information Management Protecting Adults and Children in Texas (IMPACT). IMPACT interfaces with the TIERS database through an automated process that transmits the client’s data from IMPACT to TIERS each night.

Not all SSNs can be verified during the enrollment process. HHSC has an automated process at the end of each month to address non-verified SSNs in the TIERS database with SSA.

**Automated Monthly SSN Verification Interface Process**

If the SSN is not initially verified through SOLQ or WTPY, an automated interface process between TIERS and SSA attempts verification at the end of each month. This is a back-up process in case an applicant becomes a client without having their SSN verified in accordance with policy. The automated monthly SSN verification interface process attempts to verify SSNs for all applicants not verified during the enrollment process. The non-verified SSNs are automatically sent from TIERS to SSA. Within approximately three days, SSA automatically transmits the data back to TIERS indicating the SSN is either verified or not verified. TIERS does not communicate the non-verified SSNs to the IMPACT database; therefore, the DFPS eligibility specialist does not see anything related to the eligibility of the applicant.

**Alert 268, Unable to Verify SSN**

SSNs verified through the automated monthly interface process are flagged with a checkbox in TIERS so the applicant’s SSN is not processed again. Non-verified SSNs generate an alert (Alert 268 indicates a client’s SSN cannot be verified), which requires the TWA to conduct more work, manually researching the

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6 TIERS is an eligibility and enrollment database for select programs, including Medicaid, and contains all records of applications processed, whether approved or denied.

7 Clients whose SSN was not verified in the previous six months will trigger the automated process to attempt verification again until the SSN is verified.

8 The automated monthly SSN verification interface process verification criteria matches the client’s name, date of birth, and SSN in TIERS with the information SSA has on file for the same person.
applicant’s information, including name, date of birth, and SSN to confirm it is accurate. The validation rules governing the automated monthly interface process exclude the SSNs for certain groups, which prevents generation of Alert 268 and verification of the SSNs for those groups. Therefore, the TWA will not conduct additional research to ensure the SSN provided was verified and to confirm the identity of the applicant for the groups excluded from Alert 268. Additionally, since TIERS does not communicate the non-verified SSNs to the IMPACT database, the DFPS eligibility specialist will not be notified of the non-verified SSNs for FC/AA clients.
III. INSPECTION RESULTS

Overall, the OIG Inspections and Investigations Division found HHSC AES has an effective process for verifying SSNs upon enrollment. However, the inspection found the automated monthly SSN verification interface process excludes certain groups, which prevents verification of the SSNs for those groups.

Observation 1: There were 76,501 SSNs that were not verified in June 2018 due to validation rules governing the automated monthly SSN verification interface process.

The automated monthly SSN verification interface process is regulated by HHSC Information Technology Social Services Applications’ validation rules. The validation rules were carried over from the rules established in the prior eligibility system. Social Services Applications helped develop and deploy the automated process into production; however, since the process is automated, assistance by Social Services Applications is typically only needed for requested changes or to resolve problems.

During the automated monthly SSN verification interface process, SSA attempts to match the name, date of birth, and SSN provided by TIERS to information in the SSA database to verify the identity of the person. The automated interface process has validation rules that cause some non-verified SSNs to be excluded from generating Alert 268. The excluded groups of clients are: (1) FC/AA, (2) younger than 11 months old, (3) not part of budget group of approved eligibility determination group (EDG), (4) not part of an approved EDG, (5) undocumented clients, (6) part of Children’s Medicaid Assistance EDG but not certified, (7) inactive clients (de-activated IDs), and (8) TP02-only clients (refugees).

HHSC AES policy allows all of the groups, except the FC/AA clients, to be excluded from generating Alert 268. Due to these exclusions, the TWA will not perform additional research on the non-verified SSNs for the excluded groups and the DFPS eligibility specialist will not be notified of the non-verified SSNs for FC/AA clients.

The most recent month of data obtained for this inspection by the OIG Inspections and Investigations Division was for June 2018, which showed 76,501 clients were enrolled in Medicaid, but SSNs for those clients were excluded from generating Alert 268. The benefits amount spent on these clients for June 2018 was $1,484,444, with $1,331,441 of that spent on 3,863 FC/AA clients. Although no determination is

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9 The prior eligibility system was System of Application, Verification, Eligibility, Referral and Reporting and was transitioned to TIERS in 2001.
made in this report as to whether these benefits were inappropriately paid, it is money spent on clients whose identities and SSNs have not been verified. Table 1 shows the FC/AA client group in comparison to the total of the other excluded groups, including the number of clients identified in June 2018 and the amount spent on the clients for periods of one month and six months.

Table 1. Groups Excluded From Generating Alert 268*

<table>
<thead>
<tr>
<th>Client Group</th>
<th>Number of Clients for June 2018</th>
<th>Amount Spent for One Month From June 1, 2018 to June 30, 2018</th>
<th>Amount Spent for Six Months from December 1, 2017 to May 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foster care/adoption assistance</td>
<td>3,863</td>
<td>$1,331,441</td>
<td>$8,843,704</td>
</tr>
<tr>
<td>Total of all excluded client groups</td>
<td>76,501</td>
<td>$1,484,444</td>
<td>$9,389,442</td>
</tr>
</tbody>
</table>

* These figures represent total dollars paid, not a determination that dollars spent went to ineligible clients.

Source: OIG Inspections and Investigations Division from data in the Automated Monthly SSN Verification Interface Process provided by Social Services Applications and OIG DAT financial data from the Medicaid Fraud and Abuse Detection System, as of August 2018

AES and DFPS do not have a policy or Memorandum of Understanding to exclude the SSN for FC/AA clients from generating Alert 268 in the automated monthly SSN verification interface process. Through interviews with AES, DFPS, and Social Services Applications, the OIG Inspections and Investigations Division found there is no stated purpose or reason for the validation rules to exclude FC/AA clients. If the client group were not excluded, Alert 268 would be generated for the FC/AA clients and the TWA would be notified and required to resolve the alert.

If the SSN is not verified for all clients, applicants become clients without a verified SSN, which increases the risk of FWA, especially for the FC/AA client group. These risks could be avoided by generating Alert 268 for the SSNs of all clients in the automated monthly verification interface process, whenever reasonable. This will allow the client’s identity and eligibility to be verified.

Opportunities for Improvement:

The OIG has identified several areas where opportunities for improvement might exist. First, the DFPS front-end eligibility process for enrolling foster care clients in Medicaid and their transition into the adoption assistance program can be improved. Reviewing this process may help ensure there is no FWA in the Medicaid program as foster care children transition into the adoption assistance program.

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10 Amount spent is for any medical or dental capitation or traditional fee-for-service Medicaid provider reimbursements. See Appendix A for more information.

11 Clients whose SSN was not verified in the previous six months will trigger the automated process to attempt verification again, until the SSN is verified.
Second, a review of the validation rules governing the automated monthly SSN verification interface process may help identify if changes in the validation rules are necessary. This will ensure all Medicaid clients have their SSN verified with SSA to prevent FWA in the enrollment process.

Lastly, developing a collaborative communication process between AES and DFPS to address the non-verified SSNs related to FC/AA clients may help reduce FWA in the future.
IV. CONCLUSION

The OIG Inspections and Investigations Division completed an inspection to determine if HHSC AES properly addresses non-verified SSNs to prevent ineligible client enrollment in Texas Medicaid. Overall, the OIG Inspections and Investigations Division found HHSC AES has an effective process for verifying SSNs upon enrollment. However, the inspection found the automated monthly SSN verification interface process excludes certain groups, which prevents verification of the SSNs for those groups.

The OIG Inspections and Investigations Division made the following observation and noted three opportunities for improvement:

- Observation: There were 76,501 SSNs that were not verified in June 2018 due to validation rules governing the automated monthly SSN verification process.

- Opportunities for improvement:
  - Review the DFPS front-end eligibility process for enrolling foster care clients in Medicaid and their transition into the adoption assistance program.
  - Review the validation rules governing the automated monthly SSN verification interface process to identify if changes are necessary.
  - Develop a collaborative communication process between AES and DFPS to address the non-verified SSNs related to FC/AA clients.

The OIG Inspections and Investigations Division thanks the Department of Family and Protective Services, HHSC Access and Eligibility Services, and Social Services Applications for their cooperation and assistance during this inspection.
V. APPENDICES

Appendix A: Detailed Methodology

Data Sources

The OIG Inspections and Investigations Division conducted interviews with program staff about the automated monthly SSN verification interface process, including:

- AES, including eligibility staff located at various offices and TWAs
- DFPS, which manages enrollment for FC/AA clients
- Social Services Applications, which oversees the automated monthly SSN verification interface process

The OIG Inspections and Investigations Division reviewed policies, procedures, and rules to determine SSN verification processes, including 42 C.F.R § 435 and 42 United States Code § 1396.

Data Collection and Analysis

In addition, the OIG Inspections and Investigations Division obtained data from Social Services Applications to show the excluded clients for June 2018, and OIG Data and Technology showing the dollar amount spent on the clients in fee-for-service and monthly capitation payments for one month, from June 1, 2018, to June 30, 2018, and six months, from December 1, 2017, to May 31, 2018.

Data was reviewed to determine:

- The number of excluded clients in each group for one month
- The amount paid for these clients for time periods of one month and six months

Automated Monthly SSN Verification Interface Process Flowchart

Table 2. Automated Monthly Process

Source: OIG Inspections and Investigations Division from information provided by AES, DFPS, and Social Services Applications, as of July 2018
Standards

The OIG Inspections and Investigations Division conducts inspections of the Texas Health and Human Services programs, systems, and functions. Inspections are designed to be expeditious, targeted examinations into specific programmatic areas to identify systemic trends of fraud, waste, or abuse. Inspections typically result in observations and may result in recommendations to strengthen program effectiveness and efficiency. The OIG Inspections and Investigations Division conducted the inspection in accordance with Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.
Appendix B: Report Team and Report Distribution

Report Team

The OIG staff members who contributed to this OIG Inspections and Investigations Division report include:

- Lisa Campos Garza, CFE, CGAP, Director of Inspections
- Xavier Ortiz, Inspections Manager
- James Aldridge, Inspection Team Lead
- Marco Diaz, Inspector
- Leslie Gibson, Inspector
- Coleen McCarthy, MS, CHES®, Editor
- Olga Jerman, PhD, Data and Technology Investigative Data Analyst

Report Distribution

Texas Health and Human Services:

- Courtney N. Phillips, PhD, Executive Commissioner
- Cecile Erwin Young, Chief Deputy Executive Commissioner
- Victoria Ford, Chief Policy Officer
- Karen Ray, Chief Counsel
- Enrique Marquez, Chief Program and Services Officer
- Wayne Salter, Deputy Executive Commissioner, Access and Eligibility Services
- Stephanie Muth, Deputy Executive Commissioner, Medicaid and CHIP Services
- Todd B. Byrnes, Deputy Associate Commissioner, Eligibility Operations
- Regina Carter, Deputy Associate Commissioner, HHSC Access and Eligibility Services, Program Policy
- Adriana Ramirez-Byrnes, Audit Coordinator, Access and Eligibility Services
- Mary Catherine Bailey, Director of Social Services Applications, HHSC IT

Texas Department of Family and Protective Services:

- Henry Whitman, Jr., Commissioner
- Tamela Griffin, Director
- Elizabeth Kromrei, Director
- Max Villarreal, Division Administrator
Appendix C: OIG Mission and Contact Information

Inspector General Mission

The mission of the OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, review, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG’s mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Anita D’Souza, OIG Chief Counsel and Chief of Staff
- Christine Maldonado, Chief of Operations and Workforce Leadership
- Olga Rodriguez, Chief Strategy Officer
- Lizet Hinojosa, Deputy IG for Benefits Program Integrity
- Brian Klozik, Deputy IG for Medicaid Program Integrity
- David Griffith, Deputy IG for Audit
- Quinton Arnold, Deputy IG for Inspections and Investigations
- Alan Scantlen, Deputy IG for Data and Technology
- Judy Knobloch, Assistant Deputy IG for Medical Services

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- Phone: 1-800-436-6184

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