

Georgia Access Verifies Smarter, Serving Better: Using State Owned Data to Stay Compliant, and Contain Costs

Verifying household income is a critical requirement in determining eligibility for Advance Premium Tax Credits (APTCs) and ensuring the integrity of subsidies within the Affordable Care Act (ACA) marketplaces. Traditionally, State-Based Exchanges (SBEs) have relied on both federal and commercial data sources to validate consumer-reported income. However, the Centers for Medicare & Medicaid Services (CMS) began passing along the cost of commercial secondary verification services directly to states—costs that have continued to rise year over year. These escalating expenses can create a financial strain on exchanges while doing little to reduce consumer abrasion, as mismatches between reported and vendor-sourced income often generate unnecessary confusion, additional documentation requests, and delays in enrollment. Against this backdrop, Georgia Access identified an opportunity to innovate by leveraging the Georgia Department of Labor (GDOL) as a secondary income verification source—reducing costs, enhancing accuracy, and maintaining compliance with federal standards.

The Opportunity

All marketplaces are federally required to verify self-attested household income to ensure consumers receive the correct level of APTCs. The purpose is twofold: 1) to protect program integrity by preventing overpayments of subsidies and 2) to safeguard consumers from unexpected repayment obligations at tax filing. Verification must occur against trusted data sources, and when initial checks through the Federal Data Services Hub (FDSH or Hub) result in discrepancies, marketplaces commonly seek secondary verification before resorting to consumer documentation.

The primary verification source is Internal Revenue Service (IRS) tax data, however that data can be out of date or not yet available for individuals who file late. Historically, the fallback or secondary source has been a commercial vendor who provides income data sourced from payroll and credit files. Commercial data sources are not always current or

accurate, especially for hourly workers, seasonal employees, or independent contractors whose income fluctuates. This often results in mismatches that trigger Data Matching Issues (DMIs), forcing consumers to provide pay stubs, tax returns, or other documents. The result is unnecessary abrasion delays, confusion, and in some cases, coverage loss when consumers cannot resolve issues within required timeframes.

Although the secondary source had some drawbacks described above, it did have one advantage for SBEs, which was that using that source did not come at a cost. Effective July 1st of 2024, CMS shifted the cost burden of these vendors onto SBEs. Commercial verification vendors are known to raise their fees steadily year after year, which could mean millions of dollars in additional operating expenses across marketplaces as time goes on. In this model, the cost of compliance would consume limited budgets, pulling resources away from outreach, technology innovation, and consumer service. Some SBEs, like Georgia Access, sought out other more cost effective, and fiscally responsible alternatives.

The GDOL Solution

By working directly with the GDOL, the state tapped into timely, authoritative wage and employment data as a secondary verification source. This approach integrates seamlessly with the state's Health Insurance Exchange (HIX) system, allowing discrepancies to be resolved automatically and in-state, rather than outsourcing to expensive commercial vendors. Georgia's model shows how state-based exchanges can leverage existing state data infrastructure to improve accuracy and lower costs while maintaining federal compliance.

Considerations

While the GDOL approach offers clear benefits, it is not without effort. Establishing an effective interface requires close collaboration with the state agency to align on requirements, data-sharing agreements, and security protocols. Technical development demands resources to ensure data is transmitted accurately, securely, and in a manner that integrates smoothly with the HIX system. This means having an experienced platform vendor, willing to be flexible and supportive, which Georgia Access was able to procure through the competitive bidding process. Beyond initial implementation, exchanges must plan for ongoing monitoring and maintenance, including system updates, performance

GEORGIA INCOME VERIFICATION SOLUTION

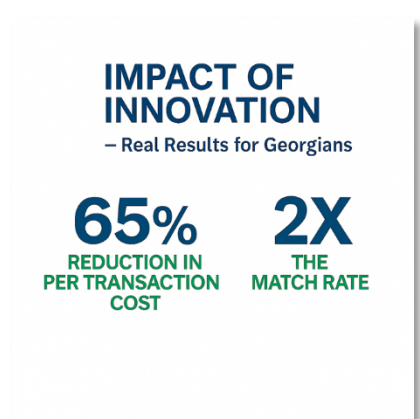


testing, and agency coordination to account for changes in data formats or reporting schedules. In short, this innovation reduces reliance on commercial vendors but still requires sustained investment in governance, technical infrastructure, and partnership management.

Georgia Access Outcomes – Tied to GDOL

While not without additional effort, the GDOL interface has contributed to unprecedented successful outcomes in just the first year of Georgia Access operations.

- **Decreased Direct Costs** – Georgia Access estimates that usage of the state-owned data to address income discrepancies the IRS verification step could not resolve, delivers a 65% reduction in cost compared to the commercially available services. This cost difference should continue to increase year over year, as traditionally commercial vendor pricing escalates over time.
- **Reduced DMIs** – The Georgia Access sampling of success rate for GDOL income verification calls against the GDOL data is two times that of the more expensive commercial data source. This means that fewer Georgians had to provide proof of income, saving them time and effort as well as saving the state additional money on printing and mailing costs and time spent reviewing the returned documentation.



Summary

The collaboration between Georgia Access and the Georgia Department of Labor (GDOL) demonstrates how state-driven innovation can deliver measurable results for Georgians. By rethinking the income verification process and prioritizing state-based data sources over costly commercial alternatives, Georgia has created a solution that is not only more efficient but also more equitable and sustainable.

This approach has already delivered an 65% reduction in per-transaction costs and achieved twice the match rate, directly benefiting consumers, the state, and participating partners. Beyond cost savings and operational improvements, the initiative reinforces Georgia's commitment to innovation, accountability, and customer-focused service delivery.

Looking ahead, Georgia Access is well-positioned to build on this success, continuing to leverage partnerships with state agencies like GDOL to drive smarter, more resilient systems that reduce administrative burden and expand access to affordable coverage. This effort underscores Georgia's role as a leader among State-Based Exchanges showing how collaboration, innovation, and impact-driven design can translate into real results for Georgians.

