

**COMPUTER MATCHING AGREEMENT  
BETWEEN  
THE DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE AND MEDICAID SERVICES  
AND  
THE PEACE CORPS  
For  
VERIFICATION OF ELIGIBILITY FOR MINIMUM ESSENTIAL COVERAGE  
UNDER THE PATIENT PROTECTION AND AFFORDABLE CARE ACT THROUGH  
A PEACE CORPS HEALTH BENEFITS PLAN  
CMS Computer Matching Agreement No. 2016-15  
Department of Health and Human Services No. 1609**

**Effective Date – April 2, 2016  
Expiration Date – October 2, 2017**

**I. PURPOSE, LEGAL AUTHORITIES, AND DEFINITIONS**

**A. Purpose**

This Computer Matching Agreement (Agreement) by and between the Centers for Medicare & Medicaid Services (CMS) of the Department of Health and Human Services (HHS) and the Peace Corps establishes the terms, conditions, safeguards, and procedures under which the Peace Corps will provide records, information, or data (data) to CMS. The terms and conditions of this Agreement will be carried out by authorized officers, employees, and contractors of the Peace Corps and CMS. The Peace Corps and CMS are each a “Party” and collectively “the Parties.”

Under the authority of the Patient Protection and Affordable Care Act of 2010 (Public Law No. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Public Law No. 111-152) (collectively, the ACA), title 26, United States Code (U.S.C.) § 5000A and 26 U.S.C. §36B(c), and the implementing regulations at 45 CFR Parts 155 – 157, CMS, in its capacity as the Federally-facilitated Exchange (FFE), and other Administering Entities will use the Peace Corps’ information to verify an Applicant’s or Enrollee’s eligibility for Minimum Essential Coverage (MEC) through a health plan under 22 U.S.C. §2504(e) (relating to the Peace Corps Volunteers).

The Computer Matching and Privacy Protection Act of 1998 (CMPPA) (Public Law 100-503) amended the Privacy Act (5 U.S.C. §552a) and requires the Parties participating in a computer matching program to execute a written agreement specifying the terms and conditions under which the matching program will be conducted. CMS has determined that status verification checks to be conducted through the Data Services Hub (Hub) by Administering Entities, including the Federally-facilitated Exchange, using the Peace Corps data will constitute a “computer matching program” as defined in the CMPPA.

The responsible component for CMS is the Center for Consumer Information & Insurance Oversight (CCIIO). CMS will serve as the Recipient Agency, and as such, is responsible for publishing the Federal Register notice required by 5 U.S.C. § 552a(e)(12).

The Peace Corps component responsible for the disclosure of information is the Quality Assurance and Software Support, Office of the Chief Information Officer. The Peace Corps will serve as the Source Agency in this Agreement. The terms and conditions of this Agreement will be carried out by Authorized Users. By entering into this Agreement, the Parties agree to comply with the terms and conditions set forth herein and the applicable law and implementing regulations.

## B. Legal Authorities

The following statutes provide legal authority for the uses, including disclosures, under this Agreement:

1. This Agreement is executed pursuant to the Privacy Act of 1974 (5 U.S.C. § 552a) as amended by the CMPPA and the regulations and guidance promulgated thereunder, the Office of Management and Budget (OMB) Circular A-130, "Management of Federal Information Resources" published at 61 Federal Register (Fed. Reg.) 6428-6435 (February 20, 1996), and OMB guidelines pertaining to computer matching published at 54 Fed. Reg. 25818 (June 19, 1989).
2. Under the Affordable Care Act, certain individuals are eligible for certain financial assistance in paying for private insurance coverage under a Qualified Health Plan (QHP) when enrollment is through an Exchange. This assistance includes advance payments of the premium tax credit (APTCs), under 26 U.S.C. 36B and section 1412 of the Affordable Care Act, and cost-sharing reductions (CSRs) under section 1402 of the Affordable Care Act.
3. Section 36B(c)(2) of the Internal Revenue Code of 1986, as added by section 1401 of the ACA, provides that an Applicant is ineligible for APTC if he or she is eligible for other MEC as defined in 26 U.S.C. § 5000A(f), other than MEC described in 26 U.S.C. § 5000A(f)(1)(C). Section 1402(f) of the ACA provides that an individual is ineligible for CSRs if the individual is not also eligible for the premium tax credit for the relevant month.
4. Section 1331 of the Affordable Care Act authorizes the Basic Health Program (BHP) and provides that an Applicant is ineligible for BHP if he or she is eligible for other MEC; and requires that states administering BHPs verify whether an individual is eligible for other MEC, such as coverage through a health plan under 22 U.S.C. §2504 (e) (relating to the Peace Corps Volunteers).
5. Section 1411 of the ACA requires the Secretary of HHS to establish a program to determine eligibility for an individual to purchase a Qualified Health Plan through an Exchange and eligibility for Insurance Affordability Programs, including APTC and CSR. The system established by HHS under § 1411 to determine eligibility for APTC and CSRs requires an Exchange to verify whether an individual is eligible for other MEC, such as coverage through a health plan under 22 U.S.C. §2504(e) (relating to the Peace Corps Volunteers).
6. Pursuant to § 1411(c)(4)(B) and 1411(d) of the ACA, the Secretary of HHS has determined that verification of eligibility for coverage through a health plan under 22 U.S.C. §2504(e) is best made using a computer matching program as described in this Agreement. An Exchange may use this verification service through the Hub to support eligibility determinations for APTC and CSRs by sending a request to the

- Hub. CMS facilitates the verification against the Peace Corps data and sends a response with the result of that verification attempt to the Administering Entity that sent a request to the Hub. Under 45 C.F.R. §§ 155.302 and 155.305, the eligibility determinations for APTC and CSRs may be made by an Exchange or HHS. CMS carries out the Exchange-related responsibilities of HHS (76 Fed. Reg. 4703 (Jan. 26, 2011)).
7. Under the authority of Sections 1311, 1321, and 1411(a) of the ACA, the Secretary of HHS adopted regulations at 45 C.F.R. § 155.330, which further address the requirements for an Exchange to redetermine eligibility for enrollment in a QHP through an Exchange and for APTC and CSRs during the Benefit Year based on certain changes in circumstances.
  8. 22 U.S.C. §2504(e) limits eligibility for the Peace Corps health plan to individuals currently serving as Peace Corps Volunteers.
  9. The Privacy Act, 5 U.S.C. § 552a(b)(3), authorizes a Federal agency to disclose information about an individual that is maintained by an agency in an agency Systems of Records (SOR), without the prior written consent of the individual, when such disclosure is pursuant to a routine use. The Peace Corps has a routine use in its system of records to address the disclosures under this Agreement. CMS does not disclose information in its system of records to the Peace Corps as part of this Agreement.
  10. Section 1411(f) Section 1411(f)(1) of the ACA requires the Secretary of HHS, in consultation with the Secretary of the Treasury, the Secretary of Homeland Security, and the Commissioner of Social Security to establish procedures for hearing and making decisions with respect to appeals of Eligibility Determinations, and procedures for re-determining eligibility on a periodic basis. Section 1411(f)(1) of the ACA requires the Secretary of HHS to establish procedures for the periodic redetermination of eligibility for APTCs, and CSRs. Under the authority of sections 1311, 1321, and 1411 of ACA, the Secretary of HHS adopted regulations – 45 C.F.R. §§ 155.330 and 155.335 – which further address the requirements for an Exchange to redetermine eligibility for APTC and CSRs during the benefit year based on certain types of changes in circumstances, as well as on an annual basis. Pursuant to 42 C.F.R. §§ 435.916 and 457.343, State agencies administering Medicaid and CHIP programs must also periodically review eligibility and renew determinations of eligibility for Medicaid and CHIP beneficiaries.

### C. Definitions

For the purposes of this Agreement:

1. “ACA” means 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) (collectively, the ACA);
2. “Administering Entity” means a state Medicaid agency, Children’s Health Insurance Program (CHIP), a Basic Health Program (BHP), or an Exchange administering an Insurance Affordability Program;
3. “Applicant” means an individual who is seeking eligibility for him or herself through an application submitted to an Exchange, excluding individuals seeking eligibility for

- an exemption from the individual shared responsibility payment pursuant to subpart G of Part 155 of title 45 of the Code of Federal Regulations, submitted to a BHP program, or transmitted to an Exchange by an agency administering an Insurance Affordability Program for at least one of the following (i) enrollment in a QHP through an Exchange; or (ii) the BHP;
4. “Application Filers” means an Applicant, an adult who is in the Applicant's household, as defined in 42 CFR 435.603(f), or family, as defined in 26 CFR 1.36B-1(d), an Authorized Representative of an Applicant, or if the Applicant is a minor or incapacitated, someone acting responsibly for an Applicant, excluding those individuals seeking eligibility for an Exemption.
  5. “APTC” or “advance payments of the premium tax credit” means payment of the premium tax credit specified in section 36B of the Internal Revenue Code (as added by §1401 of the ACA) which are provided on an advance basis on behalf of an eligible individual enrolled in a QHP through an Exchange in accordance with §1412 of the ACA. APTCs are not considered Federal Tax Information under 26 U.S.C. § 6103;
  6. “Authorized Representative” means an individual, person or organization acting, in accordance with 45 C.F.R. § 155.227, on behalf of an Applicant or Enrollee in applying for an eligibility determination or redetermination and in carrying out other ongoing communications with the Exchange;
  7. “Authorized User” means an information system user who is provided with access privileges to any data resulting from this match or to any data created as a result of this match. Authorized Users include Administering Entities;
  8. “Benefit Year” means the calendar year for which a health plan purchased through an Exchange provides coverage for health benefits;
  9. “Breach” is defined by Office of Management and Budget (OMB) Memorandum M-07-16, Safeguarding and Responding to the Breach of Personally Identifiable Information, May 22, 2007 as the compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, loss of control, or any similar term or phrase that refers to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic;
  10. “CMS” means the Centers for Medicare & Medicaid Services;
  11. “CSR” or “Cost Sharing Reduction” is defined at 45 C.F.R. § 155.20 and means reductions in cost sharing for an eligible individual enrolled in a silver level plan in the Exchange or for an individual who is an Indian enrolled in a QHP in the Exchange. CSRs are not considered Federal Tax Information under 26 U.S.C. § 6103;
  12. “Eligibility Determination” means the determination of eligibility for Insurance Affordability Programs, including a redetermination based on a self-reported change pursuant to 45 C.F.R. § 155.330 and 42 CFR 600.340, and the process of appealing an eligibility determination when an appeal is provided pursuant to §1411(f) of the ACA and 42 CFR 600.335;
  13. “Enrollee” means an individual enrolled in a QHP through an Exchange or enrolled in a BHP;

14. “Exchange” means an American Health Benefit Exchange established under Sections 1311(b), 1311(d)(1), and 1321(c)(1) of the ACA, including both State-based Exchanges and the FFE;
15. “FFE” or “Federally-facilitated Exchange” means an Exchange established by HHS and operated by CMS under Section 1321(c)(1) of the ACA;
16. “HHS” means the Department of Health and Human Services;
17. “Hub,” or “Data Services Hub,” is the CMS managed, single data exchange for Administering Entities to interface with Federal agency partners. Hub services allow for adherence to Federal and industry standards for security, data transport, and data safeguards as well as CMS policy for Administering Entities for Eligibility Determination and enrollment services;
18. “Insurance Affordability Programs” include (1) a program that makes coverage in a QHP through an Exchange with APTC; (2) a program that makes available coverage in a QHP through an Exchange with CSRs; (3) the Medicaid program established under Title XIX of the Social Security Act; (4) Children’s Health Insurance Program (CHIP) established under Title XXI of the Social Security Act; and (5) the Basic Health Program (BHP) established under Section 1331 of the Affordable Care Act;
19. “MEC” or “Minimum Essential Coverage” and is defined under title 26 U.S.C. § 5000A(f) to include health insurance coverage offered in the individual market within a state, which includes a qualified health plan enrolled in through an American Health Benefits Exchange, an employer-sponsored plan, or government-sponsored coverage, including Medicare Part A, TRICARE, veterans’ health care or coverage under the Peace Corps health program;
20. “PII” or “Personally Identifiable Information” is defined by OMB M-07-16, May 22, 2007, and means information that can be used to distinguish or trace an individual’s identity, such as their name, social security number, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother’s maiden name, etc.;
21. “QHP” or “Qualified Health Plan” 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 Code of Federal Regulations issued or recognized by the Exchange through which such plan is offered in accordance with the process described in subpart K of part 155 in title 45 of the Code of Federal Regulations;
22. “Recipient Agency” is defined by the Privacy Act (5 U.S.C. § 552a(a)(9)) and means any agency, or contractor thereof, receiving records contained in a System of Records from a Source Agency for use in a matching program. As the Recipient Agency, CMS is responsible for publishing the Federal Register notice required by 5 U.S.C. § 552a(e)(12);
23. “Record” means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, his or her education, financial transactions, medical history, and criminal or employment history and that contains his or her name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph;

24. "Security Incident" means the act of violating an explicit or implied security policy, which includes attempts either failed or successful, to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent;
25. "Source Agency," is defined by the Privacy Act (5 U.S.C. § 552a(a)(11)), and means any agency that discloses Records contained in a System of Records to be used in a matching program. The Peace Corps is the Source Agency in this Agreement;
26. "State-based Exchange" means an Exchange established and operated by a state, and approved by HHS under 45 C.F.R. § 105; and
27. "System of Records," is defined by the Privacy Act (5 U.S.C. § 552a(a)(5)), and 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.

## **II. RESPONSIBILITIES OF THE PARTIES**

### **A. CMS Responsibilities**

1. CMS will develop procedures through which an Applicant or Enrollee may request an Eligibility Determination via a single, streamlined application;
2. CMS will develop procedures through which Administering Entities can request information from and match information with data from the Peace Corps' System of Records PC-17 through the CMS Hub. CMS and Administering Entities will only request a data match with the Peace Corps' records when necessary to make an Eligibility Determination, including an initial determination of eligibility, a determination based on a self-reported change, an annual redetermination, or a re-verification at the end of the inconsistency period. Administering Entities will receive the data match with the Peace Corps' records through the Hub;
3. CMS and Administrative Entities will use the data received from the Peace Corps to make Eligibility Determinations by verifying the existence or non-existence of current coverage under a health plan under section 2504(e) of title 22, United States Code;
4. CMS and Administrative Entities will receive the Peace Corps data elements [described in Attachment 1] through the Hub and will utilize the information provided by the Peace Corps in making Eligibility Determinations;
5. CMS will provide Congress and the OMB with notice of this matching program and will publish the required matching notice in the Federal Register;
6. CMS will enter into agreements with State-based Exchanges that bind the State-based Exchanges, including employees, contractors, and agents, to comply with the privacy and security standards established and implemented by the Exchange pursuant to the requirements set forth in 45 C.F.R. §155.260; and

7. CMS will ensure the receipt of appropriate consents from Applicants or Enrollees for use of PII collected, used, and disclosed for the purposes and programs outlined in this Agreement.

#### B. The Peace Corps Responsibilities

The Peace Corps will provide bulk data files containing the information set out in Attachment 1 for all active Peace Corps Volunteers plus data related to the Peace Corps Volunteers who left service within the last three months to CMS five (5) times per week, once per day, Tuesday morning through Saturday morning, including federal holidays. The information will be provided by secure transfer data protocol.

### III. JUSTIFICATION AND ANTICIPATED RESULTS

#### A. Justification

Under the ACA, certain individuals are eligible to purchase health insurance coverage from an Exchange and for assistance in payment for the premiums and cost sharing related to that coverage in the form of APTC and CSRs. Pursuant to 26 U.S.C. §§ 36B(c)(2) and 1402(f)(2) of the ACA, an individual generally may not be found eligible for APTC and CSRs for any month during which the applicant is eligible for MEC other than coverage described in 5000A(f)(1)(c) (relating to coverage in the individual market). Under section 1331(e)(1)(C) of the Affordable Care Act, individuals are eligible for enrollment in a Basic Health Program if they are not eligible for MEC as defined in section 5000A(f) of the Internal Revenue Code. The coverage provided through the Peace Corps health program under 22 USC 2504(e) qualifies as MEC eligibility which may disqualify an individual from receiving APTC, CSRs and BHP coverage. The Peace Corps health program provides necessary or appropriate health care to Peace Corps Volunteers during their Peace Corps service.

The Affordable Care Act requires the use of a single, streamlined application which may be used to apply for eligibility for enrollment in a QHP or Insurance Affordability Program. An Applicant must be able to file this application online, by telephone, in person or by mail with any of the entities administering these programs. The ability for an Applicant to access the appropriate coverage and financial assistance such as APTCs and CSRs across multiple programs through a single streamlined application and coordinated eligibility process ensures that no matter how an application is submitted or which program receives the application data, an Applicant will experience a consistent process and receive an expedited Eligibility Determination, without the need to submit information to multiple programs.

In order to provide accurate and efficient Eligibility Determinations when an Applicant or Enrollee uses this single streamlined application and coordinated eligibility process, a computer matching program is necessary because it provides an efficient and prompt means to verify whether one of the criteria for eligibility for APTCs, CSRs, and the Basic Health Program, namely not being enrolled in a Peace Corps Health Program, is met.

## B. Anticipated Results

CMS anticipates that this data transfer will produce expedited Eligibility Determinations and will minimize administrative burdens. The benefit of this data match with respect to the Insurance Affordability Programs is the increased assurance that CMS achieves efficiencies and administrative cost savings to the Insurance Affordability Programs. This collaborative model, which offers access to authoritative data through a single system (Hub), will lessen financial and administrative burdens by eliminating the need for each Administering Entity to execute several agreements with multiple federal agencies.

## C. Cost Benefit Analysis

Section 552a(u)(4) of the Privacy Act provides that a cost-benefit analysis must be completed prior to the approval of this Agreement. In addition to the computer matching program subject to this Agreement, CMS has computer matching agreements with other federal agencies and Administering Entities under which CMS receives data matches through the Hub from multiple source agencies, and CMS and Administering Entities access data matches for the purpose of making Eligibility Determinations related to enrollment in a Qualified Health Plan or Insurance Affordability Program. CMS has conducted one cost-benefit analysis covering these computer matching agreements. This cost-benefit analysis is attached as Attachment 3.

## III. DESCRIPTION OF THE DATA TO BE EXCHANGED

The Privacy Act requires that each Computer Matching Agreement describe the records that will be matched and exchanged, including a sample of data elements 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

1. The Peace Corps maintains the following SORN to support this data matching program:
  - a. Peace Corps Manual Section 897, Attachment B, PC-17 Volunteer Applicant and Service Records System, Routine Use (i) “to verify active or former Volunteer service.” See <http://files.peacecorps.gov/multimedia/pdf/policies/systemofrecords.pdf>. Routine Use (i) – “to verify active or former Volunteer service” – supports disclosure to CMS.

### B. Specified Data Elements

1. From The Peace Corps to CMS. The Peace Corps will provide a bulk data file containing all active Peace Corps volunteers plus data related to the Peace Corps Volunteers who left service within the last three months to CMS five (5) times per week, once per day, Tuesday morning through Saturday morning, including federal holidays. The Peace Corps data files covered under this Agreement are provided as described in Attachment 1.



2. From CMS to the Peace Corps. CMS will not send any data to the Peace Corps, but will provide automated responses confirming that data files provided by the Peace Corps have transmitted successfully. If there is a transport level error during a file transmission, CMS will provide the Peace Corps with an automated error response. If, during the Hub's data validation process, CMS detects an error in a data file received from the Peace Corps, CMS will create an error file that will be available for the Peace Corps' retrieval. When such an error file is created, CMS will send the Peace Corps an email notification to that effect.

C. Number of Records

CMS will receive a bulk file from the Peace Corps every business day (five days/week). The file will contain data elements for all individuals currently covered by the Peace Corps Volunteer health care program and for Peace Corps Volunteers who left service within the last three months. The Peace Corps estimates that each file will contain data elements relevant to approximately 7,000 individuals.

#### **IV. PROCEDURES FOR INDIVIDUAL NOTICE**

- A. CMS will publish notice of the matching program in the Federal Register as required by the Privacy Act (5 U.S.C. § 552a (e)(12)).
- B. At the time of application or change of circumstances, CMS, or a State-based agency administering an Insurance Affordability Program, will provide a notice to Applicants for enrollment in a QHP or an Insurance Affordability Programs under ACA on the streamlined eligibility application. The agency administering the Insurance Affordability Program, including CMS in its capacity as an FFE, will ensure provision of a Redetermination or Renewal notice in accordance with applicable law. These notices will inform Applicants that the information they provide may be verified with information in the records of other Federal agencies.
- C. An Administering Entity will ensure provision of a redetermination notice in accordance with applicable law. These notices will inform Applicants and Enrollees that the information they provide may be verified with information in the records of other Federal agencies.

#### **V. VERIFICATION AND OPPORTUNITY TO CONTEST**

The Privacy Act requires that each matching agreement specify procedures for verifying information produced in the matching program and an opportunity to contest findings, as required by 5 U.S.C. § 552a(p).

Before an agency administering an Insurance Affordability Program may take any adverse action based on the information received from the matches under this Agreement, the individual will be permitted to provide the necessary information or documentation to verify eligibility information. When an agency administering an Insurance Affordability Program determines that an Applicant or an Enrollee is ineligible for an Insurance Affordability Program based on the information provided by the match, and that information is inconsistent with information provided on the streamlined eligibility application or otherwise by an Applicant or Enrollee, the

agency administering the Insurance Affordability Program will comply with applicable law and will notify each Applicant or Enrollee of the match findings and provide the following information: (1) the agency received information that indicates the Applicant or Enrollee is ineligible for an Insurance Affordability Program; and (2) the Applicant or Enrollee has a specified number of days from the date of the notice to contest the determination that the Applicant or Enrollee is ineligible for the relevant Insurance Affordability Program.

## **VI. ACCURACY ASSESSMENTS**

The Peace Corps currently estimates that information within PC-17 Volunteer Applicant and Service Records System sent to CMS is highly accurate. The Peace Corps uses these data on an ongoing basis to, among other things, ensure proper payments to Volunteers.

## **VII. PROCEDURES FOR RETENTION AND TIMELY DESTRUCTION OF IDENTIFIABLE RECORDS**

CMS will retain the electronic files received from the other party only for the period of time required for any processing related to the matching program and will then destroy all such data by electronic purging, unless the Peace Corps and CMS are required to retain the information for enrollment, billing, payment, program audit, or legal evidentiary purposes, or where they are required by law to retain the information. Administering Entities will also retain data for such purposes and under the same terms. In case of such retention, the Peace Corps and CMS will retire the retained data in accordance with the applicable Federal Records Retention Schedule (see 44 U.S.C. § 3303a). The Peace Corps and CMS will not create permanent files or a separate system comprised solely of the data provided by the other party.

## **VIII. SECURITY PROCEDURES**

- A. General: CMS will maintain a level of security that is commensurate with the risk and magnitude of harm that could result from the loss, misuse, disclosure, or modification of the information contained on the system with the highest appropriate sensitivity level.
- B. Legal Compliance: CMS shall comply with the limitations on use, storage, transport, and safeguarding of data under all applicable Federal laws and regulations. These laws and regulations include section 1411(g) of the Affordable Care Act; the Privacy Act of 1974; the E-Government Act of 2002, which includes the Federal Information Security Management Act of 2002 (FISMA), 44 U.S.C. §§ 3541-3549, as amended by the Federal Information Security Modernization Act, 44 U.S.C. §§ 3551-3558; Health Insurance Portability and Accountability Act of 1996 (HIPAA); the Computer Fraud and Abuse Act of 1986; the Clinger-Cohen Act of 1996; and the corresponding implementation regulations for each statute. Additionally, CMS will follow Federal, HHS, and CMS policies, including the HHS Information Security and Privacy Policy, as amended; the CMS Acceptable Risk Standards (ARS); and CMS Minimum Security Requirements.
- C. CMS will comply with OMB circulars and memoranda, such as Circular A-130, revised, Management of Federal Information Resources (November 28, 2000), and Memorandum M-06-16, Protection of Sensitive Agency Information (June 23, 2006); 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.

- D. 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 are responsible for oversight and compliance of their contractors and agents.
- E. Loss, Potential Loss, Incident Reporting, and Breach Notification: CMS will comply with OMB reporting guidelines in the event of a loss, potential loss, Security Incident or Breach of PII (see OMB Memorandum M-06-19, Reporting Incidents Involving Personally Identifiable Information and Incorporating the Cost for Security in Agency Information Technology Investments (July 12, 2006); OMB M-07-16, Safeguarding Against and Responding to the Breach of Personally Identifiable Information (May 22, 2007); and OMB M-15-01, Fiscal Year 2014-2015 Guidance on Improving Federal Information Security and Privacy Management Practices (Oct. 3, 2014)). If CMS experiences such an event, CMS will notify the Peace Corps' System Security Contact named in this Agreement within one (1) hour of discovering the loss, potential loss, Security Incident, or Breach. If CMS is unable to speak with the Peace Corps' 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:
- CMS will contact the Peace Corps Help Desk by telephone at (202) 692-1000 or by e-mail notification at [helpdesk@peacecorps.gov](mailto:helpdesk@peacecorps.gov).
  - The Peace Corps will contact the CMS IT Service Desk at 410-786-2580 or via email at [CMS\\_IT\\_Service\\_Desk@cms.hhs.gov](mailto:CMS_IT_Service_Desk@cms.hhs.gov).

CMS will be responsible for following its established procedures, including notifying the proper organizations (*e.g.*, United State Computer Emergency Readiness Team (US-CERT)), conducting a breach and risk analysis, and making a determination of the need for notice and/or remediation to individuals affected by the loss.

CMS will follow PII breach notification policies and related procedures as required by OMB guidelines and will engage in consultation, as appropriate. If the Party experiencing the breach determines that the risk of harm requires notification to the affected individuals or other remedies, the Party experiencing the breach will carry out these remedies without cost to the other Party.

- F. Administrative Safeguards: CMS will restrict access to the matched data and to any data created by the match to only those Authorized Users of the Hub, *e.g.*, Administering Entities and their employees, agents, officials, contractors, etc., who need it to perform their official duties in connection with the uses of data authorized in this Agreement. Further, CMS 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, and the civil and criminal sanctions for noncompliance contained in the applicable Federal laws.

- G. **Physical Safeguards:** CMS will store the data matched and any data created by the match in an area that is physically and technologically secure from access by unauthorized persons at all times. Physical safeguards may include, but are not limited to, door locks, card keys, biometric identifiers, etc. Only authorized personnel will transport the data matched and any data created by the match. CMS will establish appropriate safeguards for such data, as determined by a risk-based assessment of the circumstances involved.
- H. **Technical Safeguards:** CMS will process the data matched and any data created by the match under the immediate supervision and control of authorized personnel to protect the confidentiality of the data in such a way that unauthorized persons cannot retrieve any such data by means of computer, remote terminal, or other means. Systems personnel must enter personal identification numbers when accessing data on a party's systems. CMS will strictly limit authorization to those electronic data areas necessary for the authorized analyst to perform his or her official duties.
- I. **Application of Policies and Procedures:** The Parties will adopt policies and procedures to ensure that each Party uses the information described in this Agreement that is contained in their respective records or obtained from each other solely as provided in this Agreement. CMS will comply with their respective policies and procedures and any subsequent revisions.
- J. **On-Site Inspections:** The Peace Corps has the right to monitor CMS's compliance with FISMA and OMB M-06-16 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. CMS will provide the Peace Corps with any reports and/or documentation relating to such inspections at the other Party's request. The Peace Corps may request an on-site inspection in addition to requesting reports and/or documentation.
- K. CMS must ensure information systems and data exchanged under this matching agreement are maintained compliant with the CMS Acceptable Risk Safeguards and the current version of CMS guidance Minimum Acceptable Risk Standards for Exchanges – (MARS-E) Exchange Reference Architecture Supplement and subsequent revisions as they are published and made effective.

## **IX. RECORDS USAGE, DUPLICATION AND DISCLOSURE**

CMS and the Peace Corps will comply with the following limitations on use, duplication, and disclosure of the electronic files and data provided by the other party under this Agreement:

- A. CMS and the Peace Corps will only use or disclose the data for the purposes described in this Agreement or required by Federal law.
- B. The matching data provided by the Peace Corps under this Agreement will remain the property of the Peace Corps and will be retained by CMS to be used for internal audits to verify the accuracy of matches and to adjudicate appeals. The Peace Corps matching

data will only be destroyed after match activity and when appeals and audits involving the data have been completed as described under this matching program.

- C. Through the Hub, CMS may disclose the data received from the Peace Corps to Administering Entities pursuant to separate Computer Matching Agreements that authorize such entities to use the data for Eligibility Determinations regarding APTC, CSR and BHP. Exchanges, including CMS in its capacity performing Eligibility Determinations for the FFEs and State-based Exchanges who rely on CMS for eligibility and enrollment functions, and agencies administering BHPs may share with Applicants or Enrollees, Application Filers, and the Authorized Representatives of such persons the results of the data matches under this Agreement related to that Applicant, Enrollee or Application Filer.
- D. CMS FFE will restrict access to the results of the data match to the Applicants, Enrollees, and Application Filers for whom the data match was used in making an Eligibility Determination, and Authorized Representatives of such persons; and to individuals or entities who have been authorized by CMS and are bound by regulation or are under agreement with CMS to assist with Eligibility Determinations and enrollment.
- 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 ACA are potentially subject to the civil penalty provisions of Section 1411(h)(2) of the ACA which carries a fine of up to \$25,000 and 45 C.F.R. §155.260(g), which carries a fine of not more than \$25,000 per person or entity, per use or disclosure.

#### **X. COMPTROLLER GENERAL ACCESS**

Pursuant to 5 U.S.C. § 552(o)(1)(K), the Government Accountability Office (Comptroller General) may have access to all CMS and Peace Corps Records, as necessary, in order to verify compliance with this Agreement.

#### **XI. REPORT TO CONGRESS AND OMB**

When both the CMS Data Integrity Board (DIB) and the Peace Corps DIB have approved this Agreement, CMS will submit a report of the matching program to Congress and OMB for review, and will provide a copy of such notification to the Peace Corps.

#### **XII. REIMBURSEMENT**

This Agreement does not itself authorize the expenditure or reimbursement of any funds. Nothing in this Agreement obligates the parties to expend appropriations or enter into any contract or other obligations.

### **XIII. PERSONS TO CONTACT**

#### **A. The Peace Corps contacts are:**

Mikhail Serebrennikov  
Manager, Quality Assurance and Software Support  
Office of the Chief Information Officer  
Peace Corps  
Phone: 202-692-1397  
[mserebrennikov@peacecorps.gov](mailto:mserebrennikov@peacecorps.gov)

Nancy Miller  
Office of the General Counsel  
Peace Corps  
Phone: 202-692-2162  
Email: [nmiller@peacecorps.gov](mailto:nmiller@peacecorps.gov)

#### **B. The CMS contacts for Programmatic issues:**

Elizabeth Kane  
Acting Director, Verifications Policy & Operations Division  
Eligibility and Enrollment Policy and Operations Group  
Center for Consumer Information and Insurance Oversight  
Centers for Medicare & Medicaid Services  
7501 Wisconsin Avenue  
Bethesda, MD 20814  
Telephone: (301) 492-4418  
Email: [Elizabeth.Kane@cms.hhs.gov](mailto:Elizabeth.Kane@cms.hhs.gov)

#### **Systems Operations:**

Darrin Lyles  
Information Systems Security Officer (ISSO), Marketplace  
Security Controls Assessment (SCA) Coordinator for CIISG  
Consumer Information & Insurance Systems Group (CIISG)  
Office of Information Services  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
Telephone: 410-786-4744  
Mobile: 443-979-3169  
E-mail: [Darrin.Lyles@cms.hhs.gov](mailto:Darrin.Lyles@cms.hhs.gov)

#### **Privacy and Agreement Issues:**

Walter Stone  
CMS Privacy Officer  
Division of Information Security, Privacy Policy & Governance  
Information Security & Privacy Group  
Office of Enterprise Information  
Centers for Medicaid and Medicare Services

Mail Stop: N1-24-08  
Phone: 410-786-5357  
E-Mail: [walter.stone@cms.hhs.gov](mailto:walter.stone@cms.hhs.gov)

Privacy Incident Reporting:

LaTasha Grier  
Division of Cyber Threat and Security Operations  
Information Security & Privacy Group  
Office of Enterprise Information  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Mail Stop: S2-26-17  
Location: N1-25-24  
Baltimore, MD 21244-1849  
Telephone: 410-786-3328  
Fax: 410-786-5636  
E-mail: [Latasha.Grier@cms.hhs.gov](mailto:Latasha.Grier@cms.hhs.gov)

Security Issues:

Devany Nicholls  
Baltimore Data Center ISSO  
Division of Operations Management  
Enterprise Infrastructure & Operations Group  
Office of Technology Solutions  
7500 Security Boulevard  
Baltimore, MD 21244-1859  
Phone: (410) 786-8189  
Fax: (410) 786-9700  
E-mail: [Devany.Nicholls@cms.hhs.gov](mailto:Devany.Nicholls@cms.hhs.gov)

#### **XIV. DURATION, MODIFICATION, AND TERMINATION**

- A. **Effective Date:** The Effective Date of this Agreement is April 2, 2016, provided that the following review periods have lapsed: thirty (30) days from the date CMS publishes a Notice of Computer Matching in the Federal Register; thirty (30) days from the date the matching program report is transmitted to the Congressional committees of jurisdiction consistent with the provisions of 5 U.S.C. §§ 552a (r), (o)(2)(A), and (o)(2)(B); and forty (40) days from the date the matching program report is sent to OMB, consistent with the provisions of 5 U.S.C. § 552a (r) and OMB Circular A-130, Revised (Transmittal Memorandum No. 4), November 28, 2000, Appendix I, entitled “Federal Agency Responsibilities for Maintaining Records about Individuals” (A-130 Appendix I).
- B. **Term:** The initial term of this Agreement will be eighteen (18) months.
- C. **Renewal:** The DIBs of HHS and the Peace Corps may, within three (3) months prior to the expiration of this Agreement, renew this Agreement for a period not to exceed twelve (12) months if CMS and the Peace Corps can certify the following to their DIBs:

1. The matching program will be conducted without change; and
  2. The parties have conducted the matching program in compliance with the original agreement.
  3. If either party does not want to extend this Agreement, it should notify the other in writing at least ninety (90) days prior to the expiration of this Agreement.
- D. Modification: The parties may modify this Agreement at any time by a written modification, mutually agreed to by both parties and approved by the DIBs of HHS and the Peace Corps.
- 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.

#### **IV. 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 responsible for any financial loss incurred by the other, whether directly or indirectly, through the use of any data furnished pursuant to this Agreement.

#### **XV. INTEGRATION CLAUSE**

This Agreement constitutes 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 Peace Corps 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.



**V. APPROVALS****A. Centers for Medicare & Medicaid Services Program Official**

The authorized program 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.

Approved By (Signature of Authorized CMS Program Official)

\_\_\_\_\_  
Karen M. Shields  
Deputy Center and Operations Director  
Center for Consumer Information & Insurance Oversight  
Centers for Medicare & Medicaid Services

Date: \_\_\_\_\_

B. Centers for Medicare & Medicaid Services Program Official

The authorized program 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.

Approved By (Signature of Authorized CMS Program Official)

---

Timothy Hill  
Deputy Director  
Information Security and Privacy Group  
Centers for Medicaid and CHIP Services  
Centers for Medicare & Medicaid Services

Date: \_\_\_\_\_

C. Centers for Medicare & Medicaid Services Approving Official

The authorized program 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.

Approved By (Signature of Authorized CMS Approving Official)

---

Emery Csulak  
Senior Official for Privacy  
Information Security and Privacy Group  
Office of Enterprise Information  
Centers for Medicare & Medicaid Services

Date: \_\_\_\_\_

D. DIB: Department of Health and Human Services

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.

Approved By (Signature of Authorized HHS DIB Approving Official)

---

Colleen Barros  
Chairperson, HHS Data Integrity Board  
Acting Assistant Secretary for Administration  
U.S. Department of health and Human Services

Date: \_\_\_\_\_

E. The Peace Corps Approving Official

The authorized approving 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.

Approved By (Signature of Authorized Peace Corps Approving Official)

---

Francisco Reinoso  
Chief Information Officer  
Peace Corps

Date: \_\_\_\_\_

F. DIB: The Peace Corps

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.

Approved By (Signature of Authorized Peace Corps DIB Official)

---

Alan Price  
Associate Director, Office of Management  
Chairperson, Data Integrity Board  
Peace Corps

Date: \_\_\_\_\_

Attachment 1 – List of Data Elements Provided by the Peace Corps

Attachment 2 – Federal Register Notice

Attachment 3 – Cost-Benefit Analysis

ATTACHMENT 1 – LIST OF DATA ELEMENTS TO BE PROVIDED BY  
THE PEACE CORPS

Data Field	Description
RecordType required	Record type indicator that identifies type of record
RecordNumber required	Data record number
SocialSecurity Number required	SSN of Peace Corps volunteer
LastName optional	Last name of Peace Corps volunteer
Middlename optional	Middle name of Peace Corps volunteer
FirstName optional	First name of Peace Corps volunteer
Gender optional	Gender of Peace Corps volunteer
DateOfBirth optional	Date of birth of Peace Corps volunteer in W3C date format
EligibilityBegin Date required	Peace Corps volunteer coverage begin date
ActualEligibility EndDate optional	Peace Corps volunteer actual end date
Projected EligibilityEnd Date optional	Peace Corps volunteer projected coverage end date

Attachment 2 – Federal Register Notice

Billing Code: 4120-03

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**CENTERS FOR MEDICARE & MEDICAID SERVICES**

**Privacy Act of 1974**

**CMS Computer Match No. 2016-15**

**HHS Computer Match No. 1514**

**AGENCY:** Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS)

**ACTION:** Notice of Computer Matching Program (CMP)

**SUMMARY:** In accordance with the requirements of the Privacy Act of 1974, as amended, this notice announces the establishment of a CMP that CMS plans to conduct with the Peace Corps (PC).

**EFFECTIVE DATES:** Comments are invited on all portions of this notice. Public comments are due 30 days after publication. The matching program will become effective no sooner than 40 days after the report of the matching program is sent to the Office of Management and Budget (OMB) and Congress, or 30 days after publication in the *Federal Register*, whichever is later.

**ADDRESS:** The public should send comments to: CMS Privacy Officer, Division of Information Security, Privacy Policy & Governance, Information Security & Privacy Group,



Office of Enterprise Information, CMS, Room N1-24-08, 7500 Security Boulevard, Baltimore, Maryland 21244-1850. Comments received will be available for review at this location, by appointment, during regular business hours, Monday through Friday from 9:00 a.m. - 3:00 p.m., Eastern Time zone.

**FOR FURTHER INFORMATION CONTACT:** Lindsey Murtagh, Center for Consumer Information and Insurance Oversight, Centers for Medicare & Medicaid Services, Phone: (301) 492-4106, E-Mail: [lindseymurtagh@cms.hhs.gov](mailto:lindseymurtagh@cms.hhs.gov).

**SUPPLEMENTARY INFORMATION:** The Computer Matching and Privacy Protection Act of 1988 (Public Law (Pub. L.) 100-503), amended the Privacy Act (5 U.S.C. § 552a) by describing the manner in which computer matching involving Federal agencies could be performed and adding certain protections for individuals applying for and receiving Federal benefits. Section 7201 of the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101-508) further amended the Privacy Act regarding protections for such individuals. The Privacy Act, as amended, regulates the use of computer matching by Federal agencies when records in a system of records are matched with other Federal, state, or local government records. It requires Federal agencies involved in computer matching programs (CMP) to:

1. Negotiate written agreements with the other agencies participating in the matching programs;
2. Obtain the Data Integrity Board approval of the match agreements;
3. Furnish detailed reports about matching programs to Congress and OMB;

4. Notify applicants and beneficiaries that the records are subject to matching; and,
5. Verify match findings before reducing, suspending, terminating, or denying an individual's benefits or payments.

This matching program meets the requirements of the Privacy Act of 1974, as amended.

Date \_\_\_\_\_

\_\_\_\_\_

Walter Stone

CMS Privacy Officer

Centers for Medicare & Medicaid Services

**CMS Computer Match No. 2016-15****HHS Computer Match No.1609**

**NAME:** “Computer Matching Agreement between the Department of Health and Human Services, Centers for Medicare & Medicaid Services and the Peace Corps for the Verification of Eligibility for Minimum Essential Coverage Under the Patient Protection and Affordable Care Act.”

**SECURITY CLASSIFICATION:**

Unclassified

**PARTICIPATING AGENCIES:**

Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS), and the Peace Corps (PC).

**AUTHORITY FOR CONDUCTING MATCHING PROGRAM:**

Sections 1411 and 1413 of the Patient Protection and Affordable Care Act of 2010 (Public Law 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152) (collectively, the ACA) require the Secretary of HHS to establish a program for applying for and determining eligibility for advance payments of the premium tax credit and cost-sharing reductions and authorize use of secure, electronic interfaces and an on-line system for the verification of eligibility.

The Computer Matching and Privacy Protection Act of 1988 (CMPPA) (Public Law 100-503), amended the Privacy Act (5 U.S.C. § 552a) and requires the parties participating in a

matching program to execute a written agreement specifying the terms and conditions under which the matching will be conducted. CMS has determined that status verification checks to be conducted through the CMS Data Services Hub (Hub) by agencies administering insurance affordability programs using data provided in bulk by PC through a security transfer data protocol to CMS constitute a "computer matching program" as defined in the CMPPA.

**PURPOSE(S) OF THE MATCHING PROGRAM:**

The purpose of the Computer Matching Agreement is to establish the terms, conditions, safeguards, and procedures under which the Peace Corps will provide records, information, or data to CMS for verifying eligibility for Minimum Essential Coverage through a PC Health Benefits Plan. The data will be used by CMS in its capacity as a Federally-facilitated Exchange, and agencies administering insurance affordability programs that will receive the results of verifications using PC data obtained through the CMS Data Services Hub.

Data will be matched for the purpose of verifying an Applicant or Enrollee's eligibility for PC Health Benefit Plans that constitute minimum essential coverage as defined in section 5000A(f) of the Internal Revenue Code of 1986, 26 U.S.C. §5000A, as amended by §1501 of the ACA.

**DESCRIPTION OF RECORDS TO BE USED IN THE MATCHING PROGRAM:**

The PC system of records for this matching program is titled Peace Corps Manual Section 897, Attachment B, PC-17 Volunteer Applicant and Service Records System, Routine Use (i) "to verify active or former Volunteer service." See <http://files.peacecorps.gov/multimedia/pdf/policies/systemofrecords.pdf>. Routine Use (i) – "to verify active or former Volunteer service" – supports disclosure to CMS.

**INCLUSIVE DATES OF THE MATCH:**

The CMP will become effective no sooner than 40 days after the report of the matching program is sent to OMB and Congress, or 30 days after publication in the *Federal Register*, whichever is later. The matching program will continue for 18 months from the effective date and may be extended for an additional 12 months thereafter, if certain conditions are met.

## Cost-Benefit Analysis: Eligibility Verifications with Federal Agencies

### I. BACKGROUND

#### *Statutory Requirements*

This cost-benefit analysis covers computer matching programs used by CMS to provide “eligibility verification” hub services required to implement provisions of the Patient Protection and Affordable Care Act (ACA) related to verifying individuals’ eligibility for enrollment in qualified health plans (QHPs) with or without advance payments of the premium tax credit or cost-sharing reductions; in Medicaid; in CHIP; or in Basic Health Plans. Section 1411(a) of ACA requires the Secretary of the Department of Health and Human Services (HHS) to establish a program to determine eligibility for enrollment in coverage under a qualified health plan through an Exchange or certain state health subsidy programs<sup>1</sup>, and for certifications of exemption from the individual responsibility requirement or the penalty imposed by section 5000A of the Internal Revenue Code. Section 1411(c) requires the verification of certain identifying information against the records maintained the Social Security Administration, the Department of Homeland Security, and the U.S. Department of the Treasury. Section 1411(d) directs HHS to establish a system for the verification of other information necessary to make an eligibility determination. Section 1413 requires HHS to establish a streamlined enrollment system and secure electronic interface to verify data and determine eligibility for state health subsidy programs. Section 2201 requires that Medicaid and CHIP agencies utilize this streamlined enrollment system.

#### *Design of Computer Matching Program*

To implement these provisions regarding verifying consumer information related to eligibility determinations, CMS selected a computer matching program design that minimizes burdens for all parties and better ensures the integrity and security of the data. Specifically, CMS enters into separate CMAs with each of the following federal agencies: Social Security Administration (SSA), Department of Homeland Security (DHS), Internal Revenue Service (IRS), Veteran’s Health Administration (VHA), the Department of Defense (DoD), the Office of Personnel Management (OPM) and the Peace Corps (each a trusted data source or TDS). These CMAs address with specificity the data provided by each federal agency to CMS for use by CMS and state-based entities administering state health subsidy programs (Administering Entities) in performing eligibility determinations. CMS receives data covered under these CMAs through the CMS Data Services Hub (Hub), which provides a single data exchange for Federal and State-based agencies administering state health subsidy programs to interface with Federal agency partners. Administering Entities can request data matches through this Hub pursuant to a separate CMA entered into between each state and the District of Columbia and CMS. CMS uses the same CMA for each state, with the CMA specifying

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<sup>1</sup> State health subsidy programs means the program for the enrollment in qualified health plans offered through an Exchange, including the premium tax credits and cost-sharing reductions; a state Medicaid program; a state children’s health insurance program (CHIP); and a state program under section 1331 establishing qualified basic health plans.

the allowed uses of data elements shared through the Hub, depending on which state health subsidy program the state administers (e.g., the CMA only authorizes a state to use certain data to perform verifications related to Basic Health Programs if the state administers a basic health program). This CMA also provides for Medicaid and CHIP programs to provide data to CMS for use in eligibility determinations.

This design achieves efficiencies by allowing Administering Entities to access data matches from federal Trusted Data Sources without each Administering Entity having to execute separate CMAs with each Trusted Data Source. Furthermore, the use of the Hub to perform data matches under the program ensures adherence to Federal and industry standards for security, data transport, and data safeguards as well as CMS policy for Exchanges, and makes it unnecessary for each state to develop and support separate verification processes through which they can receive, store, and secure the data provided by the source federal agencies. Additionally, this design ensures that all parties are using the same data to perform eligibility determinations, which better ensures data integrity.

#### *Methodology of Cost-Benefit Analysis*

Although the cost-benefit analysis of this computer matching program design is based on limited data and includes estimates that have not been confirmed by studies, it addresses all four key elements identified in GAO/PEMD-87-2 (i.e., Personnel Costs; Computer Costs; Avoidance of Future Improper Payments; and Recovery of Improper Payments and Debts). The analysis includes estimates of CMS's labor and system costs as both the recipient agency in relation to the aforementioned trusted data sources and recipient and source agency in relation to state-based administering entities; costs incurred by TDSs; and costs to Administering Entities (Medicaid/CHIP agencies, Marketplaces and agencies administering the Basic Health Program) to support the hub services. It also includes qualitative benefits to the parties, including clients and the public at large. Where data are unavailable to produce informed estimates, the analysis also describes types of costs and benefits that are not quantifiable at this time. At this time, the only quantified benefits are cost savings achieved by using the existing matching program instead of a manual process for eligibility verifications.

The timeframe for the analysis is fiscal year 2015 – which programmatically aligns with eligibility and enrollment activities during Open Enrollment 2015 through just before 2016 Open Enrollment. CMS anticipates that operational experience beyond 2015 will provide additional data from which other quantifiable benefits could be estimated for future cost-benefit analyses of this computer matching program.

The methodology used compares the costs and benefits of performing eligibility verifications manually, without computer matching (i.e., without the single, streamlined computer system mandated by the ACA, which depends on use of computer matching), versus electronically, with computer matching. The hypothetical manual process is one in which no electronic data would be used for verification and consumers would be required to submit paper documentation to verify data as specified in the ACA. Because CMS has no choice but to use computer matching to comply with the ACA mandate to provide a single, streamlined computerized eligibility verification process, this cost-benefit analysis also describes savings realized by the choice of design used to effect the

computer matching programs. However, we do not have data to quantify these savings at this time.

The methodology for specific estimates is described in the following section.

## II. COSTS

### Key Element 1: Personnel Costs

*For Agencies –*

Note: CMS serves as both a recipient agency (with respect to TDS and certain Medicaid/CHIP programs) and a source agency (with respect to Administering Entities). Many of CMS's costs cannot be cleanly attributed to its role as either a source or a recipient agency. Therefore we have listed all of CMS's personnel costs together in a separate category. In addition, certain Medicaid and CHIP agencies play a dual role, as a source and recipient agency. We have grouped their costs in the recipient agency category.

- *Source Agency:* We estimate that personnel costs for source agencies total approximately \$21.7 million. CMS does not collect information from each source agency about their personnel costs, therefore this estimate is built off personnel cost assumptions based on hub service context, TDS partnership history and known ongoing work. We believe a decentralized computer matching program would require source agencies to designate additional personnel to accommodate the burden of supporting separate computer matching programs with each state.
- *Recipient Agencies:* We estimate that the personnel costs associated with the computer matching program to recipient agencies (including State-based Marketplaces, Medicaid/CHIP agencies and Basic Health Programs) is \$215 million. We do not require recipient agencies to submit personnel costs to CMS. This estimate is based on assumptions from CMS operational engagement with these agencies. In contrast, a manual process would require additional personnel to manually review and verify consumer information. We estimate that a manual process would require just over one billion dollars in personnel costs to recipient agencies. This estimate is based off the cost of the current cost of manually verifying consumer information today for Marketplaces and the Basic Health Program. The Medicaid/CHIP cost is mitigated by the assumption that without the current Hub Medicaid/CHIP would use the decentralized data connections they had pre-ACA with TDSs. Overall however, a decentralized computer matching program would likely require recipient agencies to spend more on personnel costs than the existing matching program, but less than a manual process. We have not quantified the associated costs.
- *CMS:* We quantified two categories of personnel costs for CMS: (1) personnel costs associated with verification services generally and providing support to the TDSs; and (2) personnel costs associated with providing state-based Administering Entities with technical assistance. Note, that these estimates focus on the operational, technical and policy support to the eligibility verification services; they do not include all personnel costs associated with the computer matching program. For example, we



have not included an estimate of costs associated with preparing the computer matching agreements. We estimate that the computer matching program includes personnel costs for category (1) of approximately \$1.5 million, and for category (2) of approximately \$400,000. This estimate is based on current staffing from policy, operational and technical support teams and their contractors directly supporting the eligibility verification services, the source agencies and the recipient agencies. We believe a manual system would increase the personnel costs in category (1), but decrease the personnel costs devoted to state technical assistance, for a net increase in personnel costs of approximately \$200,000. We believe a decentralized computer matching program would similarly decrease the personnel costs related to state technical assistance to CMS (while significantly increasing these costs for source and recipient agencies), but would not result in significant savings in category (1), as CMS would continue to require roughly the same personnel to support the verifications services for the Federally-facilitated Marketplace (FFM), and would continue to provide similar support to TDSs.

Additionally, certain personnel costs incurred by source agencies are transferred to CMS. We estimate these computer costs at \$2.1 million. These costs were not included in the personnel costs estimated for source agencies above.

- *Justice Agencies:* Because, as described in section III, data from this computer matching program is not used to recover improper payments, we are aware of no personnel costs to justice agencies associated with this computer matching program.

*For Clients:* When a data match through the eligibility hub services identifies a data inconsistency, clients (consumers) are given an opportunity to produce documentation showing they are eligible for the applicable program. We believe that the centralized, electronic/real-time computer matching program produces more accurate verifications than either a manual system or a decentralized computer matching program, minimizing the amount of time clients must spend responding to inaccurate verifications. We have quantified that cost at \$408 million, using the estimated time to gather and mail documents and the standard hourly wage to quantify an average client's time. In addition to saving clients time, we believe the more efficient centralized computer matching program design will reduce the frustration experienced by clients in trying to verify their data.

*For Third Parties:* Although no data was developed regarding costs to third parties, we would expect that overall the increased accuracy of data matches achieved through this computer matching agreement would result in lower personnel costs to third parties. For example Navigators who assist consumers with an applicant, would have lower costs than they would with either a manual process or a decentralized computer matching program.

*For the General Public:* We are not aware of personnel costs to the general public associated with the matching program.

### Key Element 2: Agencies' Computer Costs

Note: CMS serves as both a recipient agency (with respect to each TDS and certain Medicaid/CHIP programs) and a source agency (with respect to Administering Entities). Many of CMS's costs cannot be cleanly attributed to its role as either a source or a

recipient agency. Therefore we have listed all of CMS's computer costs separately. In addition, certain Medicaid and CHIP agencies play a dual role, as a source and recipient agency. We have grouped their costs in the recipient agency category.

- *Source Agencies (with exception of CMS and Medicaid/CHIP agencies):* We estimate the computer costs associated with the computer matching program to be \$7.0 million for source agencies. We did not quantify the computer costs to source agencies if the computer matching program relied on a decentralized design through which each Administering Entity established separate connections with the source agency or used existing connections. However, we anticipate that the centralized design of the computer matching program achieves economies of scale that result in significant savings to the source agencies.
- *Recipient Agencies (with exception of CMS):* We estimate that the computer (system) costs associated with the computer matching program to recipient agencies (including State-based Marketplaces, Medicaid/CHIP agencies and Basic Health Programs) is \$647 million, versus \$431 million with a manual verification process. We do not require recipient agencies to submit system costs to CMS. This estimate is based on assumptions from CMS operational engagement with these agencies. This cost includes both system and personnel cost, because while a manual process to review and verify consumer information would derive most of its cost from personnel, systems would likely still exist – including a consumer account system and system connections that would be triggered manually; for example accessing the DHS/SAVE system through the manual user interface.
- *CMS:* We estimate the computer (system) costs of maintaining the Data Services Hub that facilitates the computer matching program is \$136.8 million. In contrast, we estimate the computer costs associated with a manual verification process would be \$1.8 billion. This estimate is based on the average cost to process a paper or manual verification today (\$17 per verification) multiplied by the number of eligibility verifications performed on an application times the number of applicants. The number of eligibility verifications depends upon applicants who were not seeking financial assistance (9%) versus those applicants who were seeking financial assistance. We also added an assumption that there would be a 10% reduction of applicants seeking financial assistance with the added burden of a manual verification process.

We note that under this manual process, many of the costs would be transferred from CMS to states. If instead of the current streamlined and centralized computer matching program, CMS required each Administering Entity to establish its own secure connection with TDSs to receive data (or use an existing connection), CMS would still need to establish a secure connection with each TDS for its own use in performing eligibility determinations for the FFM. While the costs of maintaining the Hub would likely be lessened due to the absence of data match requests for

Administering Entities, there are economies of scale achieved by allowing the Administering Entities to use the Hub.

Additionally, certain computer costs incurred by the source agencies are transferred to CMS. We estimate these computer costs at \$6.8 million. These costs were not included in the computer costs estimated for source agencies above.

- *Justice Agencies:* We are not aware of any computer costs incurred by justice agencies in connection with this matching program.

### III. BENEFITS

#### Key Element 3: Avoidance of Future Improper Payments

##### *To Agencies –*

- *Source agencies:* Source agencies do not receive benefits related to the avoidance of future improper payments, with the exception of CMS, which receives these benefits in its role as a recipient agency (i.e., as the operator of the FFM). These benefits to CMS are described in the recipient agencies section below.
- *Recipient agencies:* We believe that our electronic verification sources are a more accurate and efficient means of verifying a consumer's information compared to both the manual review of consumer-provided documentation and the use of multiple decentralized computer matching programs between each Administering Entity and each TDS. The real-time data matches allowed by the computer matching program increase the efficiency with which we verify a consumer's information, allowing for increased avoidance of improper payments for the FFM, state-based Marketplaces, Medicaid, CHIP, and Basic Health Programs. For example, real-time capabilities mean the front-end application can be responsive in real time to the consumer input as well as the data received to correct data and/or reduce the need for manual follow-up. Specific examples of this efficiency could include a "prompt" to an applicant to check their social security number if it does not match the first time, allowing a consumer to correct 'fat finger' mistakes in seconds rather than go through a lengthy manual process, or requesting specific DHS documentation number follow up information about a consumer who has attested to being a lawful immigrant in a specific category. By increasing the accuracy of our verifications, we (1) avoid improper payments being made to individuals who are ineligible; and (2) reduce the additional time spent by staff at the aforementioned agencies in addressing what appear to be data inconsistencies. Finally, we believe this computer matching program deters fraud and abuse on applications for state health subsidy programs, further avoiding future improper payments. We do not currently have reliable data to quantify these avoided improper payments. As the program matures, we anticipate having data that likely could be used to calculate an approximation of the increased accuracy of online verifications. The Office of Financial Management-led improper payment rate methodology for the Marketplace may be one source of this valuable information. We are exploring the possibility of leveraging the computer matching program for use in eligibility determinations for other public benefit programs. If we were to expand

the program, we anticipate even more benefits for consumers and the agencies that support such consumer programs.

- *Justice Agencies:* We assume that by enabling the FFM and Administering Entities to identify individuals who are ineligible for enrollment in Medicaid, CHIP and Basic Health Programs, or receipt of APTC or CSRs earlier than if a paper-based system was used, the matching program reduces the number and amount of cases referred to the Departments of Justice. At this time we do not have enough information to quantify these benefits.
- *To the General Public:* We believe that the use of a centralized, streamlined, electronic computer matching program increases the general public's confidence in state health subsidy programs, given a manual process would be laughable given present-day electronic capabilities and the pervasiveness of electronic, real-time processes.

*To Clients:* Data from the computer matching program are used to determine the amount of APTC for which an individual is eligible. Consumers who receive APTC must file an income tax return to reconcile the amount of APTC (based on projected household income) with the final premium tax credit for which the individual is eligible (based on actual household income). Some consumers, particularly those with liquidity constraints, may have trouble repaying improperly paid APTC. The benefit of avoiding improper payments of APTC to these consumers is not quantifiable.

Additional benefits from the matching program to clients are also not quantifiable. By building public confidence in the state health subsidy programs, the computer matching program decreases the stigma of participating in a state health subsidy program.

#### *Key Element 4: Recovery of Improper Payments and Debts*

Data from the matching program is not currently used to identify and recover improper payments. Annual reconciliation and recovery of improper payments is ultimately performed by the IRS through a process that is also independent from CMS's eligibility activities, including this computer matching agreement. Because data matches under this computer matching program are not used for recovery of improper payments, there are no benefits to estimate in this category. While annual and monthly reporting by Marketplaces to the IRS and consumers is a way of Marketplaces providing data to support IRS's reconciliation, annual and monthly reporting is not an activity covered in the IRS-CMS CMA and therefore is outside the scope of this study. As these uses are not allowed under the CMAs being entered into at this time, there are currently no benefits to quantify in this category for agencies, clients or the general public.