

ABSTRACT

ELECTRONIC VERIFICATION OF PROOF OF CITIZENSHIP

This is a proposal to implement a computer database and software to allow multiple users to confirm the existence of an Arkansas birth certificate. This will assist Medicaid operations in two ways: It will reduce the potential for accepting a fraudulent Medicaid application based on a fictional or altered Arkansas birth certificate. It will expand and ease the capability of verifying US citizenship for Medicaid applicants by extending the electronic verification process being used within Arkansas for Arkansas-born applicants to a larger number of states.

The projected cost of this project is \$285,513. This money will be used to implement the project in three phases. Benefit to Arkansas Medicaid will begin to accrue upon completion of the first phase. The first phase involves the purchase of an application server and installation and testing of existing software for the Electronic Verification of Vital Events (EVVE). Once this is done, users will be able to use a no-cost application called ADAM to obtain verification of fact of birth in Arkansas. Likewise, users in Medicaid offices will be able to obtain verification of fact of birth in other states participating in the EVVE system.

The second phase involves quality improvements to correct flaws in the birth index inevitably discovered during initial usage of the EVVE system. The third phase will begin at the same time as the first phase and continue throughout the grant period. This phase will involve developing a complete index of deaths to all born since 1935 that can be linked to the birth index for the purpose of flagging the birth record of a deceased person. This will prevent fraudulent use of the birth certificate of a deceased person.

When the first phase has been completed, users of the ADAM application throughout the Nation will be protected against accepting a fictional or altered Arkansas birth certificate as proof of identity or citizenship. As the second phase becomes completed, the efficiency and reliability of the electronic verification process will be increased. Once the third phase is completed, the users will be protected against accepting a certificate voided because of death as proof of identity or citizenship. Users of the system within Arkansas will likewise have similar protection against acceptance of fraudulent or invalid certificates from other states participating in EVVE and have the benefit of near instantaneous verification of birth in participating states to ease the Medicaid application process.

While the nation as a whole will not be completely protected against the fraudulent use of identity documents until every state is a participant in the EVVE system, implementation of EVVE in Arkansas is small but essential step to achieving that protection.

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Statement of Project and Need

This is a proposal to implement a computer database and software to allow multiple users to confirm the existence of an Arkansas birth certificate. This will assist Medicaid operations in two ways: It will reduce the potential for accepting a fraudulent Medicaid application based on a fictional or altered Arkansas birth certificate. It will expand and ease the capability of verifying US citizenship for Medicaid applicants by extending the electronic verification process being used within Arkansas for Arkansas-born applicants to a larger number of states.

The business of creating or altering authentic-looking birth certificates for the purpose of fraudulently obtaining additional identity documents or government benefits is sufficiently lucrative to attract some highly skilled practitioners of the art of counterfeiting. As a defense against these practitioners, the National Association for Public Health Statistics and Information Systems (NAPHSIS)¹ and the American Association of Motor Vehicle Administrators² (AAMVA) have jointly developed a computer system for the Electronic Verification of Vital Events (EVVE). In this system, information from a birth certificate that has been presented as an identity document is entered into an electronic system that transmits this to the birth state for near instantaneous verification that this matches information on file in the birth state and the person is not deceased. Thus, payment of benefits on the basis of a fictional, altered, or voided birth certificate would be prevented.

¹ The National Association for Public Health Statistics and Information Systems (NAPHSIS) is a nonprofit consortium of the 57 state and territorial vital records registration areas. NAPHSIS is the only entity that is organizing access to all state and territorial vital records databases for verification of birth certificates.

² The American Association of Motor Vehicle Administrators (AAMVA) is a nonprofit consortium of the 57 state and territorial issuers of driver's licenses. AAMVA is the only entity that is organizing a single system to request interstate verification of birth certificates by issuers of driver's licenses.

Although EVVE was originally designed to prevent use of a fraudulent birth certificate to obtain a driver's license, NAPHSIS is responding to recent proof-of-citizenship requirements by developing an authentication application for use by Medicaid offices. Regulations thus far released by the Centers for Medicare and Medicaid Services allow one route to proof of citizenship to be the presentation of sufficient information to produce a unique match to the information in a birth certificate file. Currently, Arkansas applicants born in Arkansas can complete this process using in-house Arkansas-specific software. The NAPHSIS application to do this task across state boundaries, to be called ADAM – because it interfaces with EVVE, will soon be available to Medicaid and other users. Use of ADAM will ease the application process for residents of Arkansas not born in Arkansas by making the information of all states connected to EVVE available to verify citizenship. And after Arkansas is connected to EVVE, any state using ADAM will be able to verify US citizenship of persons born in Arkansas. The ADAM application will be available at no cost to Medicaid users, but users will need to pay the usual certificate verification fees of the relevant state plus an EVVE transaction fee.

The EVVE system has been through two pilot projects that have both proven that the system works and is beneficial to users. At the time of this writing, the system is active in six states – Missouri, Iowa, Minnesota, South Dakota, North Dakota, and Montana. Federal regulations to implement the REAL ID Act of 2005 will require that after May 11, 2008 all birth certificates being used to obtain a driver's license be verified with the issuing state. The REAL ID Act will provide pressure for additional states to join the system and it is expected that the scope of EVVE will grow rapidly. Currently 35 of the 57 vital records jurisdictions are capable of joining EVVE at the basic level.

The funds from this grant would be applied to preparing the Arkansas birth certificate for participation in EVVE. The preparations are not complex but labor intensive. Similar preparations would be needed for implementing any electronic access and sharing system of citizenship verification. In the first phase an application server is purchased and EVVE software is installed on it. Currently available birth certificate index files can then be accessed as soon as ADAM application is distributed to users. These files have been amassed over many years from a number of different computer and indexing systems. Once the first phase is implemented, we expect to discover gaps and variations in coding and keying of the birth index files because of changes over time in indexing and computer practices. The second phase consists of the establishment of a clean uniform birth index file going back to 1935. The third phase is to link all deaths to persons born since 1935. This will be the most challenging phase, but completion is not necessary to obtain immediate use from the EVVE system.

Project Justification

At this time we cannot claim that there is a large traffic in fraudulent Arkansas birth certificates. Certificates from some other states are currently easier to obtain or forge. However, it is inevitable that as these other states tighten their procedure for issuing and handling certificates, the criminal mind will turn to the state with the weakest procedures. If nothing is done to detect and halt the use of fraudulent Arkansas birth certificates, Arkansas will eventually become that state.

In fiscal year 2005, approximately 618,000 applicants under the age of 65 were eligible for Arkansas Medicaid. The portion born in Arkansas is not known – estimates range from 40 to 60 percent. A system of uniform electronic access will primarily benefit those 40 to 60 percent of applicants not born in Arkansas. The addition of Arkansas to EVVE will add similar benefit

to out-of-state applicants born in Arkansas. Of those Arkansas applicants born out-of-state, a large portion, also unknown, will originate from adjacent states. At this time, the only adjoining state in the EVVE system is Missouri. While the benefit to Arkansas of implementing EVVE appears slight at this time, it will grow as each additional state joins the system. However, the REAL ID Act of 2005 requires that all birth certificates presented for obtaining a driver's license be verified with the issuing state after May 11, 2008 and 35 of 57 vital records registration jurisdictions have databases that can be connected to EVVE.

Project Goals and Outcomes

When complete, all users of EVVE throughout the 57 US jurisdictions will be protected against acceptance of a fraudulent Arkansas birth certificate, while at the same time, electronic verification of an Arkansas birth will be nearly instantaneous to all users of ADAM. This will become possible through the installation of EVVE software that has been developed by NAPHSIS and been through two pilot tests. The Arkansas data files will be accessed only by the central EVVE server, which will broker verification requests coming from the 57 jurisdictions. This will ensure protection of Arkansas computers from unauthorized intrusions and viruses.

Estimate of Impact to Beneficiaries

In 2004 there were 618,000 unduplicated persons under the age of 65 eligible for Arkansas Medicaid. Somewhere between 247,000 and 371,000 were born in the 56 registration jurisdictions other than Arkansas. These individuals will benefit by having Arkansas participate in a simple, unified, secure way to verify birth information. Presently, there are about 6400 locations across the 57 registration jurisdictions that can issue copies of birth certificates. The Nation clearly needs a simple, unified, secure way to obtain verification of citizenship and assure

integrity of identity documents. The addition of Arkansas to the EVVE system is a small but necessary step to achieving this goal.

Magnitude of System Change

As mentioned above, the Nation has 57 birth registration areas, with over 6400 locations at which a birth certificate can be issued. Currently 35 of the 57 jurisdictions, covering 85 percent of births have electronic databases that can be connected to EVVE. Security and fraud protection concerns demand that all states develop a single centralized birth certificate database that has been matched to deaths. Implementation of EVVE across the Nation will mean tremendous changes in some states, but less so in states with a single, centralized birth certificate database. Since Arkansas already has a single centralized database, the system change and impact on the conduct of business within Arkansas will not be major. The main impact will be realized when some of the non-centralized database states join the EVVE system. Adding Arkansas to the EVVE system will be a step towards effecting the National system change. Experience gained in adding Arkansas to the EVVE system will be shared with adjacent states as requested and with all states at the NAPHSIS conference.

Sustainability of the Project

The events of Sept 11, 2001 resulted in Congress passing the Intelligence Reform and Terrorism Prevention Act (IRTPA) and the Real ID Act based upon recommendations of the 9/11 Commission. These Acts provide pressure to develop and implement single centralized secure databases electronically accessible from anywhere. The EVVE system is such a system. The demand created by these Acts will not cease.

Most of the labor and financial costs of adding Arkansas to the EVVE system will be incurred within the first two years. Once the phase three matching of death records to birth

records has been completed, the only expense to sustaining the project is the cost of maintaining the application server and payment of a prorated portion of the costs to maintain the centralized EVVE application. NAPHSIS will collect a transaction fee, expected to be about \$1.00, from all users that will be allocated to maintain the system. A portion of this will be reserved for the continued maintenance of the central hub and a portion will be distributed to registration jurisdictions to maintain the servers providing the verification data. The addition of new births and the matching of recent deaths of anyone born after 1935 is part of the normal conduct of business within the Vital Records and Health Statistics Sections.

Evaluation Plan

The EVVE system will collect billing information that can be used to assess the use and effectiveness of the system. These will include source of the verification request and numbers of matches and non-matches. Information on non-matches will be sent to the appropriate state to become an important component of the phase-two quality improvement activities. During phase two, Vital Records workers will research the non-matches to determine the cause of non-match. This may result in the discovery of gaps and inconsistencies in the birth index files.

The billing system will also allow monitoring the numbers of verification requests coming from users in the state of Arkansas. These should give an estimate of the time saved and Medicaid access enhanced by being able to obtain near instantaneous verification of citizenship status.

Project Implementation Readiness

Arkansas Vital Records can have an application server available with the EVVE software installed and tested within nine months of the award of funds. Current birth index files will then be accessible, completing the first phase of the project. Work on phase two, the cleaning and

improving of the index files will follow for the remainder of the grant time. However, work on phase three, the linking of death records to birth records will also begin upon award of funds. This will involve contracting to have records of deaths from 1935 to 1981 of all born since January 1, 1935 keyed into index files for linking to births. Linkage of deaths to birth can begin immediately for deaths since 1981. Work on linking earlier deaths will proceed as chunks of death records become electronically available. It will probably take a full two years to complete phase three of the project.

In summary, Arkansas will have a usable phase one system in place within nine months of award that will be gradually improved upon over the remaining time of the grant.

Time Line for Implementation

Date	ADAM	Phase 1	Phase 2	Phase 3
September 2006	Available for access to six states			
October 2006 award		Purchase server		Contract death certificate entry. Begin matching death to birth.
January-April 2007		Install EVVE		Begin data entry. Continue matching.
May-July 2007		Test EVVE	Begin birth certificate clean up	Continue data entry and matching.
August 2007	Arkansas available to ADAM users		Continue birth certificate clean up.	Continue data entry and matching.
Ongoing until September, 2008	Arkansas available to ADAM users		Continue birth certificate clean up as needed.	Continue data entry and matching.

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BUDGET JUSTIFICATION

FFY2007 and FFY 2008

	<u>FFY2007</u>	<u>FFY2008</u>
PERSONNEL/FRINGE	\$ - 0 -	\$ - 0 -
No funding for personnel and fringe are requested.		
CONTRACTUAL COST:	\$ - 0 -	\$ - 0 -
No funding for contractual is requested.		
SUPPLIES:		
Electronic Verification of Vital Events (EVVE) software	\$20,000.00	\$ - 0 -
Computer Supplies	\$ 4,000.00	\$3,000.00
General Office Supplies	<u>\$ 600.00</u>	<u>\$ 400.00</u>
Total Supplies	\$24,600.00	\$3,400.00
EQUIPMENT	\$30,000.00	\$ - 0 -
Application server for EVVE software.		
OTHER COST:		
Data entry of death records from 1935 to 1980 for EVVE.	\$100,000.00	\$100,000.00
Monthly access fee to EVVE, \$100.00 per month	<u>\$ 1,200.00</u>	<u>\$ 1,200.00</u>
Total Other Cost	\$101,200.00	\$101,200.00
TOTAL DIRECT COST	\$155,800.00	\$104,600.00
INDIRECT CHARGES:	\$ 13,712.00	\$ 11,401.00
The current negotiated indirect rate is 10.9 percent of all costs, exclusive of any capital in excess of \$500 and any contractual in excess of \$25,000.		
TOTALS:	\$169,512.00	\$116,001.00
TOTAL GRANT REQUEST =	\$285,513	