

**DATA EXCHANGE MEMORANDUM OF AGREEMENT
BETWEEN
THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES
AND
THE DEPARTMENT OF HOMELAND SECURITY
UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES
FOR THE
VERIFICATION OF UNITED STATES CITIZENSHIP AND IMMIGRATION
STATUS DATA FOR ELIGIBILITY DETERMINATIONS**

**CMS Agreement No. 2023-10
HHS Agreement No. 2303**

Effective Date: October 20, 2023
Expiration Date: April 19, 2025 (may be renewed to April 19, 2026)

I. PURPOSE, LEGAL AUTHORITIES, AND DEFINITIONS

A. Purpose

The purpose of this Data Exchange Memorandum of Agreement (Agreement) is to establish the terms, conditions, safeguards, and procedures under which the Department of Homeland Security (DHS), United States Citizenship and Immigration Services (USCIS) will engage in a data exchange program with the Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS) (hereinafter “the Parties”) to assist CMS and authorized State Administering Entities (collectively called “AEs”), through the Data Services Hub (“the Hub”), in making eligibility determinations under the Patient Protection and Affordable Care Act (Public Law (Pub. L.) No. 111-148), as amended by the Health Care and Education Reconciliation Act of 1010 (Pub. L. No. 111-152) (collectively, the PPACA) and its implementing regulations. CMS and the AEs will use the USCIS information in determining individuals’ eligibility for enrollment in a Qualified Health Plan (QHP) through an Exchange¹; for an Insurance Affordability Program (IAP); and for Exemptions.

USCIS will provide CMS with specific federal immigration data through the DHS/USCIS Systematic Alien Verification for Entitlements (SAVE) Program, which provides immigration status and naturalized or acquired citizenship data to authorized federal, state, and local agencies to use in helping to ensure that only those individuals who are eligible, receive benefits. Specifically, USCIS will provide CMS with electronic access to immigrant, nonimmigrant, and naturalized or (in certain circumstances) acquired citizenship information.²

¹ Since January 1, 2014, consumers in every state (including the District of Columbia) have had access to health insurance coverage through Health Insurance Marketplaces operated by State-based Exchanges (SBEs) or by the Federal government through the Federally-facilitated Exchange. SBEs have adopted various names for their programs (e.g., Kentucky’s ‘knect’ or California’s ‘Covered California’) but they are still Exchanges as established under sections 1311(b) and 1311(d)(1) or 1321(c)(1) of the PPACA.

² “Acquired citizenship” is defined as citizenship conveyed to children either at birth (when the child is born

Access to this information will assist CMS and AEs in determining whether an Applicant is lawfully present, a qualified non-citizen,³ or a naturalized or acquired citizen, and whether the 5-year waiting period, 7-year limit or CHIPRA 214 exemptions for many noncitizens applies and has been met in order to determine whether the individual is eligible for enrollment in a QHP or IAP or for one or more Exemptions.

The responsible component for CMS is the Center for Consumer Information & Insurance Oversight (CCIIO). CMS will serve as the Recipient Agency in this data exchange program and will publish notice of the program in the *Federal Register* (FR). DHS/USCIS is the Source Agency. The responsible DHS component is the Verification Division within the USCIS Immigration Records and Identity Services Directorate.

By entering into this Agreement, the Parties agree to comply with the terms and conditions set forth herein, as well as applicable law and regulations. The terms and conditions of this Agreement will be carried out by authorized officers, employees, and contractors of CMS and USCIS.

B. Legal Authorities

The following statutes and regulations govern or provide legal authority for the uses and disclosures of data to be made under this Agreement:

1. In carrying out this Agreement, both Parties will follow requirements that apply to Systems of Records--but only HHS will follow requirements that apply to matching programs--under the Privacy Act as amended (5 U.S.C. § 552a) and the regulations and guidance promulgated thereunder, including Office of Management and Budget (OMB) Circular A-108 “Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act” published at 81 FR 94424 (Dec. 23, 2016) and other OMB guidelines. HHS will follow all Privacy Act matching program requirements with the exception of obtaining DHS Data Integrity Board approval.

2. This Agreement is executed to implement certain health care reform provisions of the PPACA codified at 42 U.S.C. §§ 18001 et seq., and implementing regulations at 42 Code of Federal Regulations (CFR) Parts 431, 435, 457, and 45 CFR Parts 155-157.

3. Section 1312(f)(3) of the PPACA specifies that to be eligible to enroll in a QHP through the Exchange, an individual must be a United States Citizen or a national or be a noncitizen who is lawfully present. To be eligible for an IAP (which includes advance payments of the premium tax credit (APTC) and cost-sharing reductions (CSRs), an individual must be a United States Citizen or a national or be a noncitizen who is lawfully present. 26 U.S.C. § 36B(c)(1) and (e); 42 U.S.C. § 18071(e). *See also* 45 CFR § 155.305(f) and (g).

outside the United States, provided certain conditions are met) or after birth (through the naturalization of the child’s parents). SAVE is only able to verify information that relates to information found in the databases accessed by the system. Accordingly, if an individual with acquired citizenship status has not applied for a Certificate of Citizenship with USCIS, the agency may not have that individual’s citizenship status in its records, and SAVE will not be able to confirm that individual’s acquired citizenship status. However, many acquired citizens receive U.S. passports from the Department of State (DOS). If the DOS provides USCIS with a record of the passport citizenship adjudication and USCIS updates the individual’s alien file, SAVE would be able to find the citizenship record with the individual’s Alien number.

³ For purposes of this Agreement, “noncitizen” is synonymous with “alien” as defined in section 101(a)(3) of the INA (8 U.S.C. § 1101(a)(3)), meaning “any person not a citizen or national of the United States.”

4. Section 1943(b) of the PPACA (as added by section 2201 of the PPACA) requires that Medicaid and Children's Health Insurance Program (CHIP) agencies utilize the same streamlined enrollment system and secure electronic interface established under section 1413 of the PPACA to verify eligibility.

5. Section 1411(c)(2)(B)(ii) of the PPACA provides that the Secretary of HHS will transmit the following identifying information to the Secretary of DHS for a determination as to whether the information is consistent with information in the records of DHS: name, date of birth, and any identifying information with respect to an individual's immigration status provided under PPACA subsection 1411(b)(2), for the purposes of verifying citizenship and immigration status.

6. Section 102 of the Homeland Security Act of 2002, 6 U.S.C. § 112, and section 103 of the Immigration and Nationality Act (INA), 8 U.S.C. § 1103, vest the Secretary of Homeland Security with administration of the immigration and naturalization laws of the United States.

7. The Immigration Reform and Control Act of 1986 (IRCA), Pub. L. No. 99-603, 100 Stat. 3359, § 121(c) (Nov. 6, 1986), codified at 42 U.S.C. § 1320b-7(d)(3) and note, as amended, requires the former Immigration and Naturalization Service (currently USCIS, within DHS, effective March 1, 2003) to establish a system for verifying the immigration status of noncitizen Applicants for, and recipients of, certain types of federally funded benefits, and to make the system available to federal, state and local benefit-issuing agencies and institutions that administer such benefits.

8. The Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA), Pub. L. No. 104-208, 110 Stat. 3009, § 642 (Sept. 30, 1996) (codified at 8 U.S.C. § 1373), as amended, requires that the former Immigration and Naturalization Service (currently USCIS, within DHS, effective March 1, 2003) respond to an inquiry by a federal, state, or local agency seeking to verify or ascertain the citizenship or immigration status of any individual within the jurisdiction of the agency for any purpose authorized by law.

9. Section 213A of the INA, codified at 8 U.S.C. § 1183a, 8 U.S.C. § 1631, DHS implementing regulations found at 8 CFR Part 213a, and the Form I-864 and its Instructions, provide details on the applicability and enforcement of the Form I-864 Affidavit of Support, as well as consent language authorizing the use and agency sharing of sponsorship information.

10. Sections 1137(d) and 1902(a)(7) of the Social Security Act, codified at 42 U.S.C. §§ 1320b-7(d) and 1396a(a)(7), permit the sharing of certain immigration information to determine eligibility under the Medicaid state plan through SAVE. Section 1902(a)(7) of the Act permits Medicaid state plans to use or disclosure information concerning applicants and recipients to SAVE for purposes directly connected with the administration of the plan. 42 CFR § 431.302(a) defines "purposes directly connected with the administration of the plan" as including "establishing eligibility," "determining the amount of medical assistance," or "conducting or assisting an investigation, prosecution, or civil or criminal proceeding related to the administration of the plan."

C. Definitions

1. "Administering Entity" (AE) means a state Medicaid agency, state CHIP Program, a state Basic Health Program (BHP), or an Exchange administering an Insurance Affordability Program;

2. "Applicant" means an individual seeking an Eligibility Determination for enrollment in a QHP through an Exchange, an IAP or a certification of Exemption, including individuals whose eligibility is determined at the time of a renewal or redetermination;

3. "APTC" or advance payment of the premium tax credit means payment of the tax credits specified in section 368 of the Internal Revenue Code of 1986 (IRC) (as added by section 1401 of the PPACA), which are provided on an advance basis to an eligible individual enrolled in a QHP through an Exchange in accordance with sections 1411 and 1412 of the PPACA;

4. "Breach" is defined in OMB Memorandum M-17-12, Preparing for and Responding to a Breach of Personally Identifiable Information (PII) (January 3, 2017), as the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, or any similar occurrence where (1) a person other than an authorized user accesses or potentially accesses PII or (2) an authorized user accesses or potentially accesses PII for an other than authorized purpose;

5. "CHIP" or the Children's Health Insurance Program means the state program established under Title XXI of the Social Security Act;

6. "CMS" means the Centers for Medicare & Medicaid Services; the agency that oversees many federal healthcare programs, in addition to programs that involve health information technology;

7. "Cost-sharing reductions" or "CSRs" are defined at 45 CFR § 155.20 and mean reductions in cost sharing of an eligible individual enrolled in a silver level plan in the Exchange or of an individual who is an Alaskan Native/American Indian enrolled in a QHP through an Exchange, provided in accordance with section 1402 of the PPACA. An individual's CSR eligibility status is not considered "taxpayer return information" as defined under 26 U.S.C. § 6103;

8. "DHS" means the Department of Homeland Security;

9. "Eligibility Determination" means the determination of eligibility by an AE for enrollment in a QHP through an Exchange, an IAP or for certifications of Exemption. This refers to initial determinations or redeterminations based on a change in the individual's status, and appeals;

10. "Exchange" (otherwise known as Marketplace) means a Federally-facilitated Exchange (FFE) or a State-based Exchange (including a not-for-profit exchange) established under sections 1311(b) and 1311(d)(1) or 1321(c)(1) of PPACA. For purposes of this Agreement, all references to an Exchange shall refer equally to and include a state agency that is responsible for administering the Insurance Affordability Program under which individuals and small businesses may enroll in Qualified Health Plans in the state;

11. "Exemption" means an exemption from the requirement or penalty imposed by section 5000A of the IRC - pursuant to section 1311(d)(4)(H) of the PPACA, an Exchange, subject to section 1411 of the PPACA, must grant a certificate of exemption attesting that an individual is exempt from the individual responsibility requirement or penalty imposed by section 5000A of the IRC;

12. "HHS" means the Department of Health and Human Services;

13. "Hub" or "Data Services Hub" is the CMS-managed electronic service to interface among connecting entities and refers to both the web services connection to various agencies providing verification services and a system that will apply system logic to transmit the data it receives with respect to eligibility;

14. "Minimum Essential Coverage" or "MEC" is defined in section 5000A(f) of the IRC and includes health insurance coverage offered in the individual market within a state, which includes a QHP offered through an Exchange, an eligible employer-sponsored plan, or government-sponsored coverage such as coverage under Medicare Part A, TRICARE, or a Health Care Program;

15. "PPACA" means Patient Protection and Affordable Care Act (Public Law No. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152), codified at 42 U.S.C. §§ 18001 et seq. (collectively, the PPACA);

16. "Qualified Health Plan" or "QHP" means a health plan that has in effect a certification that it meets the standards described in subpart C of part 156 in Title 45 of the CFR issued or recognized by each Exchange through which such plan is offered in accordance with the process described in 45 CFR Part 155, subpart K;

17. "Record" is defined in the Privacy Act at 5 U.S.C. § 552a(a)(4) and means any item, collection, or grouping of information about an individual that is maintained by an agency, including but not limited to information about the individual's education, financial transactions, medical history, and criminal or employment history and that contains the individual's name, or the identifying number, symbol, or other identifying particular assigned to the individual;

18. "Security Incident" or "Incident" is defined by OMB Memorandum M-17-12 "Preparing for and Responding to a Breach of Personally Identifiable Information" (January 3, 2017) as an occurrence that (1) actually or imminently jeopardizes, without lawful authority, the integrity, confidentiality, or availability of information or an information system; or (2) constitutes a violation or imminent threat of violation of law, security policies, security procedures, or acceptable use policies;

19. "System of Records" as defined by the Privacy Act (5 U.S.C. § 552a(a)(5)), means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual;

20. "USCIS" means United States Citizenship and Immigration Services, a component of DHS;

21. "USCIS Number" is the 9-digit United States Citizenship and Immigration Services number listed on the front of Permanent Resident Cards (Form I-551) issued after May 10, 2010, and it is the same as the Alien Registration Number (commonly referred to as the A-number); and

22. "VIS" means "Verification Information System" a composite information system incorporating immigration data, as well as naturalized and acquired citizenship data, from DHS data repositories and other federal databases. For more information, please see the following system of records notice: DHS/USCIS-004 "Systematic Alien Verification for Entitlements Program," 85 FR 31798 (May 27, 2020).

II. RESPONSIBILITIES OF THE PARTIES

A. CMS Responsibilities

1. CMS agrees to provide USCIS with the following information for the purpose of immigration status or naturalized/acquired citizenship verification: Alien Registration Number, I-94 number, or other identifiers as defined in the records description in Section IV of this Agreement, as applicable, of the Applicant seeking an Eligibility Determination.

2. CMS, through the Hub, may disclose to AEs the data received from USCIS under this Agreement for the purpose of determining eligibility for enrollment in a QHP through an Exchange, one of the IAPs, or an Exemption.

3. CMS, through the Hub, may request verification for individuals currently enrolled whose immigration status has an expiration date or condition.

4. CMS will notify the USCIS Safeguards and Recordkeeping Procedures Contact immediately whenever it is suspected a violation of this Agreement has occurred.

5. Consistent with National Institute of Standards and Technology (NIST) Special Publication 800-37, as revised, CMS will make available upon request system security assessments and other evidence for the purpose of making risk-based decisions, to the extent feasible and permitted by law. USCIS may request this information at any time throughout the duration or any extension of this Agreement.

6. CMS shall allow USCIS to monitor and review all records and documents under CMS possession and control, or to which CMS has access or review rights, related to the use, abuse, misuse, discriminatory use, fraudulent use or improper use of USCIS verification data by AEs or their agents, including, but not limited to notice documents required by the Privacy Act or other applicable authority, to the extent disclosure of that information is permitted by law. This includes reviews conducted by the DHS Office for Civil Rights and Civil Liberties (CRCL) under its authority pursuant to 6 U.S.C. § 345(a)(3) to oversee compliance with constitutional, statutory, regulatory, policy, and other requirements relating to the civil rights and civil liberties of individuals affected by the programs and activities of the Department of Homeland Security.

7. CMS shall provide USCIS with data and information regarding operation of the data services Hub for USCIS monitoring and compliance purposes, including data and information identifying the number and category of benefits (Medicaid, CHIP, QHP or BHP) by state or AE. CMS shall also provide USCIS with the opportunity to submit questions as necessary for appropriate monitoring and compliance purposes. CMS shall provide this data and information to USCIS, and an opportunity to submit questions, on an annual basis and otherwise as frequently as agreed upon between the Parties, but not later than 30 days after USCIS makes a written request for the information. CMS shall also cooperate and collaborate with USCIS in engaging with AEs to ensure that they comply with SAVE training requirements and, in the event of non-compliance, suspending or terminating AE access to SAVE through the Hub.

8. CMS shall cooperate and collaborate with USCIS and consider its input and recommendations when CMS monitors and oversees access through the Hub by CMS, AEs and their respective agents to the SAVE system. CMS will support USCIS direct assistance to verification system users (i.e., CMS, AEs and their respective agents) when necessary to ensure compliance with the terms of this Agreement. CMS shall take corrective measures in a

timely manner to address all lawful requirements and recommendations within the scope of CMS' authority on every written USCIS finding including but not limited to misuse of the system, discriminatory use of the system, noncompliance with the terms, conditions and safeguards of this Agreement, USCIS program procedures or other applicable law, regulation or policy.

9. CMS shall allow DHS and its components to monitor CMS and CMS sub-user system access and usage of SAVE and to assist verification system users and sub-users, agents or designees as necessary to ensure compliance with the terms of this Agreement by CMS, AEs, and their respective agents. USCIS shall be allowed to conduct compliance assistance activities, in coordination with CMS' primary oversight and monitoring processes, to review AEs' and their respective agents' compliance with this Agreement. CMS shall take corrective measures within a timeframe agreed to by CMS and USCIS, to address all lawful requirements and recommendations within the scope of CMS' authority under 45 CFR § 155.1200 on every written USCIS finding including but not limited to those regarding waste, fraud, and abuse, discrimination or any misuse of the system, noncompliance with the terms, conditions and safeguards of this Agreement, USCIS program policies and procedures or other applicable law or regulation. CMS will contact the AE and discuss corrective action to investigate the source of suspected fraudulent, noncompliant, or discriminatory activity within twenty-four (24) hours of the time that USCIS provides notice to CMS that USCIS has observed suspicious activity regarding Hub submissions to the USCIS verification system.

10. CMS will enter into, and will provide USCIS with copies of agreements with AEs that bind the AE, including their employees and contractors, to comply with the privacy and security requirements set forth in this Agreement, with the verification requirements at Section VI(A)(3) of this Agreement, and with USCIS's privacy and security requirements in conducting the verifications, and with all other requirements set forth in this Agreement. Additionally, when collection, use, or disclosure of data is otherwise required by law, an Exchange must, pursuant to 45 CFR §155.260, require the same or more stringent privacy and security standards as a condition of contract or agreement with individuals or entities that:

- a. Gain access to PII submitted to an Exchange; or
- b. Collect, use or disclose PII gathered directly from Applicants while performing the functions outlined in the agreement with the Exchange.

11. CMS will enter into and will provide USCIS with copies of agreements before providing data to State Medicaid and CHIP agencies, under which such agencies agree to comply with the requirements which relate to the safeguarding of information about Applicants.

12. CMS will advise AEs that connect to SAVE via the verify lawful presence (VLP) Web Services interface of the date by which to transition their systems to the most recent version of a SAVE release and that SAVE will not support an earlier version after that date unless, due to compelling circumstances, a later date is agreed to by all parties.

13. When the HHS DIB has approved this Agreement, CMS will report this Data Exchange Agreement to OMB and to the appropriate Committees of Congress for review and will provide a copy of such notifications to USCIS.

B. USCIS Responsibilities

1. USCIS agrees to make available the SAVE Program to CMS as an electronic method for determining whether Applicant information submitted by the Secretary of HHS to the Secretary of DHS pursuant to PPACA sections 1411(c)(2)(B) and 1413 is consistent with information available through the USCIS VIS.

2. USCIS agrees to provide the Hub with a response on each inquiry, as appropriate, to enable AEs to confirm whether the biographic, citizenship and immigration status information submitted by the Hub to SAVE is consistent with information available through the USCIS VIS.

3. USCIS agrees to provide CMS with training materials required for the use of the SAVE Program. These instructional materials address the policies and procedures governing use of the program, including (1) program access, (2) verification procedures, (3) disclosure of information and privacy protections, and (4) non-discrimination requirements, and (5) records correction procedures for Benefits Applicants.

4. USCIS agrees to provide a sufficient number of primary verification user codes to assure the effective implementation of the verification procedures and instructions for obtaining necessary system access codes.

5. USCIS agrees to assist CMS and other AEs on policies and procedures for participating in the SAVE Program, including technical instructions for accessing the system, requirements for safeguarding information contained in the system, proper and nondiscriminatory use of the system, and restrictions on retention and disclosure of system information. USCIS also agrees to provide CMS with the name, address and telephone number of an appropriate point of contact (POC) within USCIS, or its contractor organization, who can be contacted regarding any billing questions, as appropriate, or problems which arise in connection with CMS' participation in the verification program.

6. USCIS will conduct an additional verification search of available databases when an electronic request for additional verification is submitted. All AEs consent to electronic-only submission of all verification requests and additional information, including information submitted for additional verification (formerly submitted on paper Form G-845 and G-845 Supplement). SAVE will reject non-electronic (i.e., paper) verification requests and information submissions.

7. USCIS will advise the AE through the Hub or the AE's direct SAVE access method, as appropriate, if USCIS is unable to verify the Applicant's immigration status, at which time the AE may submit an electronic copy of the Applicant's immigration document or follow second, and if necessary, third step verification prompts.

8. An AE can submit an initial verification request to SAVE through the CMS Hub and then, if needed, continue the case through the agency's direct connection with SAVE. USCIS will collaborate with CMS to address any information security and other matters associated with enabling this functionality.

III. JUSTIFICATION AND ANTICIPATED RESULTS

In accordance with 5 U.S.C. § 552a(o)(1)(B), HHS/CMS recognizes the justification for the program and the anticipated results, including a specific estimate of any savings, as described below:

A. Cost Benefit Analysis Requirements

In accordance with 5 U.S.C. § 552a(u)(4)(A), a cost benefit analysis (CBA) is included as Attachment 1. The CBA covers this Data Sharing Memorandum of Agreement with DHS and seven other “Marketplace” query or matching programs which CMS conducts with other federal agencies and the AEs. The CBA demonstrates that monetary costs to operate all eight Marketplace query and matching programs are approximately \$58.9 million per year, but does not quantify direct governmental monetary benefits sufficient to estimate whether they offset such costs. The CBA, therefore, does not demonstrate that the data-sharing program is likely to be cost-effective (i.e., does not show that the program is likely to pay for itself) and does not produce a favorable benefit-to-cost ratio.

However, other supporting justifications and mitigating factors support approval of this Agreement, as described below in subsection B. OMB guidance provides that the Privacy Act “does not require the showing of a favorable ratio for the match to be continued. The intention is to provide Congress with information to help evaluate the cost-effectiveness of statutory matching requirements with a view to revising or eliminating them where appropriate.” *See* OMB Guidelines, 54 FR 25818 at 25828.

B. Other Supporting Justifications

Even though the Marketplace query or matching programs are not demonstrated to be cost-effective, ample justification exists in the CBA sections III (Benefits) and IV (Other Benefits and Mitigating Factors) to justify DIB approval of the programs, including the following:

1. Certain Marketplace query or matching programs are required (i.e., are based on a statutory obligation); not discretionary to conduct.
2. The Marketplace query and matching programs improve the speed and accuracy of consumer eligibility determinations while minimizing administrative burdens and achieving operational efficiencies.
3. The query and matching programs benefit the public and consumers by accurately determining consumers’ eligibility for financial assistance (including APTC and CSRs).
4. The efficient eligibility and enrollment process provided by the Marketplace query and matching programs contributes to greater numbers of consumers enrolling in Marketplace qualified health plans, resulting in a reduction of the uninsured population and improving overall health care delivery.
5. Continuing to use the current query and matching program structure, which is less costly than any alternative structure, is expected to increase the public’s trust in the participating agencies as stewards of taxpayer dollars.

C. Specific Estimate of Any Savings

The CBA does not quantify estimates of avoided or recovered improper payment savings to conducting the Marketplace query and matching programs (as opposed to not conducting them). However, use of electronic query or matching programs is effectively mandated by statute and regulation in order to provide for the streamlined application process required by Congress in section 1413 of the PPACA. Therefore, the optimal result is attained by limiting the cost of conducting the programs by using a query and matching program operational structure and technological process that is more efficient than any alternatives.

IV. RECORDS DESCRIPTION

The Privacy Act at 5 U.S.C. § 552a(o)(1)(C) requires that the agreement for a “matching program” specify a description of the records that will be matched, including each data element that will be used, the approximate number of records that will be matched, and the projected starting and completion dates of the program.

A. Systems of Records (SORs)

1. The CMS System of Record Notice (SORN) that supports this program is the “CMS Health Insurance Exchanges System (HIX),” System No. 09-70-0560, published in full at 78 FR 63211 (October 23, 2013) and partially amended at 83 FR 6591 (February 14, 2018). Routine Use 3 authorizes CMS’s disclosures to DHS/USCIS: “To disclose information about Applicants and Relevant individual(s) in order to obtain information from other federal agencies and state agencies and third party data sources that provide information to CMS, pursuant to agreements with CMS, for purposes of determining the eligibility of Applicants to enroll in QHPs through an Exchange, in insurance affordability programs, or for a certification of exemption from the individual responsibility requirement.”

2. The USCIS SORN that supports this program is DHS/USCIS-004 “Systematic Alien Verification for Entitlements Program,” published at 85 FR 31798 (May 27, 2020). Routine Use I permits USCIS’s disclosure of information to CMS; it authorizes disclosures “to approved federal, state, and local governments agencies for any legally mandated purpose in accordance with their authorizing statute or law and when an approved Memorandum of Agreement or Computer Matching Agreement (CMA) is in place between DHS and the entity.”

B. Number of Records

CMS estimates that approximately 5.8 million records may be transacted through SAVE queries for the purpose of determining eligibility for coverage in QHP and IAPs in calendar year 2023.

C. Specific Data Elements Used in the Match

1. From the CMS to USCIS. CMS will submit data elements pertaining to an Applicant through SAVE to the USCIS VIS. These data elements may include the following:

- a. Last Name
- b. First Name
- c. Middle Name
- d. Date of Birth

- e. One or More Immigration Number (e.g. Alien Registration / USCIS Number, Arrival-Departure Record I-94 Number, SEVIS ID Number, Certificate of Naturalization Number, Certificate of Citizenship Number, or Unexpired Foreign Passport Number)
- f. Other Information from Immigration Documentation (e.g. Country of Birth, Date of Entry, Employment Authorization Category)

2. From USCIS to CMS. When the above-listed data elements are submitted to SAVE to query USCIS data through VIS, USCIS through SAVE will send the Hub a query response that includes the data used to query VIS and may add these additional data elements:

- a. Verification Case Number
- b. Citizenship or Immigration Data (e.g. immigration status/category, immigration class of admission, and/or employment authorization)
- c. Sponsorship Data (e.g. name, address, and social security number of Form I-864/I-864EZ sponsors and Form I-864A household members, when applicable)

D. Projected Starting and Renewal Dates of the Program

Effective Date: October 20, 2023

Expiration Date: April 19, 2025 (may be renewed to April 19, 2026)

V. NOTICE PROCEDURES

The notice which CMS will publish in the *Federal Register* in accordance with the Privacy Act requirement at 5 U.S.C. § 552a (e)(12) will provide constructive notice of the program to affected individuals.

The Privacy Act at 5 U.S.C. § 552a(o)(1)(D) requires the agreement for a “matching program” to specify procedures for providing individualized (i.e., actual) notice at the time of application and periodically thereafter as directed by the Data Integrity Board of such agency (subject to guidance provided by the Director of OMB pursuant to subsection 552a(v)), to Applicants for and recipients of financial assistance or payments under federal benefit programs. CMS provides actual notice to Applicants that the information they provide when they apply for an eligibility determination may be verified by matching against the records of various federal agencies, including DHS. This notice is provided at the time of application on the OMB-approved HHS-developed single streamlined application or on an HHS-approved alternate application used by an AE. The same application is used by individuals for initial applications and to report changes in circumstances after enrollment. AEs may notify Applicants that they can determine the status of their SAVE verification by visiting SAVE Case Check, which can be accessed through the SAVE public website located at <https://www.uscis.gov/SAVE>.

VI. VERIFICATION PROCEDURES AND OPPORTUNITY TO CONTEST FINDINGS

The Privacy Act at 5 U.S.C. § 552a(o)(1)(E) requires that the agreement for a “matching program” outline procedures for verifying information produced in the matching program, as required by 5 U.S.C. § 552a(p). This requires agencies to independently verify the information produced by a matching program and to provide the affected individual an opportunity to contest the agency's findings, before taking an adverse action against the individual, as a result of the match.

A. Verification Procedures

1. CMS will provide USCIS with the following identifying information about an individual for the purpose of obtaining verification from USCIS of the Applicant's immigration status or naturalized/acquired citizenship: date of birth, last name, first name, and middle name, and Alien Registration Number, I-94 number, and/or other identifiers as described in Section IV of this Agreement, as applicable.

2. If USCIS cannot verify immigration status on initial electronic verification (i.e., first step verification), the AE will be prompted to institute additional verification, at which time the AE may submit the case for second step verification or may submit the case for third step verification that includes uploading an electronic copy of the Applicant's immigration documentation if done in accordance with the rules applicable to the AE for which the request is being made. If USCIS cannot verify immigration status through second step verification, the AE will be prompted to submit the case for third step verification which includes, electronically uploaded the Applicant's immigration documentation. If third level verification is required, the AE will facilitate the transfer of the Applicant's immigration documentation to USCIS. The SAVE Program requires copies of immigration documentation to conduct third-level verification. The AE must submit such documentation electronically. Submission of paper documentation by mail as an attachment to Form G-845 is no longer a submission option. USCIS may, in some or all additional verification situations, require the AE to bypass second step verification and instead immediately submit a third-step verification request.

3. If an AE is unable to comply with the prompts through the Hub, the AE may implement an approved alternative verification method to verify documents that demonstrate the Applicant's immigration status. Alternative verification methods should use the AE's independent SAVE access methods to verify immigration and naturalized or acquired citizenship status. Alternative access methods that do not use SAVE as an access method to verify immigration and naturalized or acquired citizenship status cannot be considered to have received a determination from DHS as to whether the Applicant's information is consistent with information in DHS records. CMS agrees to provide USCIS with written descriptions of any alternative verification procedures, as appropriate, used by AEs.

4. CMS and AEs may not deny an application based on a verification response that fails to verify applicant information with USCIS records unless the AE completes all SAVE prompts returned to the Hub, including submitting the verification request for additional verification or resubmitting the case when prompted by SAVE, or completes an alternate verification procedure.

5. CMS and AEs may not suspend, terminate, reduce, or make a final denial regarding the federal benefit program eligibility of an Applicant under the PPACA based upon a SAVE verification response status, or a response received through an approved alternative method, or take other adverse action against such individual as a result of information produced by the matching program, without first providing the Applicant the opportunity to provide additional information to verify their citizenship or immigration status in accordance with 45 CFR §155.315(f) or 42 CFR §§435.952 and 457.380. See the "additional verification procedures" described in the DHS/USCIS SAVE Program Guide, which procedures are incorporated into this Agreement by reference, including any subsequent amendments or revisions, to the extent that such procedures are consistent with applicable law.

B. Opportunity to Contest Findings

1. CMS and AEs may not suspend, terminate, reduce, or make a final denial regarding federal benefit program eligibility of an Applicant, or take other adverse action against such individual as a result of information produced by this data exchange, unless: (A) the individual has received notice from CMS containing a statement of the findings of the immigration status check; and (B) until the subsequent expiration of any notice period provided by such program's law or regulations. Such opportunity to contest may be satisfied by the notice, hearing, and appeal rights governing the federal benefit program if the Applicant has been provided the opportunity to refute any adverse status information as a result of the matching program.

2. Information created by CMS regarding any individual which becomes part of the HIX system of records can be contested by contacting CMS.

3. Because CMS is not the owner of the USCIS records used for verification, information provided to CMS by USCIS cannot be contested by contacting CMS. An individual seeking to contest the content of USCIS information must contact USCIS or the record's owner. CMS, in its role as operator of the FFE, will provide guidance to the individual concerning how to contest the content of information provided by DHS.

C. Additional Verification and Contest Procedures Applicable to QHPs, APTC and CSRs

1. An Exchange will verify citizenship and immigration status in accordance with 45 CFR § 155.315(c). Pursuant to the verification process in 45 CFR § 155.315, the Exchange will provide notice to and an opportunity to resolve the inconsistency for the Applicant if there is an inconsistency between the Applicant's attestation and the information provided by DHS/USCIS under this Agreement through the Hub in connection with Eligibility Determinations and Redeterminations for APTC and CSRs. *See also* section 1411(c)(3)(4) of the PPACA. The Applicant will have 90 days from the date of notice of the inconsistency to resolve the inconsistency or to present satisfactory documentary evidence to the agency. 45 CFR § 155.315(f).

2. In addition, an Exchange will provide notice of appeals procedures with a notice of Eligibility Determination and Redetermination pursuant to 45 CFR §§ 155.230 and 155.355. An Applicant will be provided the opportunity to appeal denials of eligibility for APTC and CSRs based upon contested determinations of citizenship or immigration status pursuant to section 1411(f)(1) of the PPACA.

D. Additional Verification and Contest Procedures Applicable to Exemptions

The Exchange will verify certain citizenship and immigration status information provided by an Applicant for a certain type of Exemption with information provided by DHS pursuant to this Agreement in accordance with the process outlined in 45 CFR §§ 155.615(f) and (g) and 155.620(c). The Exchange will give an affected individual notice of and an opportunity to resolve any inconsistency between the Applicant's attestation and the information obtained from USCIS through the Hub. *See also* Section 1411(e)(3)(4) of the PPACA. In addition, the Exchange will provide notice of appeals procedures in the notice of Eligibility Determination and Redetermination it gives Applicants pursuant to 45 CFR §§ 155.230 and 155.635. An Applicant will be provided the opportunity to appeal denials of eligibility for an Exemption pursuant to section 1411(f)(1) of the PPACA.

E. Additional Verification and Contest Procedures Applicable to Medicaid and CHIP

A state Medicaid or CHIP agency must determine or renew eligibility in accordance with 42 CFR §§ 435.911, 435.916, 457.340 and 457.343. Medicaid and CHIP agencies will verify certain citizenship and immigration status information provided by an Applicant or beneficiary in accordance with 42 CFR parts 435 or 457. A Medicaid/CHIP Applicant Beneficiary seeking to contest any information used for verification of citizenship or immigration status of an application or Renewal determination that results in an adverse Eligibility Determination may file an appeal with the agency that issued the Eligibility Determination.

F. Additional Verification and Contest Procedures Applicable to BHPs

A BHP will verify an Applicant's eligibility for a BHP consistent either with the Exchange standards and procedures set forth at 45 CFR §§ 155.315 and 155.320 or Medicaid standards and procedures set forth at 45 CFR §§ 435.945 through 435.956.

VII. DISPOSITION OF EXCHANGED RECORDS

These procedures are required by the Privacy Act at 5 U.S.C. § 552a(o)(1)(F):

USCIS records are stored and retained in the VIS Master Data File in accordance with the DHS SAVE SORN and retention schedule N1-566-08-7, which was approved by NARA June 5, 2008 and provides a retention period of ten (10) years from the date of completion of the verification (unless the records are part of an ongoing investigation, in which case they may be retained until completion of the investigation).

CMS will retain electronic records that contain verified Applicant or Beneficiary information for a period of ten (10) years to the extent that a match results in an inconsistency, in accordance with retention schedule DAA-0440-2014-0003 which was approved by NARA May 4, 2016. The retained electronic records will reflect the results of the match in order to meet legal evidentiary requirements. Retained records will not contain raw USCIS data received via the Hub.

USCIS and CMS will dispose of data in accordance with their applicable disposition schedules. USCIS and CMS will not create permanent files or a separate system comprised solely of the data provided by the other Party.

VIII. SECURITY PROCEDURES

The Privacy Act at 5 U.S.C. § 552a(o)(1)(G) requires the agreement for a "matching program" to include procedures for ensuring the administrative, technical, and physical security of the records matched and the results of the program. HHS/CMS and DHS/USCIS agree to the following information security procedures:

1. General. Both Parties shall maintain a level of security that is commensurate with the risk and magnitude of harm that could result from the loss, misuse, modification, or inappropriate disclosure of the information contained on the system with the highest appropriate sensitivity level.
2. Legal Compliance. Both Parties shall comply with the limitations on use and disclosure, storage, transport, retention, and safeguarding of data under all applicable federal laws,

regulations, and agency guidance.

3. CMS and USCIS will comply with applicable OMB circulars and memoranda, including OMB Circular A-130, Managing Information as a Strategic Resource, published at 81 FR 49689 (July 28, 2016); applicable National Institute of Standards and Technology (NIST) directives and publications; and the Federal Acquisition Regulations. These laws, directives, and regulations include requirements for safeguarding federal information systems and PII used in federal agency business processes, as well as related reporting requirements. The Parties recognize and will implement the laws, regulations, NIST standards, and OMB directives including those published subsequent to the effective date of this Agreement.
4. FISMA Compliance. FISMA requirements apply to all federal contractors, organizations, or entities that possess or use federal information, or that operate, use, or have access to federal information systems on behalf of an agency. Both agencies are responsible for oversight and compliance of their contractors and agents.
5. Incident Reporting, Potential Loss, and Breach Notification. CMS and USCIS will comply with OMB reporting guidelines in the event of a loss, potential loss, security incident, or breach of PII (hereafter referred to as “incident”). See OMB M-17-12, “Preparing for and Responding to a Breach of Personally Identifiable Information” (Jan. 3, 2017), and OMB M-23-03, Fiscal Year 2023 “Guidance on Federal Information Security and Privacy Management Requirements” (Dec. 2, 2022). The Party experiencing the incident will notify the other agency's System Security Contact named in this Agreement within one (1) hour of discovering the incident. If the Party experiencing the incident is unable to speak with the other Party's System Security Contact within one (1) hour or if for some reason contacting the System Security Contact is not practicable (e.g., outside of normal business hours), then the following contact information will be used:
 - USCIS Service Desk: 1-888-220-5228 or e-mail USCIS.ServiceDesk@uscis.dhs.gov;
 - CMS IT Service Desk: 1-800-562-1963 or e-mail CMS_IT_Service_Desk@cms.hhs.gov
6. The Party that experienced the incident will be responsible for following its established procedures, including notifying the proper organizations (e.g., United States Computer Emergency Readiness Team (US-CERT)), conducting a breach and risk analysis, and determining the need for notice and/or remediation to individuals affected by the loss. The Parties under this Agreement will follow PII breach notification policies and related procedures as required by OMB guidelines and the US-CERT Federal Incident Notification Guidelines. If the party experiencing the incident determines that the risk of harm requires notification to the affected individuals or other remedies, then that party will carry out these remedies without cost to the other party.
7. If an AE experiences a Security Incident, the AEs will submit a Security Incident report template describing the Security Incident to their designated CCIIO State Officer (CSO). Agents of the AEs will submit Security Incident reports through their respective AE to CMS. If the AE's report is about USCIS data, CMS will inform USCIS of the incident by sending the Security Incident report to USCIS. Based on the Security Incident, CMS will determine whether further discussion between the CSO and USCIS is necessary. The investigation of the Security Incident is the responsibility of the AE. If the AE determines that notification is necessary, the AE will conduct the Breach notification at their cost.

8. Administrative Safeguards. Both Parties will comply with the existing and future requirements set forth in the laws, directives, and regulations referenced in the preceding subsections and any applicable amendments published after the effective date of this Agreement. These laws, directives and regulations include requirements for safeguarding federal information systems and personally identifiable information used in federal agency business processes, as well as related reporting requirements. Specifically, FISMA requirements apply to all federal contractors, organizations, or entities that possess or use federal information, or that operate, use, or have access to federal information systems on behalf of an agency. Both Parties agree that personnel with access to the data matched and created by the match receive training to ensure proper verification in a manner consistent with this Agreement. Accordingly, both Parties will restrict access to the matched data and to any data created by the match to only those authorized users of the CMS Hub who need it to perform their official duties in connection with the uses of data authorized in this Agreement. Further, both Parties will advise all personnel who will have access to the data matched and to any data created by the match of the confidential nature of the data, the safeguards required to protect the data, regulations applicable to retention of the data, and the civil and criminal sanctions for noncompliance contained in the applicable federal laws.
9. Physical Safeguards. Both Parties agree to maintain all automated data exchange records in a secured computer environment that includes the use of authorized access codes (passwords and/or personal identity verification or PIV) to restrict access and that is otherwise physically safe from access by unauthorized persons at all times. Those records will be maintained under conditions that restrict access to persons who need them in connection with their official duties related to the data exchange process. It is the responsibility of the user's supervisor to ensure that both Parties are notified when a user has departed or duties have changed such that the user no longer needs access to the system, to ensure timely deletion of the user's account and password. USCIS and CMS will comply with physical security and storage requirement under DHS Sensitive Systems Policy 4300A.
10. Technical Safeguards. Both Parties will process the matched data and any data created by the match under the immediate supervision and control of the authorized users in a manner that will protect the confidentiality of the data, so that unauthorized persons cannot retrieve any data by computer, remote terminal, or other means. The DHS/USCIS personnel will be trained on the new data and process as part of their continued and regular training sessions. CMS will also ensure that only authorized users have access to the data and will protect the confidentiality of the data. CMS will provide training to the authorized users on the usage of the system and the data.
11. Systems personnel will be required to enter personal identification numbers when accessing data on the agencies' systems. Both Parties will strictly limit authorization to these electronic data systems necessary for the authorized user to perform their official duties. Data will be protected in accordance to DHS 4300A, FISMA and NIST security guidance. All data in transit will be encrypted using algorithms that meet the requirements of FIPS 140-3, Security Requirements for Cryptographic Modules, as amended, and implementation guidance. Authorized system users will be identified by login credentials, and individually tracked to safeguard against the unauthorized access and use of the system.

12. Application of Policies and Procedures. Both Parties will adopt policies and procedures to ensure that each Party uses the information obtained under this Agreement and retained in their respective records or obtained from each other solely as provided in this Agreement. Both Parties will comply with these policies and procedures and any subsequent revisions.
13. CMS will share with USCIS security status assessments at times when federal agencies that supply information in support of ACA activities conduct security assessments regarding the operational status of CMS, AEs, and their authorized respective agents in connection with verification data and services under this Agreement.
14. On-Site Inspections. Each party has the right to monitor the other party's compliance with FISMA requirements for data exchanged under this Agreement, and to audit compliance with this Agreement, if necessary, during the lifetime of this Agreement, or any extension of this Agreement. Each party will provide the other party with any reports and/or documentation relating to such inspections at the other party's request. Each party may request an on-site inspection in addition to requesting reports and/or documentation.
15. Risk Safeguards. CMS will ensure its information systems and data exchanged under this Agreement comply with Acceptable Risk Safeguards. To the extent these documents are revised during the term of this Agreement, CMS will ensure compliance with the revised version.
16. Non-discrimination. Any action required or permitted under this Agreement shall be conducted in a manner that does not discriminate against an individual based upon his or her national origin, race, color, sex (including gender identity, sexual orientation, and pregnancy), religion, or disability in accordance with Section 705 of the Homeland Security Act of 2002; Section 504 of the Rehabilitation Act of 1973, and agency implementing regulations at 6 CFR Part 15.d.
17. In fulfilling their obligations under this Agreement, the Parties will comply with the requirements of Executive Order 13166 ("Improving Access to Services for Persons with Limited English Proficiency," 65 Fed. Reg. 50,121 (Aug. 16, 2000)), to take reasonable steps to provide limited English proficiency (LEP) persons interacting with their respective agency with meaningful access to federally conducted programs and activities, including services and benefits, in accordance with LEP guidance set forth by the U.S. Department of Justice and any other applicable authorities.

IX. RECORDS USAGE, DUPLICATION, AND REDISCLOSURE RESTRICTIONS

The Parties will comply with the following limitations on use, duplication, and disclosure of the electronic files and data each Party provides to the other under this Agreement:

- A. The Parties will use and disclose the data only for the purposes described in this Agreement or authorized by applicable law, unless the other Party consents to the use or disclosure. The Party requesting permission must specify the following in writing; (1) which data will be used or disclosed, (2) to whom the data will be disclosed, (3) the reasons justifying such use or disclosure, and (4) the intended use of the data.
- B. The Parties will not use the data to extract information concerning individuals therein for any purpose not specified by this Agreement or applicable law.

C. The data provided by USCIS under this Agreement will remain the property of USCIS and will be retained by CMS and AEs to be used for internal audits to verify the accuracy of matches and to adjudicate appeals. USCIS data will only be destroyed after the verification activity, appeals and audits involving the data have been completed as described under this data exchange program.

D. CMS will restrict access to the results of the data matches maintained in the FFE to the relevant Applicant, application filer, and Authorized Representatives of such persons; as well as to Agents and Brokers who have been authorized by the Applicant and are under agreement with the FFE. CMS shall require compliance with the same or more stringent privacy and security standards as a condition of any contract or agreement with an individual or entity, such as an Agent or Broker, that allows the individual or entity to; (1) gain access from the Exchange to PII submitted to an Exchange or (2) collect, use, or disclose PII gathered directly from Applicants while the individual or entity is performing the functions outlined in the agreement with the Exchange. *See* 45 CFR §155.260, 42 CFR § 431, subpart F, including §§ 431.301, 431.302, 431.303, 431.305, and 435.945, and 457.1110.

E. Any individual who knowingly and willfully uses or discloses information obtained pursuant to this Agreement in a manner or for a purpose not authorized by Section 1411(g) of the PPACA is potentially subject to the civil penalty provisions of Section 1411(h)(2) of the PPACA, which carries a fine of up to \$25,000 per person or entity per use or disclosure.

F. CMS will not duplicate or re-disclose data provided by USCIS within or outside of CMS, except where described in this Agreement or authorized by applicable law.

X. RECORDS ACCURACY ASSESSMENTS

The Privacy Act at 5 U.S.C. § 552a(o)(1)(J) requires that the agreement for a “matching program” include “information on assessments that have been made” on the accuracy of the records that will be used in the matching program. CMS has not explicitly assessed the accuracy of the identifying information in the HIX system of records, but Exchange operations are continually subject to rigorous examination and testing as required by Appendix C of OMB Circular A-123 and they also evaluated through audits conducted by HHS Office of Inspector General and the Government Accountability Office.

USCIS currently estimates that SAVE system accuracy, defined as the number of SAVE initial verification request cases resolved automatically by SAVE divided by the number of initial verification cases that should have been resolved automatically (i.e., number resolved automatically plus number resolved by status verification personnel that should have been resolved automatically), to be 97.5 percent. USCIS continues to undertake various actions to further improve the accuracy of SAVE responses to verification requests. In cases in where SAVE provides an Institute Additional Verification response or an AE or benefit applicant does not agree with the SAVE initial verification response, AEs use an additional verification process that allows USCIS personnel to check all necessary indices and files before providing the immigration and naturalized or acquired citizenship information. This process includes procedures for USCIS to alert the relevant immigration record owner of errors it detects so the record owner may take appropriate corrective action.

CMS requires self-monitoring by AEs and their agents in using the Federal Data Services Hub to obtain data from SAVE, in accordance with rules and guidelines published by CMS on the use of

the Federal Data Services Hub to conduct required eligibility verifications. CMS routinely oversees AE usage of the Federal Data Services Hub in conducting eligibility verifications through reviewing reports, providing technical assistance to, and if needed taking corrective action for-the AEs to ensure their compliance with laws, regulations, and program policies and procedures that govern use of the Federal Data Services Hub when accessing SAVE. These include, but are not limited to:

a. Reasonable and appropriate efforts to ensure that benefit applicant data submitted to SAVE is accurate, including but not limited to:

(1) For noncitizens and naturalized/acquired U.S. citizens, and whose citizenship or immigration information will be verified through SAVE, ensuring each benefit application includes prominent notice that:

i. Instructs the applicant to list their name, date of birth, and immigration enumerator(s) on their application exactly as they are listed on their most recent immigration documentation; and

ii. Informs applicants that failure to do so may result in their application requiring additional time and effort to process, including but not limited to providing a copy of their most recent immigration documentation.

b. Reasonable and appropriate efforts to ensure that the CMS FFE and AEs promptly submit additional verification requests.

XI. COMPTROLLER GENERAL ACCESS

The Government Accountability Office (Comptroller General) may have access to all CMS, USCIS, and AE records, as necessary, to monitor or verify compliance with this Agreement.

XII. REIMBURSEMENT/FUNDING

Reimbursement for immigration status verifications USCIS performs under this Agreement is addressed under a separate billing agreement. This Agreement is subject to the availability of funds.

XIII. DURATION OF AGREEMENT

A. **Effective Date:** The Effective Date of this Agreement will be October 20, 2023, provided that CMS reported the proposal to reestablish this program to the Congressional committees of jurisdiction and OMB in accordance with 5 U.S.C. § 552a(o)(2)(A) and (r) and OMB Circular A-108 and, upon completion of their advance review, CMS published notice of the program in the *Federal Register* for at least thirty (30) days in accordance with 5 U.S.C. § 552a(e)(12).

B. **Term:** The term of this Agreement is eighteen (18) months, but it can be renewed for an additional year unless modified or terminated by the parties in accordance with the provisions of the Agreement at XIII., paragraphs D. and E.

C. **Renewal:** The Parties may, within three (3) months before the expiration of this Agreement, renew this Agreement for a period not to exceed one year if the Parties certify the following to the HHS DIB:

1. The program will be conducted without change; and
2. The Parties have conducted the program in compliance with this Agreement.

D. **Modification:** The parties may modify this Agreement at any time by a written modification, mutually agreed to by both parties, provided that the change is not significant. A significant change would require a new agreement.

E. **Termination:** This Agreement may be terminated at any time upon the mutual written consent of the parties. Either party may unilaterally terminate this Agreement upon written notice to the other party, in which case the termination will be effective ninety (90) days after the date of the notice, or at a later date specified in the notice.

F. Notwithstanding any other provision in the Agreement, DHS may suspend or terminate this Agreement without prior notice upon a determination by DHS that it is suspected there has been a breach of system integrity or security by CMS or an AE that cannot be remedied.

XIV. LIABILITY

A. Each Party to this Agreement shall be liable for acts and omissions of its own employees.

B. Neither Party shall be liable for any injury to another party's personnel or damage to another party's property, unless such injury or damage is compensable under the Federal Tort Claims Act (28 U.S.C. § 1346(b)), or pursuant to other Federal statutory authority.

C. Neither Party shall be liable for any injury to another party's personnel or damage to another party's property, unless such injury or damage is compensable under the Federal Tort Claims Act.

D. Neither Party shall be responsible for any financial loss incurred by the other, whether directly or indirectly, through the use of any data furnished pursuant to this Agreement.

E. Nothing in this Agreement is intended, or should be construed, to create any right or benefit, substantive or procedural, enforceable at law by any third party against the United States, its agencies, officers or employees, or either Party.

F. Nothing in this Agreement shall be construed as a waiver of sovereign immunity against suits by third persons.

XV. INTEGRATION CLAUSE

This Agreement and the separate billing agreement entered into by the parties constitute the entire agreement of the Parties with respect to its subject matter and supersedes all other data exchange agreements between the Parties that pertain to the disclosure of data between the USCIS and CMS for the purposes described in this Agreement. The Parties have made no representations, warranties, or promises outside of this Agreement. This Agreement takes precedence over any other documents that may be in conflict with it.

XVI. PERSONS TO CONTACT

The USCIS contacts are:

Safeguards and Recordkeeping Procedures

Anna Priddy
Policy Section Chief, SAVE Program
U.S. Citizenship & Immigration Services, Verification Division
Department of Homeland Security
5900 Capital Gateway Drive, Mail Stop 2600
Camp Springs, MD 20529-2600
Telephone: (531) 510-6987
Email: anna.o.priddy@uscis.dhs.gov

Stephen W. Martin, SAVE Program, SAVE Policy Section
United States Citizenship and Immigration Services, Verification Division
5900 Capital Gateway Drive, Mail Stop 2600
Camp Springs, MD 20529-2600
Telephone: (202) 507-2783
E-Mail: stephen.w.martin@uscis.dhs.gov

Privacy Matters

Leslie Opsahl, Privacy Analyst
Department of Homeland Security Privacy Office
U.S. Department of Homeland Security
245 Murray Lane, SW, Mail Stop 0655
Washington, DC 20528
Telephone: (202) 343-1717
Fax: (202) 343-4010
Email: PRIV_CMA@hq.dhs.gov or Leslie.Opsahl@hq.dhs.gov

Angela Washington, Privacy Officer
U.S. Citizenship and Immigration Services
5900 Capital Gateway Drive, Mail Stop 2600
Camp Springs, MD 20529-2600
Telephone: (202) 272-8404
Fax: (202) 272-8115
Email: Angela.Y.Washington@uscis.dhs.gov

The CMS contacts are:

Program Issues

Terence Kane
Director, Division of Automated Verifications and SEP Policy
Marketplace Eligibility and Enrollment Group
Center for Consumer Information & Insurance Oversight
Centers for Medicare & Medicaid Services
7501 Wisconsin Avenue

Bethesda, MD 20814
Telephone: (301) 492-4449
Email: Terence.Kane@cms.hhs.gov

Medicaid/CHIP Issues

Brent Weaver
Director, Data and Systems Group
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Mail Stop: S2-22-27
Location: S2-23-06
Baltimore, MD 21244-1850
Telephone: (410) 786-0070
Email: Brent.Weaver@cms.hhs.gov

Systems and Security

Darrin V. Lyles
Information System Security Officer (ISSO)
Division of Marketplace IT Operations
Marketplace IT Group
Center for Consumer Information & Insurance Oversight
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244
Telephone: (410) 786-4744
Telephone: (443) 979-3169 (Mobile)
Email: Darrin.Lyles@cms.hhs.gov

Privacy and Agreement Issues

Barbara Demopoulos
CMS Privacy Act Officer
Division of Security, Privacy Policy and Governance
Information Security and Privacy Group
Office of Information Technology
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Location: N1-14-56
Baltimore, MD 21244-1849
Telephone: (410) 786-6340
Email: Barbara.Demopoulos@cms.hhs.gov

XVII. APPROVALS

Centers for Medicare & Medicaid Services Program Official

Electronic Signature Acknowledgement: The signatories may sign this Agreement electronically by using an approved electronic signature process. Each signatory who electronically signs this renewal agrees that his/her electronic signature has the same legal validity and effect as his/her handwritten signature on the document, and that it has the same meaning as his/her handwritten signature.

A. Centers for Medicare & Medicaid Services Program & Approving Officials

The authorized program and approving officials, whose signatures appear below, accept and expressly agree to the terms and conditions expressed herein, confirm that no verbal agreements of any kind shall be binding or recognized, and hereby commit the organization to the terms of this Agreement.

Approved by (Signature of Authorized CMS Program Officials)

Jeffrey Grant -S Digitally signed by Jeffrey Grant -
S
Date: 2023.07.10 13:11:08 -04'00'

Jeffrey D. Grant
Deputy Director for Operations
Center for Consumer Information and Insurance Oversight
Centers for Medicare & Medicaid Services

Date _____

Approved by (Signature of Authorized CMS Program Official)

Sara M. Vitolo -S Digitally signed by Sara M. Vitolo -
S
Date: 2023.07.11 16:27:27 -04'00'

Sara Vitolo
Deputy Director
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services

Date _____

Approved by (Signature of Authorized CMS Approving Official)

Leslie Nettles -S Digitally signed by Leslie Nettles -S
Date: 2023.07.13 17:13:04 -04'00'

**Leslie Nettles, Deputy Director
Division of Security, Privacy Policy and Governance, and
Acting Senior Official for Privacy
Information Security and Privacy Group
Office of Information Technology
Centers for Medicare & Medicaid Services**

Date _____

B. U.S. Department of Health and Human Services Data Integrity Board Official

The authorized DIB official, whose signature appears below, accepts and expressly agrees to the terms and conditions expressed herein, confirm that no verbal agreements of any kind shall be binding or recognized, and hereby commits their respective organization to the terms of this Agreement.

Cheryl R. Campbell - S Digitally signed by Cheryl R. Campbell -S
Date: 2023.08.16 13:10:55 -04'00'

Cheryl Campbell
Chairperson
HHS Data Integrity Board
U.S. Department of Health and Human Services

Date _____

C. U.S. Citizenship and Immigration Services Approving Official

The authorized approving official, whose signature appears below, accepts and expressly agrees to the terms and conditions expressed herein, confirms that no verbal agreements of any kind shall be binding or recognized, and hereby commits the organization to the terms of this Agreement.

AMY J WHEELOCK Digitally signed by AMY J
WHEELOCK
Date: 2023.07.20 13:42:07 -04'00'

Amy J. Wheelock, Chief
Verification Division
Immigration Records and Identity Services Directorate
U.S. Citizenship and Immigration Services
Department of Homeland Security

Date _____

Attachment 1

Marketplace Query and Computer Matching Programs:
Cost-Benefit Analysis



MARKETPLACE COMPUTER MATCHING PROGRAMS: COST-BENEFIT ANALYSIS

Prepared by:

Center of Consumer Information and Insurance Oversight (CCIIO), CMS

COST-BENEFIT ANALYSIS FOR MARKETPLACE MATCHING PROGRAMS

UPDATED MARCH 21, 2023

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Introduction

This cost benefit analysis (CBA) provides information about the costs and benefits of conducting the eight required Marketplace⁴ matching programs, which are conducted under matching agreements between CMS and each federal data source agency and between CMS and state administering entities (AEs). The objective of the Marketplace matching programs is to support the enrollment of eligible individuals in appropriate health coverage programs, thereby reducing the uninsured population and improving overall health care delivery.

The Marketplace matching programs enable AEs to make efficient and accurate eligibility determinations and redeterminations for enrollment in qualified health plans (QHPs), insurance affordability programs, Medicaid and CHIP programs, and Basic Health Programs, and support the issuance of certificates of exemption to individuals who are exempt from the individual mandate to maintain health insurance coverage. The Marketplace matching programs provide for a single streamlined application process as required by the Affordable Care Act, support accurate and real-time eligibility determinations, and ensure that consumers can enroll in the correct program or be properly determined to be exempt from needing coverage.

The matching programs enable AEs to verify individuals' attested application responses with matched data elements from relevant federal data sources based on the type of eligibility determination being performed. These data elements may include citizenship or immigration status, household income, and access to non-employer-sponsored and/or employer-sponsored minimum essential coverage. Non-employer-sponsored coverage includes coverage through TRICARE, Veteran's Health Benefits, Medicaid, Medicare, or benefits through service in the Peace Corps. Employer-sponsored coverage for Federal Employee Health Benefits can be verified with the Office of Personnel Management.

While the matching programs support accurate eligibility determinations, which help avoid improper payments (e.g., improper payments of tax credits to ineligible individuals), no data is available to quantify the amount of improper payments avoided. In addition, the match results are not currently used to identify or recover past improper payments. Consequently, there are no estimates of avoided or recovered improper payments in key elements 3 and 4 (i.e., the "benefits" portion) of the CBA to offset against the personnel and computer costs estimated in key elements 1 and 2 (i.e., the "cost" portion) of the CBA, so the four key elements of the CBA do not demonstrate that the matching programs are likely to be cost-

⁴ 'Marketplace' means a State-based Exchange (including a not-for-profit Exchange) or a Federally-Facilitated Exchange established under sections 1311(b) and 1311(d)(1) or 1321(c)(1) of the PPACA. For purposes of this analysis, all references to a Marketplace shall refer equally to and include a state agency that is responsible for administering the Insurance Affordability Program under which individuals and small businesses may enroll in Qualified Health Plans in the state.

effective. However, the CBA describes other justifications (i.e., factors demonstrating that the matching programs are effective in maximizing enrollments in QHPs and are structured to avoid unnecessary costs) which support Data Integrity Board (DIB) approval of the matching programs. As permitted by the Privacy Act at 5 U.S.C. § 552a(u)(4)(B), the Justification section of each matching agreement requests the DIB(s) to determine, in writing, that the CBA is not required in this case to support approval of the agreement and to approve the agreement based on the other stated justifications. This underlying reality of the cost effectiveness of the Marketplace matching programs applies to all eight programs supported by this CBA.

The four key elements and sub-elements required to be addressed in the CBA are summarized on the CBA template below. The name of each key element and sub-element is highlighted in bold in the narrative portion of the CBA to indicate where that element is discussed in more detail.

Costs

Costs for the recipient and source agencies are primarily personnel costs associated with maintenance and operations supported by information technology resources; therefore, key elements 1 and 2 (personnel costs and computer costs) are combined in this analysis. Note that more detail on the summary figures that follow is provided in later sections of this document.

For Agencies –

- **CMS (Recipient Agency):** \$51.5 million (\$2.0 million internal costs; \$49.5 million external costs) per year.
- **Source Federal Agencies:** \$7.4 million per year (reimbursed by CMS)
- **State AEs:** No data developed.
- **Justice Agencies:** Not applicable, as these matching programs are not currently used to detect and recover past improper payments and therefore do not generate collection cases for justice agencies to investigate and prosecute.

For Clients (Applicants/Consumers), and any Third Parties assisting them –

- Opportunity costs (time required to apply for coverage) are quantified as \$610 million per year (\$42.02 per application x 14.5 million consumers enrolled in QHPs).

For the General Public –

- No data developed. Costs to the public (such as discouragement of legitimate potential participants from applying, and threats to privacy, Constitutional rights, and other legal rights) would be less significant in these matching programs than in other matching programs, because these matching programs are intended to support enrollments and are not currently used to detect and recover past improper payments.

Benefits

Avoidance of Future Improper Payments

For advance payments of the premium tax credit (APTC), consumers must reconcile the tax credit at the time of tax filing, and so improper payment is mitigated. For state and federal costs associated with Medicaid coverage, the avoidance of future improper payment is not quantified here. However, the use of matching programs mitigates the risk of fraud and abuse by applicants or third parties by requiring that personal information provided on an eligibility application match known data on the individuals.

Recovery of Improper Payments and Debts

Not applicable, because data from the Marketplace matching programs are not currently used to identify and recover improper payments and debts.

Matching Program Structure

The Patient Protection and Affordable Care Act, Public Law No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law No. 111-152 (ACA) requires that each state develop secure electronic interfaces for the exchange of data under a matching program using a single application form for determining eligibility for all state health subsidy programs.

CMS has entered into matching agreements with the following federal source agencies: 1) Social Security Administration (SSA), 2) Department of Homeland Security (DHS), 3) Internal Revenue Service (IRS), 4) Veterans Health Administration (VHA), 5) Department of Defense (DoD), 6) Office of Personnel Management (OPM), and 7) the Peace Corps. In addition, CMS has developed a matching program that is executed with every state AE, including state Medicaid and CHIP agencies and State-based Marketplaces. CMS designed the Federal Data Services Hub (Hub) to be a centralized platform for the secure electronic interface that connects all AEs and trusted data sources.

Without the Hub, each State AE would be required to enter into a separate arrangement with each federal agency to determine whether applicants for state health subsidy programs are eligible for coverage. If the match operations were conducted through separate arrangements outside of the Hub, the costs to CMS, the source federal agencies, the AEs, and consumers (applicants) would be significantly greater than under the current structure.

Background assumptions

CMS has made the following assumptions in developing this CBA:

- The ACA does not expressly mandate the use of computer matching, but effectively requires it by requiring a single streamlined application process for consumers. Because matching must be conducted to provide the single, streamlined application process Congress required (i.e., is not optional), this CBA does not evaluate whether the matching programs should be conducted versus not conducted, but rather it evaluates whether the matching programs are efficiently structured and conducted, and whether the current structure is less costly than an alternative structure.
- Eight matching programs are currently operational. CMS receives data from seven source federal agencies (IRS, DHS, SSA, OPM, Peace Corps, VHA, and DoD) under separate CMAs. Under an eighth CMA, CMS makes the data from those seven source federal agencies, as well as CMS data regarding Medicare enrollment, available to state AEs; in addition, the eighth CMA makes state Medicaid and CHIP enrollment data available to CMS. The seven source federal agencies, CMS, and the state AEs are collectively known as the trusted data sources (TDSs). All data from the TDSs are accessed by CMS and by state AEs via the Hub platform, rather than via direct access from any AE to any TDS.
- Any alternative, non-Hub structure that could be used instead of the current Hub structure would require many more than eight CMAs, as well as many more system interconnections and data transmissions between agencies.
- For a subset of the TDSs, CMS incurs a cost as the recipient agency. The cost of each data transaction is estimated based on a prior year's matching program budget and the estimated number of data transactions occurring that year.
- In addition to the TDSs themselves, additional entities are necessary to provide support services to the Hub. CMS therefore incurs external costs in the hiring, maintenance, and associated costs of contractors to perform numerous functions related to the Hub. In addition, costs are incurred for identity proofing of applicants, troubleshooting, procedure writing, and maintenance support.
- CMS has internal costs related to the funding of CMS federal staff and associated resources to complete processes and responsibilities related to the Hub and the matching programs.
- The benefit of these matching programs is to consumers who apply for and obtain health coverage. The private benefit to them is improved health care delivery and the expected value of the coverage (whether through private insurance, Medicaid, CHIP or a Basic Health Plan).
- Regarding the Recovery of Improper Payments and Debts (Key Element 4), CMS is not currently utilizing the data match result from the matching programs for payment

and debt reconciliations; however, the benefit of the match does provide the potential to implement this capability in the future.

I. Costs

Costs for the recipient and source agencies are primarily personnel costs associated with maintenance and operations supported by information technology resources; therefore, **key elements 1 and 2 (personnel costs and computer costs) are combined in this analysis.**

Internal CMS Costs - \$2.0 million / year

Most costs paid by CMS to implement the Marketplace matching programs and the Hub are external costs paid to contractors, which are addressed in the next section. CMS' internal costs for federal staff tasked to work on these programs are approximately \$2.0 million per year. The below chart attributes all of the costs to federal staff working in the Center for Consumer Information and Insurance Oversight (CCIIO) office; however, many teams across CMS provide support to the implementation of these programs, and CCIIO staff often have other programs in their portfolios beyond the Marketplace matching programs and the Hub.

CCIIO Team	Estimated Annual Cost
Eligibility and Enrollment (E&E)	\$760,361
SMIPG (State Policy)	\$325,869
Marketplace Information Technology (MITG/HUB)	\$977,607
Total	\$2,063,837

External CMS costs: Hub operations – an undetermined portion of \$49.5 million/ year

- Federal Data Services Hub (Hub) – a portion of \$28.4 million / year

The Hub is maintained by a CMS contract. While the initial build costs of the Hub were largely incurred before the implementation of the Marketplace programs in 2013, there are ongoing costs associated with system maintenance, changes

necessitated by ongoing technology development and new program implementation, and general system health monitoring. In FY2022, the average annual cost of the Hub contract was \$28.4 million. The Hub supports many other Marketplace program efforts besides the matching programs, including the transmission of data to and from insurance issuers, and electronic file transfer for many programs within the Marketplace; as a result, \$28.4 million is an overestimate of the annual Hub costs associated with Marketplace matching program operations.

- Marketplace Security Operations Center (SOC) – \$2.8 million / year

The Marketplace SOC is responsible for the security operations and maintenance for the Hub and the Federally-facilitated Marketplace (FFM). The current cost of the Marketplace SOC work is \$2.8 million per year. However, because the Marketplace SOC budget is not formally delineated for the Hub and for the FFM, the cost cited above is an overestimate of the costs specific to supporting Hub operations.

- Exchange Operations Center (XOC) - \$12.2 million / year

The Exchange Operations Center (XOC) is an entity managed under the Marketplace System Integrator contract tasked with coordinating the technical operations of the Hub and of the FFM. The XOC supports system availability, communication of system issues to stakeholders, and incident triage. Because the XOC budget line is not formally delineated for the Hub and for the FFM, the operational cost cited above is an overestimate of the costs specific to supporting Hub operations. The \$12.2 million cost estimate provided here covers both XOC operations as well as site reliability engineer and metrics costs in support of the XOC.

- Identity-Proofing Service Costs – \$6.1 million / year

Before consumer information can be submitted to a data source for data verification, a consumer's online account must be identity proofed. Remote identity proofing (RIDP) is a service supported through the Hub for AE programs. While identify proofing is not an eligibility requirement, it is a requirement for online application submission.

Costs paid by CMS to TDS agencies – \$7.4 million / year

- Social Security Administration (SSA) - \$3.3 million / year

The SSA is the source of numerous data elements for the Hub: verification of the applicant's name, date of birth, citizenship, Social Security Number (SSN), a binary

indicator for incarceration, Title II income (retirement and disability), and work quarters. Verification of an individual's SSN is a required precursor to accessing consumer information through the other Marketplace matching programs.

Matching with SSA data is accomplished through a reimbursable agreement with CMS. The total cost of the SSA contract with CMS in FY 2022 was \$3,340,596 under IAA number IA22-02.

- Department of Homeland Security (DHS) – \$3.1 million / year

DHS is the verification source for naturalized and acquired citizenship, and immigration status. The total cost of the DHS contract with CMS in FY 2022 was \$3,049,994 under IAA number IA22-04.

DHS charges CMS for using the SAVE (Systematic Alien Verification for Entitlements Program) to verify non-citizen consumer immigration status/category, U.S. citizenship acquired through naturalization, and certain instances of U.S. citizenship otherwise acquired during or after birth outside the United States. There are up to 3 steps of SAVE verification process. Step 1 is a real-time “ping” to their system. Consumers who cannot be successfully verified through Step 1 may go to Step 2 or Step 3. In Step 2, DHS status verification personnel manually research federal immigration records. If DHS status verification personnel cannot successfully verify U.S. citizenship as part of Step 2, SAVE provides a response prompting initiation of Step 3, which requires submission of a copy of the consumer's immigration documentation and manual research/processing by DHS status verification personnel. Costs are currently \$0.50 cents per Step 1 request and an additional \$0.50 if additional verification (Step 2, Step 3, or Step 2 and 3) is requested. Starting in FY 2024, SAVE will shift to charging only for Step 1 but also start phasing in a transaction charge increase that will eventually raise the transaction charge to \$3.10 per Step 1 request for FY 2026. This transaction charge increase stems from a mandate that SAVE fully recover its operational costs from CMS and other entities that use SAVE.

- Veterans Health Administration (VHA) - \$1.0 million / year

Data from the VHA are used to identify current enrollment in health coverage through the VHA, which is an eligibility factor for APTC and cost sharing reduction (CSR) programs. The VHA contract with CMS is transactions-based. The total cost of the VHA contract with CMS in FY 2022 was \$996,482 under IAA number IA22-03.

- Office of Personnel Management - \$16,800 / year

For FY 2022, OPM charged CMS a flat fee of \$16,800 under IAA number IA22-05.

- Other Trusted Data Sources

CMS does not pay the other Trusted Data Sources (IRS, DoD, Peace Corps, and State Medicaid and CHIP Agencies) for access to and use of their data.

Consumer opportunity costs – non-monetary, but quantified

Applying for coverage does not have a monetary cost to applicants, but does have an opportunity cost. CMS estimates that the average time for a consumer to apply for and enroll (or re-enroll) in a QHP each year averages 1.5 hours.⁵ At a rate of \$28.01 per hour, this opportunity cost is estimated at \$42.02 per application per year. The complete number of applications submitted each year across all AEs is not known, but the total number of QHP enrollees for Plan Year 2022 is 14.5 million,⁶ resulting in a consumer opportunity cost of approximately \$610 million. It should be noted that this estimate does not include opportunity costs for enrollees in Medicaid, CHIP, or BHP programs, or for consumers who apply but do not subsequently enroll in coverage.

II. Benefits

Benefits to Agencies – not quantified

The Marketplace matching programs improve the accuracy of data used for making program eligibility determinations, and ensure that individuals are correctly determined and are not inappropriately enrolled in multiple programs. Improved data quality helps ensure that eligibility determinations and other decisions affecting APTC are accurate, which helps avoid future improper payments. This avoidance of future improper payments fits the third cost benefit analysis key element but hasn't been quantified.

Using data made available through the Marketplace matching programs in combination with an individual applicant's attestation of his or her personal information is more reliable than relying solely on applicant attestations. The use of data matching mitigates the risk of fraud and abuse by applicants or third parties by requiring that personal information provided on an eligibility application match known data on the individuals.

⁵ Estimate is based on an ½ hour-average to complete an application for QHP coverage plus an additional 1 hour for the consumer to provide supporting documentation to the Marketplace should a data matching issue occur.

⁶ Enrollees in QHPs have the opportunity each year to be automatically reenrolled in a QHP or to return to the Exchange to choose a new plan – however, Marketplaces encourage enrollees to update their information and reevaluate their health coverage needs for the coming year. Furthermore, enrollees are required to report certain life changes as they occur, since they may impact coverage and/or participation in insurance affordability programs. CMS has elected to use the entire universe of 2022 QHP enrollees (14.5 million) in this CBA in order to present the most conservative case for consumer opportunity costs.

Benefits to Enrollees of obtaining health coverage – quantified, but outside the scope of the 4 key elements

For Plan Year 2022, 14,511,077 consumers enrolled in a QHP across all Marketplaces. Of these, 89% received APTC, with an average value of \$505 per month (annualized to \$6,060 per year). In total, therefore, approximately \$78.3 billion in APTC will be provided to enrollees in Plan Year 2022.⁷

Approximately 49% of the QHP enrollees in Plan Year 2022 received financial assistance through cost-sharing reductions when enrolling in a silver-level plan. The financial estimate of this benefit is not quantified here, as it is dependent on individual utilization of medical services.

Additionally, a significant number of consumers receive health coverage through Medicaid, CHIP, or a BHP, and received eligibility determinations for that coverage based on data made available through these agreements. Because of the wide variety in state approaches to making and reporting eligibility determinations, the number of enrollees in these programs is not quantified here.

The financial benefit of having health coverage, whether through a QHP, Medicaid, CHIP, or BHP varies by individual and individual health needs, and is therefore not estimated here.

While these benefits to consumers are made possible in part by the Marketplace matching programs, the benefits are ultimately paid with federal funds (or, in the case of Medicaid and CHIP enrollees, with a combination of federal and state funds). Neither that funding nor these benefits to consumers can be considered a direct cost or benefit of conducting the Marketplace matching programs. As a result, these benefits are not directly applicable to this analysis.

Recovery of improper payments – not germane (not an objective) at this time

The fourth cost benefit analysis key element (recovery of improper payments and debts) is not germane to this cost benefit analysis, because data from the Marketplace matching programs are not currently used to identify and recover improper payments and debts. Annual reconciliation and recovery of improper tax payments are performed by the IRS through a process that is independent of the Marketplace matching programs and other CMS eligibility determination activities. While the Marketplace matching programs could provide for annual and monthly reporting of data by Marketplaces to the IRS and

⁷ 8/3/2022: Plan Year 2022 data from <https://www.cms.gov/files/document/health-insurance-exchanges-2022-open-enrollment-report-final.pdf>

consumers for the purpose of supporting IRS's annual reconciliation, annual and monthly reporting is not currently an activity covered in the IRS-CMS CMA; rather, that information is exchanged between the agencies through Information Exchange Agreements. At most, the data used in the Marketplace matching programs has the future potential benefit of being used in an analytical form, to assist IRS in identifying and/or recovering improper payments and debts.

Consideration of Alternative Approaches to the Matching Programs

In requiring a single, streamlined application process and specifying electronic data access, the ACA effectively required use of computer matching to make eligibility determinations. As a result, wholly manual alternatives for verification of application information (such as a paper-based documentation process) are not considered as a viable alternative in this analysis.

The Marketplace matching programs currently leverage the Hub to minimize connections between AEs and the federal partners. This model has successfully met program needs by providing for a single streamlined application process for consumers, and supporting accurate eligibility determinations, which in turn increase program integrity for the Marketplace programs.

An alternative, non-Hub approach, for AEs to manage matching programs individually without using the Hub, was considered through this analysis. Without the Hub, each State AE would be required to enter into separate matching arrangements with each federal partner, and build direct connections to each system. CMS believes a non-Hub approach would involve:

- More agreements to prepare and administer (there would be one agreement per AE with each TDS, in place of one agreement per AE with CMS, and one agreement per TDS with CMS);
- More TDS data transmissions to effect and secure (there would be one TDS transmission per AE, in place of each single TDS transmission to the Hub);
- More systems to maintain and secure, to store the TDS data (there would be one system per AE, in place of the single, central Hub system); and
- More copies of TDS data to correct when errors are identified (there would be one copy to correct in each AE system, instead of the single copy in the Hub system).

Based on this analysis, CMS believes the current structure minimizes duplication of effort and is therefore less costly for CMS, federal partners, and State AEs, than an alternative structure that would not leverage the Hub.

Conclusion

The Marketplace matching programs are effectively required, not discretionary, in order to provide the single streamlined application process Congress required. As a result, Marketplace matching programs must continue in the absence of a cost-effectiveness finding.

After careful evaluation of the data presented above, CMS intends to continue using the current matching program structure, which is less costly than the alternative, non-Hub structure and achieves the primary goals of providing a single streamlined application process and accurate eligibility determinations. While CMS intends to retain the existing matching program structure moving forward, necessary changes will be made as needed to keep the matching programs compatible with changes in program operations and data flow. This cost benefit analysis and the decision to retain the current matching structure should increase the public's trust in the participating agencies as careful stewards of taxpayer dollars.

Because the Marketplace matching programs incur a net cost (i.e., do not demonstrate that the matching programs are likely to be cost-effective), the Marketplace matching agreements should be worded to provide for data integrity board (DIB) approval to be based on the other benefits and mitigating factors described in this analysis and in each individual agreement. Specifically, the agreements should provide justification for each DIB's written determination that the cost benefit analysis is not required to demonstrate cost-effectiveness for Marketplace matching programs.