



Asset Verification During Medicaid Unwinding

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During the Medicaid continuous coverage unwinding, automatic or “ex parte” renewals will be critical to keeping people enrolled. States are required to attempt the ex parte process for all Medicaid enrollees, including non-MAGI enrollees with asset tests. But states report [continued problems](#) completing ex parte renewals for these individuals, disproportionately impacting Medicaid enrollees who are age 65 or older, blind, or disabled. This document summarizes CMS guidance on asset verification.

Requirement to use an Asset Verification System (AVS)

States are required to use AVS as part of the ex parte process. 42 U.S.C. § 1396w. Beginning in 2021, states that are “not operating, on an ongoing basis, an asset verification program,” are subject to an FMAP reduction. *Id.* § 1396w(k).

Despite this requirement, asset verification still creates hurdles for ex parte renewals. AVS does not typically produce real-time results. Therefore, “states [must allow for a reasonable period of time](#) for electronic information from the AVS to be returned.” If no information is returned, the state follows its [verification plan](#), which may include requesting additional information or a new attestation from the enrollee. **Tip:** check that your state does not request additional verification even after an AVS response.

State options to improve ex parte asset verification

States have options to adjust their asset verification process to reduce the need to request additional information.

First, the state can rely on the [prior recorded value](#) of an asset if it is not likely to appreciate (or is likely to depreciate), e.g. second vehicle, personal property, burial funds, and some life insurance policies. States have discretion to determine which assets are unlikely to appreciate, but this policy must be applied consistently across all individuals with an asset test. This option does not require CMS prior approval, but must be documented clearly in state verification policies.

Second, states may [consider assets verified](#) in certain circumstances, such as when the total value of all assets (financial and non-financial) are below the applicable threshold.

Finally, states have [additional options](#) during the unwinding period. States may request a [1902\(e\)\(14\)\(A\) waiver](#) to complete renewals of beneficiaries [without further verification of assets](#) when either (a) AVS returns no information, or (b) the AVS call is not returned within a reasonable time frame.