1940(a) 1. of the Act  The agency will provide for the verification of assets for purposes of
determining or redetermining Medicaid eligibility for aged, blind and disabled
Medicaid applicants and recipients using an Asset Verification System (AVS)
that meets the following minimum requirements.

A. The request and response system must be electronic:
   (1) Verification inquiries must be sent electronically via the internet
       or similar means from the agency to the financial institution (FI).
   (2) The system cannot be based on mailing paper-based requests.
   (3) The system must have the capability to accept responses
       electronically.

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

C. The system must establish and maintain a database of FIs that participate
   in the agency’s AVS.

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

E. The verification requests must include a request for information on both
   open and closed accounts, going back up to 5 years as determined by the
   State.
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ASSET VERIFICATION SYSTEM

2. System Development
   ___ A. The agency itself will develop an AVS.

   In 3 below, provide any additional information the agency wants to include.

   ___ X B. The agency will hire a contractor to develop an AVS.

   In 3 below provide any additional information the agency wants to include.

   ___ C. The agency will be joining a consortium to develop an AVS.

   In 3 below, identify the States participating in the consortium. Also, provide any other information the agency wants to include pertaining to how the consortium will implement the AVS requirements.

   ___ D. The agency already has a system in place that meets the requirements for an acceptable AVS.

   In 3 below, describe how the existing system meets the requirements in Section 1.

   ___ E. Other alternative not included in A. – D. above.

   In 3 below, describe this alternative approach and how it will meet the requirements in Section 1.

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3. Provide the AVS implementation information requested for the implementation approach checked in Section 2, and any other information the agency may want to include.

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