

The high cost of income verification in the real world

Recent learnings and opportunities for state benefit programs

Aspen Financial Resiliency Summit, April 9th 2024

Agenda


Introduction to the IVaaS project

Why income verification is so challenging

An example journey

Costs discussion

Opportunity discussion



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and our Posterity, do ordain and establish this Const

Our goal is to create a verification process that is inclusive, transparent, trustworthy, integrated, and efficient.



Applicants should only have to provide information the state doesn't already have, the information they need to submit should be clear, and it should be quick and easy to provide the information needed.

Caseworkers should feel confident about the verifications they receive and should spend minimal time requesting documentation from clients.

States should be able to focus and optimize their budgets on benefits over administration and technology costs.

Research to date

20+ interviews with states

9 interviews with community benefit organizations

5 interviews with recent benefits applicants

1 state site visit

- Interviews with 12 caseworkers, and observation of 7 SNAP interviews and 2 SNAP applications

Opportunity areas

Centralized data sources

Commercial data sources

Centralized access to databases that sell income checks for social services organizations

Government wage data

Accessing or cascading through gov databases before using costly alternatives

Plain language tools to report income

Smart document uploader

Using the latest technology to ease some applicant burden and improve the quality of documents submitted to agencies

Consent based verification

Helping applicants use their credentials (login and password) to access their pay information on digital platforms

Digital self-attestations

Helping those who struggle to verify their income generate a legal statement with details and assurances that agencies need

Guided expense reporting

Helping self-employed applicants report their business related expenses in a way that works for agencies

Why is income verification so challenging?

Current processes are designed for steady income and traditional employment

Overly complex and confusing questions increase burden and harm applicant outcomes

Incomplete or illegible documents are a major source of administrative burden

Caseworkers need confidence and spend time or require more proof to get it.

CSI contracts can help but are increasingly expensive, and results vary significantly

Income verification relies on a patchwork of tools and data sources, varying in design and quality across states.

SNAP largely relies on earners to provide documentation in the form of paystubs that is not readily available; many applicants are paid by direct deposit, digital app, personal check, or cash.

Directions for self-employed applicants on healthcare.gov

A state's wage
record form
(SNAP)

Complex and confusing questions increase burden and harm applicant outcomes

There are many common employment scenarios (like variable work schedules, and self-employment) that increase the applicant's cognitive burden of providing the information that agencies need.

Confusing income questions and jargon can lead to failures in automatic verification because the applicant's information deviated from a database record.

When applicants do not understand directions for what verification to send, they may not supply the right proof, and cases can show as pending in the system.

Populations with low English proficiency, low literacy or cognitive disabilities may require one on one support from community benefit organizations or other individuals to get through an application.

Caseworker

"We get a lot of info that's incomplete or incorrect and it take a lot of effort to get in touch with employers."

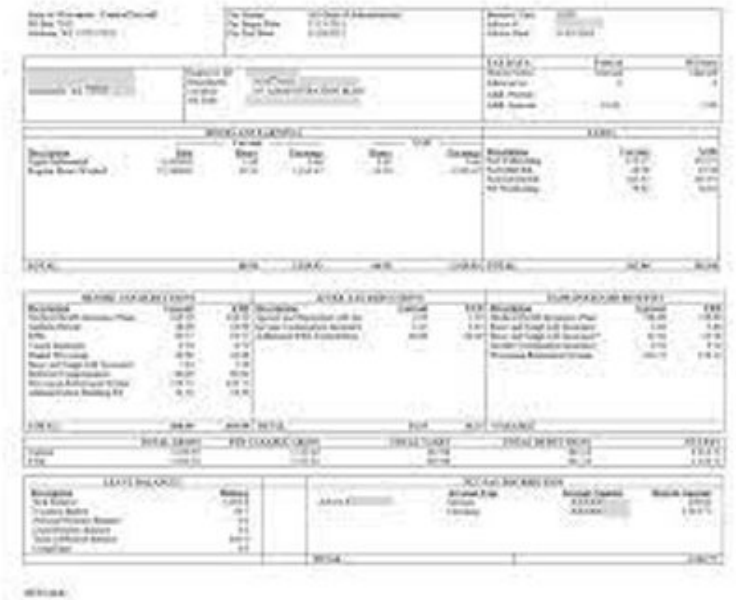
Incomplete or illegible documents are a major source of administrative burden

Caseworkers we spoke to estimated that one in every ten (1/10) documents that they review are blurry, distorted, or are otherwise illegible in one state.

Of the documents that are legible, some arrive without required signatures or information, such as Employer Name, Client Name, Dates, and Amounts for paystubs.

Making paystubs or statements digital by taking a photo with a mobile phone can be challenging especially for applicants with low technology understanding or use.

A constellation of technologies is available for uploading, interpreting, and verifying documentation that could ease some burden on applicants, but they may not be used in current state systems



The image shows a document that is extremely blurry and pixelated, making the text almost entirely illegible. It appears to be a form or a paystub with multiple sections, tables, and fields. The text is too distorted to transcribe accurately, but it seems to contain various administrative details and possibly financial information.

Caseworkers struggle to interpret pixellated or blurry verifications.

Caseworkers need confidence and spend time or ask for more proof to get it.

When applicant-supplied information doesn't closely match database records, or applicants cannot clearly explain the details of their financial lives, caseworkers need to follow up.

Caseworkers told us that they sometimes walk applicants through their income and expenses to help identify all sources of income.

Caseworkers often ask applicants who do odd jobs, cash work, freelance or provide independent services to do more work to get proof of their income.

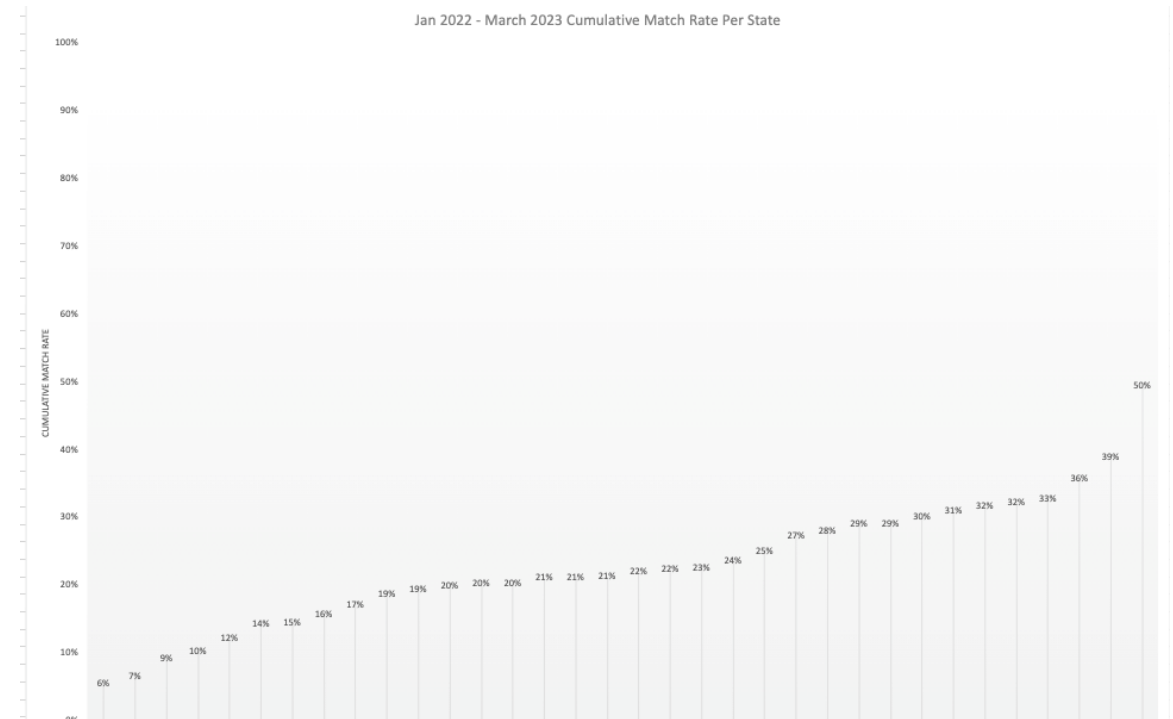
Across states, methods for supplying additional proof can vary from client handwritten self-attestations and profit and loss ledger forms to providing names and phone numbers for family members or clients for case workers to talk or send forms to.

Documentation that would benefit a client, like proof of monthly self-employment expenses, is particularly hard to supply.

Commercial sources of income (CSIs) can help but are increasingly expensive, and results vary significantly

Coverage within the two main providers of commercial sources of income is limited by which employers contract with the CSI providers and employers needing to report timely payroll information.

In our analysis of a commercial income verification solution, no state programs saw higher than a 50% cumulative match rate over the course of a year with the lowest match rate at 6%



Match rates by state vary significantly

Income verification relies on a patchwork of tools and data sources, varying in design and quality across states.

TOOLS USED

- | | |
|--------|---|
| PAPER | <ul style="list-style-type: none">• Paper forms and notices• Paper applications |
| ONLINE | <ul style="list-style-type: none">• Online applications and portals• Document uploaders and document management systems |
| DATA | <ul style="list-style-type: none">• Commercial Sources of Income (CSI)• State government & county agency data• Benefit program data• Federal Data Hub (Medicaid) |

CHALLENGES

- Content isn't always in plain language
 - Limited usability or functionality in online tools
 - Written and designed primarily for steady income
 - Understanding what proof to submit takes time and support.
 - Agency staff often have to manually sort or match of submitted documents
-
- CSI contracts are expensive
 - CSI contracts support W2 earners, not self employed earners
 - CSI databases have limited coverage
 - Government data is siloed & requires both agreements and technical integration

Real life income verification scenarios

1. Walk through an example of a self-employed applicant whose income is hard to verify.
2. Talk about the costs associated with verifying this income.
3. Discuss two other hard to verify situations.

Income verification is not one moment. It is a series of steps that are not always linear.

Identify Proof

Learning what documents are needed to prove income and what it will take to obtain those documents.

Gather Proof

Obtaining records, logging information, reaching out to employers, and creating documents that prove income.

Submit Proof

Share all this proof back with the state in whichever way is available and most convenient.

Categorize Proof

On the back-end, clerical workers and caseworkers sort, assign, and assess the information submitted.

This can start the process over again.

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Finding literacy support, multi-language support, and physical access support compounds the burden of navigating these steps.

Amelia

SNAP

Medicaid

6 children under 18

Cleans homes and sells baked goods

Burton

Medicaid

Lives alone

Actor and Gig App worker

SCENARIOS

Nic

SNAP

Lives with roommates

Home Health worker

The cost of hard to verify income

Break into your table/groups and talk about the costs associated with these scenarios

1. Refer to your print outs or come up to the front to check out the map
2. Use green stickies for state expenses and pink stickies for applicant difficulties.
3. Pick your top 3 as a group

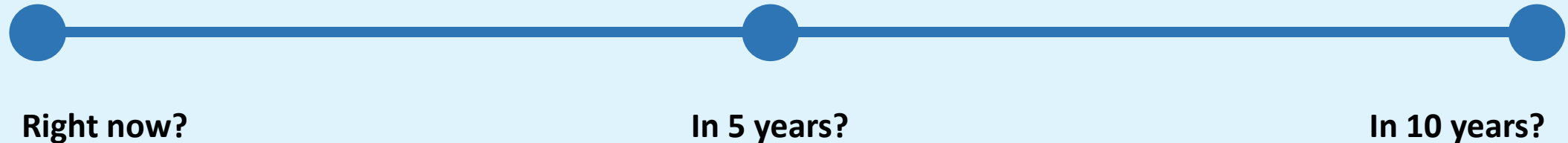
After 10 minutes in small groups, we'll discuss and place your green stickies on the map

DISCUSSION TWO

Where are the opportunities to improve the income verification process and address the pain points we discussed earlier in your state?

In your table groups, think about the scenarios we've talked about and how costly this process is, **especially for those that have hard-to-verify income.**

- What improvements have been tried in your state? What would you like the state to try?
- What could you do now? What could you do you in 5 years? ...In 10 years?



Your Input

Now that we've highlighted pain points and potential opportunities to reduce the cost of income verification in the last two discussions, we'd like your input on what our team can do to help!

1. We'll walk through 6 opportunity areas and we want to know if they would help ease the pain points you identified and if they would reduce costs.
2. Then, you'll use stickers and stickies to tell us what you think on the charts around the room.
 1. Add green dots to **two** charts you think would most help your state, organization, or applicants you work with
 2. Add a red dot to any ideas you wouldn't be able to or want to use
 3. Write questions on sticky notes
3. Have other ideas for us? Add to the ideas space!

Opportunity areas we're considering

Centralized data sources

Commercial data sources

Centralized access to databases that sell income checks for social services organizations

Government wage data

Accessing or cascading through gov databases before using costly alternatives

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Smart document uploader

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Digital self-attestations

Helping those who struggle to verify their income generate a legal statement with details and assurances that agencies need

Guided expense reporting

Helping self-employed applicants report their business related expenses in a way that works for agencies

We are exploring the impact of a federally owned income verification site with a suite of tools for applicants and caseworkers.

An official website of the United States government


Verify.gov*

MENU

Let's verify your income

We will check employer payroll records and tax information to verify your income or help you send proof another way.

This information will be added to your application.

 Your information is secure.

Lets verify!

*working concept name

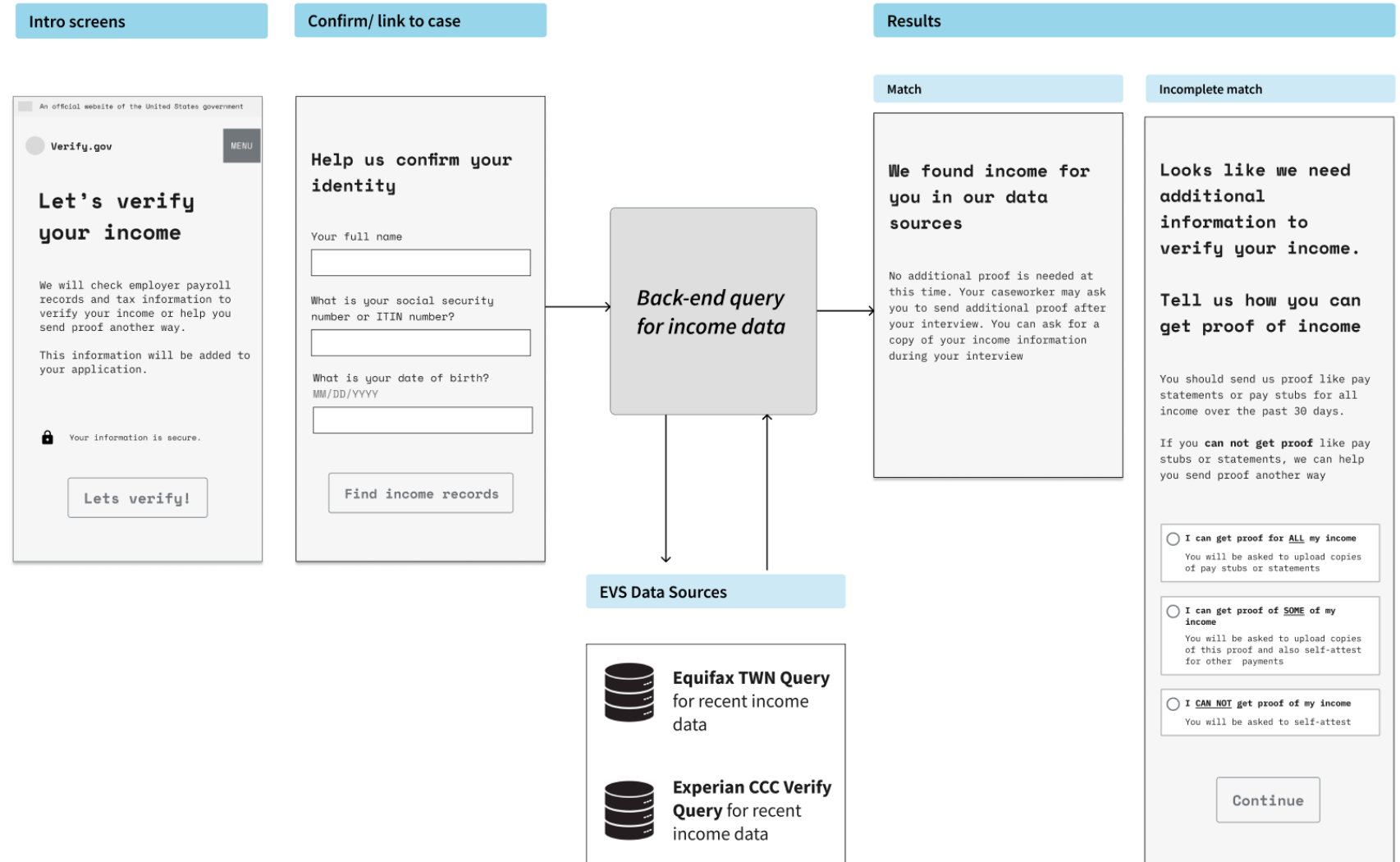
Potential Tools

Commercial data sources

Centralized access to databases that sell income checks for social services organizations

Access commercial sources of income through a central location and federal contract.

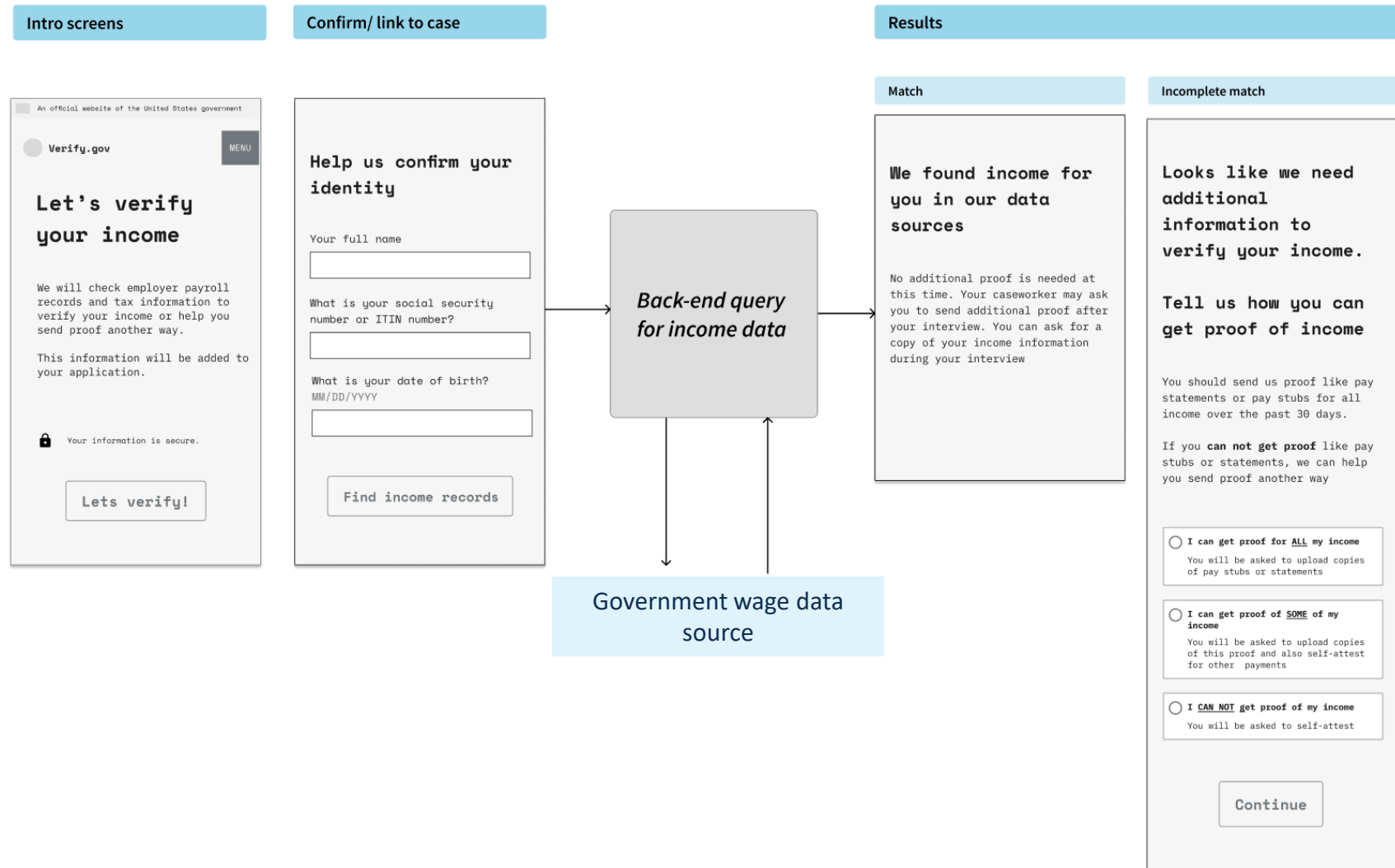
Results are delivered to caseworkers.



Government Wage Data

Accessing or cascading through government databases before using costly alternatives

Explore leveraging government owned data sources for income information, like Quarterly Wage Data, and explore opportunities for data sharing across programs. Evaluate effectiveness and explore waivers.



Smart document uploader

Using the latest technology to ease some applicant burden and improve the quality of documents submitted



Provides plain language guidance around what documents to upload, confirms the documents are legible, and delivers to existing caseworker tools

Document upload

Document upload

Lets upload your proof of payments

Adding documents that show proof of the income or payments you've received in the last 30 days helps you get benefits faster

Recommended documents to upload for proof of money or income made from work. +

How to add proof to your application -

You can:

- Take photos using your mobile phone
- Move to a bright area so your phone camera can focus
- Make sure the full document is in view on your phone screen
- Make sure the letters in the document are focus
- Select files stored on your device
- Take a screenshot on your device



Start uploading proof

Upload proof

Select files or photos

Files should be in PDF, JPG, PNG, TIGG, or HEIC format. Files must be under 10MB

Select or drop files here

Next, tell us what type of proof this is

Type of document

pay statement

+Add another document

Done adding documents

Consent Based Verification

Allowing applicants to use their login credentials (username and password) to access their pay information on digital platforms



Applicants could log in their contract or full time employer's platform or payroll provider from within the federal tool and could then consent to providing payroll information to the state.

Consent-Based Verification


Select the companies you have worked for in the past 30 days.

Next, you'll log in one by one to each company to gather payment info for the benefits you're applying for.

- ☐ Uber
- ☐ Lyft
- ☐ Doordash
- ☐ Instacart
- ☐ Care
- ☐ Handy
- ☐ Angi

Continue

Get payment info from Uber

 Your information is secure, we do not share or keep your credentials.

Your Driver Username

Your Driver Password

Log into Uber

Review payments from Uber

Below is payment information from Uber for the past 30 days.

Total Uber payments: \$807.96
November 6 to December 11, 2023

[Detailed payment info]

Continue

Review all payments

Total payments for all companies:
\$1,586.25

Total Uber payments: \$807.96 +
November 6 to December 11, 2023

Total Lyft payments: \$528.02 +
November 6 to December 11, 2023

Total Doordash payments: \$250.27 +
November 6 to December 11, 2023

Continue

Digital self-attestation

Supporting people who struggle to verify their income in generating a legal statement with details and assurances that agencies need

Applicants would be guided through entering their hard to verify income into the tool and attesting to a legal statement. The tool would create a standard report for caseworkers.

Digital self-attestations

Helping those who struggle to verify their income generate a legal statement with details and assurances that agencies need

Self-Attestation

Self-attestation

Lets add the people or companies who have paid you in the last 30 days

We'll add the people or companies you provide a service for one by one. Then, you'll legally sign this income statement.

We may need to contact your employer to verify this information

+ Add a person or company

Add cash employer/client and expenses

Add the first person or company who has paid you in the last 30 days

Only add a person or company who has paid you cash, check, or ACH payment in the last 30 days.

We made need to contact this person or company for additional verification

What is the name of the person or company you worked for in the last 30 days?

What is their phone number?

What is their mailing address?

Continue

Sign and send

Sign your income self attestation

Your income and expenses

Income

Employer: Bill Martin Delete
(555)555-5555
123 Main Street,
City, STATE 55555
Total payments for work: \$200
Type of work: Cutting grass

Expenses

Gas expense \$5 Delete
Protective clothing \$45 Delete

This income past 30 days: \$200
Total expenses last 30 days: \$50

Total calculated income: \$150

☒ I swear that the information I reported above is true to the best of my knowledge. Also, I give the county permission to contact my employer to confirm this information is correct.

Type your full name
This is your legal digital signature

Send self-attestation

Would you like to add another person or company who paid you in the last 30 days?

Add another person or company below.

Your work

• Bill Martin Delete
(555)555-5555
123 Main Street,
State, STATE 55555
\$200
cutting grass

• Gas expense Delete
\$5

• Protective clothing Delete
\$45

This income past 30 days: \$200
Total expenses last 30 days: \$50

Total calculated income: \$150

+Add another person or company

Done adding people or companies who paid me

Guided expense reporting

Helping self-employed applicants report their business-related expenses in a way that works for agencies

Applicants would be guided through entering their business-related expenses. A standard report is then provided to caseworkers.

Guided Expense Reporting

Lets add expenses for the work you did for [organization]

We'll add expenses one at a time.

You may need to show proof of these expenses in the form of invoices, receipts or bank or credit card charges.

What are some examples of expenses?

Expenses from self employed work are the things you spent money on in order to be able to complete the work that do. For example:

- Gas
- Supplies like cleaning supplies, work clothing, tape, brushes, nails, fertilizer
- Tools like

What is the expense

Monthly amount of expense

If expense is yearly, divide by 12

\$

+ Add another expense

Done adding expenses

Confirm your income and expenses over the past 30 days

This information will be sent to your caseworker after you enter your self attestation

Your work

- Sally O'Hare [Delete](#)
(555)555-5555
123 Main Street,
State, STATE 55555
\$230
cutting grass
- Expense: gas [Delete](#)
\$10

- Bill Martin [Delete](#)
(555)555-5555
123 Main Street,
State, STATE 55555
\$200
cutting grass
- Expense gas [Delete](#)
-\$10
- Expense: protective clothing [Delete](#)
- \$40

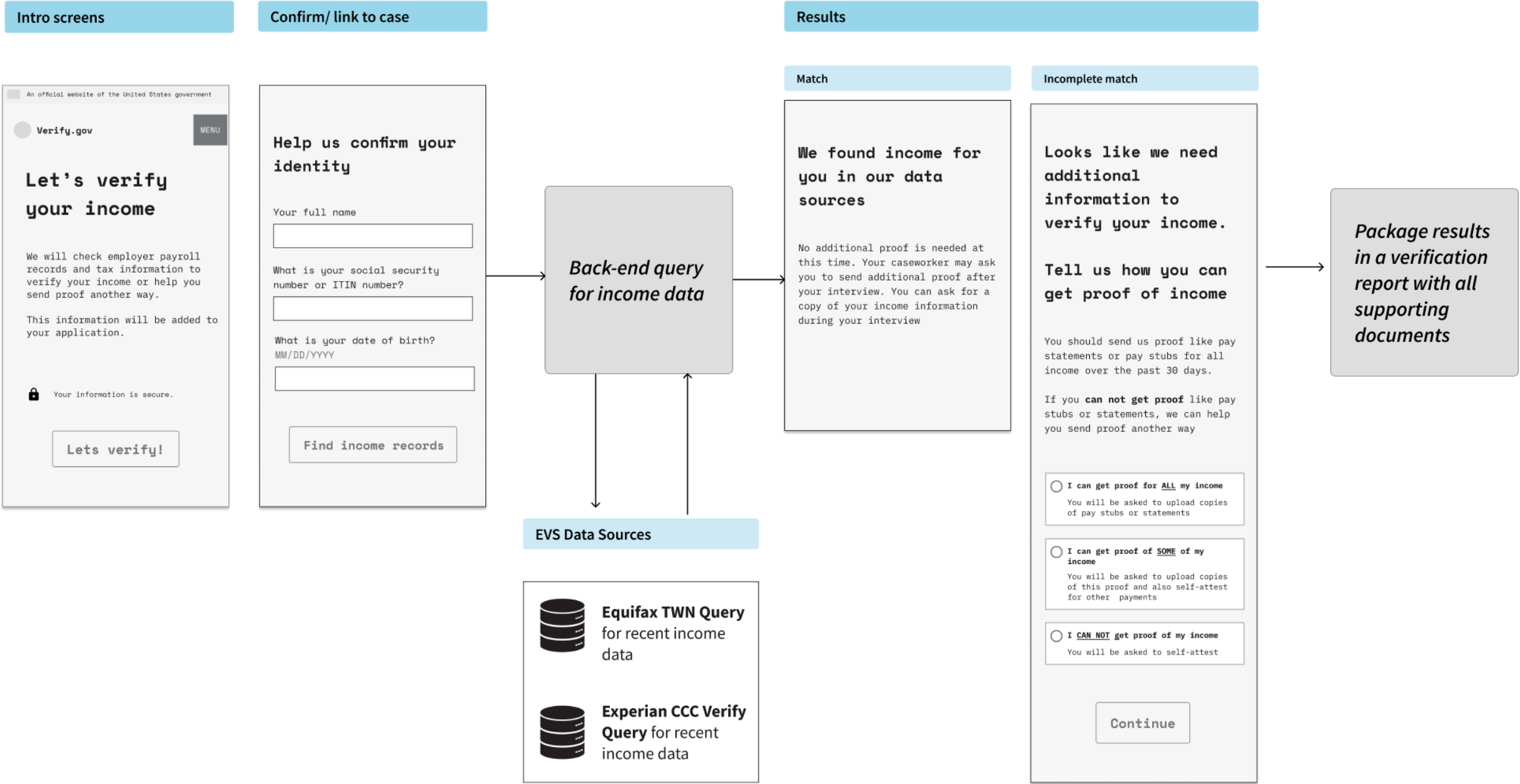
Total income past 30 days: \$430

Total expenses last 30 days: \$50

Total calculated income: \$380

Confirm and Send

Imagine the tools are packed in an accessible, plain language guided site for applicants.



Tell us what you think

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Thank you!