

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF THE SAVE SYSTEM'S
PROCESSES**



JUNE GIBBS BROWN
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NOVEMBER 1995
OEI-07-91-01231

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EXECUTIVE SUMMARY

PURPOSE

To identify deficiencies in the Immigration and Naturalization Service's (INS) Systematic Alien Verification for Entitlements (SAVE) system and related States' processes.

BACKGROUND

The Immigration Reform and Control Act of 1986 (Public Law 99-603) established the SAVE system to assist eligibility workers in preventing illegal aliens from receiving federally subsidized benefits. At the request of the Administration for Children and Families (ACF), we attempted to determine if the SAVE process is cost-effective. We were unable to do so. The reasons for this are described in our report "*Cost-Effectiveness of SAVE*" (OEI-07-91-01230). In the course of that study, we discovered certain deficiencies in the way States use SAVE and also some in the system itself. Here in this report we describe those deficiencies.

The Martin Marietta Corporation contracts with INS to store and provide electronic access to the SAVE Alien Status Verification Index, a data base containing more than 28 million records. Eligibility workers are required to verify the alien's INS documentation through this automated SAVE system. If the alien's status is not verified, an "Institute Secondary Verification" response is generated. Copies of immigration documents must then be forwarded to an INS District Office for a SAVE program manual review for authentication. Eighteen percent of all Aid to Families with Dependent Children (AFDC) and Medicaid primary verification requests, (October 1992 - December 1993), resulted in an "Institute Secondary Verification" message.

This inspection focuses solely on aliens applying for AFDC and Medicaid under the Department of Health and Human Services in which INS generated an "Institute Secondary Verification" response. We chose a purposive sample of four States (California, Florida, Illinois, and Texas) on the basis of volume of primary queries, dollars to the States, and population. We reviewed randomly selected State cases, procedures, computer systems, and their agreements with INS on the use of SAVE.

FINDINGS

States Are Not Consistently Performing The Required Secondary Verification To Validate Aliens' Status.

Of the 268 cases used to review for cost avoidance, we found 92 cases (34 percent) where the required SAVE secondary verification was not performed. In 45 of these cases, States improperly made eligibility decisions without full development and in 47 cases, States improperly relied on unauthenticated alien documents to determine eligibility for payments.

States Are Not Documenting Their Case Files To Establish That They Have Obtained Adequate And Current Responses From The SAVE Verification Process Prior To Initiating Payments To Aliens.

Primary verification requests and the INS SAVE responses were undated, or there was no primary request in the case file. Also in those cases where the INS did not respond to secondary verification requests, the eligibility worker either did not follow-up with INS or neglected to document this activity.

States Are Unnecessarily Querying The SAVE System.

States are unnecessarily querying SAVE for aliens who have become naturalized U.S. citizens or for aliens who were not applying for aid. Further, SAVE is not needed when an alien applies only for Emergency Restricted Medicaid. Illegal aliens are eligible for this aid regardless of their immigration status.

Deficiencies Continue To Exist In The Design And Operation Of The SAVE Data System.

SAVE data is not always provided in a timely manner; the SAVE data base is not current; INS immigration status responses are not always clear; and SAVE is prone to manual keying errors.

States Are Unable To Consistently Match And Locate Sample Cases When An "Institute Secondary Verification" Message Is Generated From INS.

States lack sufficient matching points (i.e., Last Name/First Name, Date of Birth, Date of Entry...) within their data base to identify alien case files in data matches with the INS/SAVE data base. Other contributing factors for the States' low success rate in matching data are not retaining immigration information in the data base, errors in querying the SAVE system, and system deficiencies.

RECOMMENDATIONS

In our companion report, "**Cost-Effectiveness of SAVE**" (OEI-07-91-01230), dated November 1995, we reported that we were unable to determine the cost-effectiveness of the SAVE system. Consequently, there will be a continuing concern about the overall utility of the SAVE requirement. However, the statute requires that unless a waiver is granted, the system must be used to verify eligibility status of aliens. Based on our review, we believe that there are improvements that can be made in the system to both streamline its operation and more effectively allow for future reconciliations. To this end, we offer the following recommendations.

The ACF and the Health Care Financing Administration (HCFA) should remind States of the SAVE requirements and suggest minimal documentation to be included in the State case files.

The ACF and HCFA should work with INS to enhance the SAVE program to make it more timely and user friendly.

The ACF and HCFA should coordinate with States and INS to identify the most efficient and effective way to designate and implement matching points between their respective data base systems.

AGENCY COMMENTS AND OIG RESPONSE

The ACF feels the OIG has inferred that the fault and any corrective action on SAVE lay primarily on the States. It is their belief that improvements with SAVE are primarily the responsibility of INS. We continue to believe the States do have a basic role in improving the SAVE system. These areas are specified in our recommendations. We do agree, however, that effective improvements to SAVE should involve INS as well. This is reflected in our recommendations.

The HCFA concurs with our recommendations and has outlined specific actions to be taken to implement them.

Both ACF and HCFA stressed the importance of capturing the Social Security number in the INS data base to serve as a matching point. We hope that INS will give serious consideration to this suggestion.

The Assistant Secretary for Planning and Evaluation submitted several editorial and technical changes, which we have incorporated into the final report.

The INS did not provide written comments to the report, but verbally indicated concurrence with the findings and recommendations.

Copies of ACF and HCFA comments are included in Appendix D.

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INTRODUCTION

PURPOSE

To identify deficiencies in the Immigration and Naturalization Service's (INS) Systematic Alien Verification for Entitlements (SAVE) system and related States' processes.

BACKGROUND

Legal Basis for SAVE

The Immigration Reform and Control Act of 1986 (Public Law 99-603), hereafter referred to as the Act, established the SAVE program. SAVE is designed to assist eligibility workers in preventing illegal aliens from receiving federally subsidized benefits. The Act requires States to verify aliens' immigration status for those applying for certain federally funded benefits.

Federal Regulations, 45 CFR 233.50, specify that to be eligible for assistance an individual must be a United States citizen, an alien lawfully admitted for permanent residence, or an alien otherwise permanently residing in the U.S. under color of law (PRUCOL). PRUCOL includes aliens residing in the U.S. whose presence is known and tolerated by authorities for an indefinite period of time. Although these individuals have not become permanent resident aliens, authorities do not have plans to deport them.

The Act mandates the following programs and oversight agencies to participate in the verification of alien documentation: Food Stamp Program; Housing Assistance Programs; Unemployment Compensation; Title IV Educational Assistance; Aid to Families with Dependent Children; the Medicaid Program; and certain Territorial Assistance Programs. This inspection concentrates solely on the AFDC and Medicaid programs under the Department of Health and Human Services.

Program Processes

The Martin Marietta Corporation contracts with INS to store and provide electronic access to the SAVE Alien Status Verification Index, a data base containing more than 28 million records. When an alien applies for the federally funded programs listed above, an eligibility worker is required to verify the alien's status by querying this automated SAVE system. The SAVE program is a two part process, involving a primary and secondary verification of alien immigration status. The primary verification is an automated process which is used to authenticate the alien registration number listed on the applicant's immigration documents. When accessed by the user through a touch-tone or computerized system, the SAVE Alien Status Verification Index will respond within three to five seconds of the query, providing the alien's

status. Once a response is received from INS, the eligibility worker uses this information to determine if the alien may be eligible to receive benefits.

Possible responses from a primary request of SAVE include:

- Lawful Permanent Resident - Employment Authorized;
- Cuban/Haitian Entrant - Temporary Employment Authorized;
- Section 245A Temporary Resident - Temporary Employment Authorized;
- Section 210 Temporary Resident - Temporary Employment Authorized;
- Application pending - Temporary Employment Authorized; or
- "Institute Secondary Verification."

If the INS responds to a verification request with "Institute Secondary Verification," the eligibility worker is required, according to the INS SAVE manual, to send copies of immigration documents which are attached to a Document Verification Request (Form G-845) to the INS District Office for a SAVE program manual review for authentication. This is referred to as a secondary verification. The INS staff examines the documents and conducts automated and manual validation searches. The INS procedures indicate that it will respond to the submitting agency within ten working days. Responses from a secondary verification request might indicate:

- Lawful Permanent Resident;
- Conditional Resident Alien;
- Cuban/Haitian Entrant;
- Application Pending;
- Authorized or Not Authorized Employment;
- Granted Asylum/Refugee, or Parolee; or
- No determination can be made with documentation presented as the documents have expired, documents appear to be counterfeit or altered, documents are not readable, or not enough information was provided.

The SAVE manual instructions and the agreements between INS and the States indicate that an eligibility worker is required to perform a primary verification request and a secondary verification request, if needed, each time an alien applies for benefits as an alien's immigration status can change. As an example, lawful permanent resident aliens can lose their immigration status if they are (a) convicted of a felony offense, (b) convicted of three misdemeanor offenses, or (c) leave the U.S. without INS permission.

The INS maintains records of disclosure on all alien registration numbers checked through the SAVE Alien Status Verification Index data base. The INS maintains and discloses these records in accordance with the Privacy Act and the Freedom of Information Act.

At the request of the Administration for Children and Family (ACF), we attempted to determine if the SAVE process is cost-effective. We were unable to do so. The

reasons for this are described in our report "*Cost-Effectiveness of SAVE*" (OEI-07-91-01230). In the course of that study, we discovered certain deficiencies in the way States use SAVE and also some in the system itself. Here in this report we describe those deficiencies.

METHODOLOGY

Inspection Focus

The inspection focuses on the "Institute Secondary Verification" process. Guidelines provide that benefits cannot be denied to an applicant unless a secondary verification has been performed. "Institute" messages indicate a possible problem in the identification of an alien's immigration status which may reveal that the alien is ineligible to receive benefits. Following receipt of an "Institute Secondary Verification" message, eligibility workers are required to further develop immigration status. INS reported that 18 percent of all primary queries (October 1992 - December, 1993), resulted in "Institute Secondary Verification" messages and required development by eligibility workers.

Sample Selection

We selected a purposive sample of four States for review (California, Florida, Illinois, and Texas). We selected these States based upon the volume of primary queries for Fiscal Year (FY) 1992, administrative costs by the State AFDC and Medicaid programs for FY 1992, and the undocumented alien population based on the 1980 census. Since California is county-administered, we selected a statistically valid sample from three strata representing small, medium, and large counties on the basis of the volume of queries to the SAVE system during our study period (September 1 - November 30, 1993) that resulted in an "Institute Secondary Verification" message. The three strata represents 97 percent of the queries made to the SAVE system. Six counties were randomly chosen including Fresno, Los Angeles, Orange, Riverside, San Bernardino, and San Francisco. The undocumented alien population in these States represent almost 70 percent of the 2.06 million undocumented alien population in the 1980 census, which was the last year that aliens were identified in the survey. All of the selected States rank above non-selected States in one or more of the categories of primary queries, costs, or undocumented alien population.

We worked with the INS and the sample States to capture all verification requests made to the SAVE system for aliens applying for AFDC and Medicaid during our study period. We contacted staff in these States to assure that we could identify alien records and to obtain the corresponding case files. We were informed of which 10 individual applicant identifiers (i.e., Last Name/First Name, Date of Birth, Social Security Number, Alien number,...) within the SAVE system that the States used to reconcile their data files with the INS data base. The INS sent us a data file, including all verification requests performed by the States that resulted in an "Institute Secondary Verification" message.

We selected a simple random sample of case files that had been matched between the INS and State records. We examined the case files that the States were able to locate and reviewed their procedures, computer systems, and agreements with INS on the use of SAVE. We also talked to staff from ACF, Health Care Financing Administration (HCFA), INS, and the States.

We conducted our review in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

FINDINGS

STATES ARE NOT CONSISTENTLY PERFORMING THE REQUIRED SECONDARY VERIFICATION TO VALIDATE ALIENS' STATUS.

- *We found that the four States in our sample do not consistently conduct a secondary verification when an "Institute Secondary Verification" message is received from INS.*

State agreements with INS and the SAVE manual require that queries be performed to verify the alien's immigration status. While two States responded that they routinely perform the required secondary verifications, we have found cases in all four States where this was not performed. As a result, cases may be incorrectly placed in payment status prior to establishing eligibility.

In the companion inspection, "Cost-Effectiveness of SAVE," we were able to review only 268 AFDC/Medicaid and Medicaid-only cases for cost avoidance from the original 935 (Appendix A identifies cases by type and those that were dropped from review). Out of these 268 cases, we found 92 cases (34 percent) where eligibility decisions, resting only on alien status, were improperly made without performing the required secondary verification (Table 1 breaks down the 92 cases). Forty-five of these cases were not fully developed, while in 47 cases the eligibility workers improperly relied on unauthenticated documentation to determine alien status in lieu of performing the secondary verification.

Table 1

IMPROPER USE OF THE SAVE PROGRAM NO SECONDARY VERIFICATION PERFORMED ¹					
DECISIONS BASED ON:	CA	FL	IL	TX	TOTAL
Primary Verification only, no other documentation	19	2	21	3	45
Temporary Work Authorization Card (I-688B)	2	0	0	7	9
INS Letter Granting Permanent Residence (I-181)	3	0	0	0	3
Document Verification Request (Old Form G-845)	1	1	1	1	4
Resident Alien Card/Alien Registration Receipt Card (I-551 or I-151)	4	0	4	1	9
Passport	3	0	1	0	4
Notice of Action (I-797)	0	0	4	0	4
Arrival-Departure Record over one year old (I-94)	2	0	10	0	12
No Queries done: Cuban/Haitian Entrants (MAR)	0	2	0	0	2
TOTAL	34	5	41	12	92

¹ None of these cases were denied for reasons other than citizenship.

One State does not require a secondary verification for eligibility redeterminations if a prior secondary verification was performed and the query response is located in the file. The State's instructions indicate that "once alien status has been verified through SAVE, it is not necessary to re-verify alien status unless it is a temporary status which is subject to change..."

Staff in another State told us that it does not perform secondary verifications if it previously determined the alien's status. They believe that "once a legal permanent resident alien, always a legal permanent resident alien."

We found, however, that there are circumstances when a person who is a legal permanent resident alien can lose this immigration status (i.e., convicted of a felony offense, convicted of three misdemeanors, or leaving the U.S. without INS permission). This supports the requirement that determining alien status is necessary when each alien applies for benefits.

- *When "Institute Secondary Verification" messages occur, States sometimes improperly rely only on an alien's documents to determine eligibility for payments.*

By accepting the alien's INS document without completing the INS Form G-845 for a secondary query, eligibility workers in the sample States have not authenticated the legitimacy of the document nor have they validated that the document has not been altered, stolen, or forged. (Table 1)

On the other hand, staff from one State responded it prefers to use SAVE because it helps eligibility workers make decisions whether to grant benefits to alien applicants for AFDC or Medicaid. It feels the SAVE responses provide documentary support to eligibility workers on the alien's immigration status, greatly lessening the need that eligibility workers rely only on their own judgment.

Refer to the companion report for further details on cost avoidance cases.

STATES ARE NOT DOCUMENTING THEIR CASE FILES TO ESTABLISH THAT THEY HAVE OBTAINED ADEQUATE AND CURRENT RESPONSES FROM THE SAVE VERIFICATION PROCESS PRIOR TO INITIATING PAYMENTS TO ALIENS.

We reviewed a sample of case files to determine if the States are accessing and documenting the SAVE primary verification system properly and found that the INS SAVE responses were undated. We found other cases where there was a primary request in the file; however, it was not for the month of the application. There were also cases where there was no primary verification request in the case file.

In some cases, when the INS did not respond to secondary verification requests, the eligibility worker did not follow-up with INS or neglected to document this activity.

For further details on primary verification and lack of documentation, refer to Appendix B.

STATES ARE UNNECESSARILY QUERYING THE SAVE SYSTEM.

States perform multiple primary queries anticipating that the SAVE system will be updated and the "Institute Secondary Verification" message will change to reveal the alien's immigration status. Once the SAVE system is updated after multiple primary queries are performed, the eligibility worker bypasses the required secondary verification request. For example, one State performed 28 primary queries on one alien registration number. Although we are not able to project the actual costs of these unnecessary queries, they are time-consuming, labor-intensive, and costly.

We found a large number of other situations in which States unnecessarily queried SAVE to determine benefit eligibility. Three examples are included in Table 2.

Table 2

UNNECESSARY SAVE QUERIES					
CASE TYPE	CA	FL	IL	TX	Total
Emergency Restricted Medicaid - illegal aliens are entitled to this type of aid regardless of immigration status	53	15	29	3	100
Reference only - payment on another case, but used as reference to the file	27	25	1	1	54
U.S. Citizen	3	0	0	2	5
TOTALS	83	40	30	6	159

DEFICIENCIES CONTINUE TO EXIST IN THE DESIGN AND OPERATION OF THE SAVE DATA SYSTEM.

Prior Studies Note INS Systems Problems

One study conducted by the General Accounting Office, "Information Management: Immigration and Naturalization Services Lacks Ready Access to Essential Data," September 1990 (GAO/IMTEC-90-75), and an INS study, "SAVE Program User Satisfaction Survey Analysis Report," September 1994, found INS data was sometimes inadequate and not timely or current, and that States' data systems are incomplete and sometimes inaccurate. Our study confirmed problems similar to those raised in these other reports.

Problems still exist with the SAVE system

- ***SAVE data is not always provided in a timely manner.***

While the INS operating procedures state that a response for a secondary request will be given within 10 working days from the date the request is received, we found that the response time varies widely, depending on the workload at the responding INS office.

Two States report they receive secondary responses within 1 week to 3 months from the time of the secondary verification request. Two of the States report they receive secondary responses from INS within 10 days to 2 weeks.

Our analysis of 49 of these State verification requests resulted in an average response time of 18.3 days. Responses from INS in 22 of the 49 requests (45 percent) exceeded the 10 working day limit. One response took 84 days.

- ***The INS SAVE data base is not current.***

The INS, in its formal agreement with the States, agreed to update its SAVE data base, as necessary, to ensure that current and accurate information is available to the States. However, we found that the SAVE data base often does not have recently arrived aliens in the system for extended periods of time after their arrival (often exceeding six months). Further, we were advised that cases exist for aliens who have resided in the U.S. for over 20 years, but they were not included in the SAVE data base.

- ***States report that the INS is able to verify alien immigration status in most cases. However, for aliens who are permanently residing in the U.S. under color of law (PRUCOL), the INS status responses are not always clear.***

Two States cite problems with aliens who fall under PRUCOL status, since it isn't always clear if the clients are eligible for benefits. The INS does not always complete the G-845 Forms appropriately for aliens under PRUCOL. For example, we found a PRUCOL case where the INS SAVE response to a secondary verification request was incomplete. The response revealed that the alien was temporarily eligible to work; however, it did not provide the specific immigration status which was needed to determine eligibility for benefits.

- ***SAVE is prone to system keying errors.***

Two States noted that matching problems are caused by staff keying errors in which an incorrect alien registration number ("A" number) is transmitted. This is primarily due to confusion on how to enter "A" numbers into the SAVE system that have 7, 8, 9, or even 10 digits. Furthermore, the two States indicated that their system automatically drops the last digit of the alien number when too many digits are entered. This causes an "Institute Secondary Verification" message to be sent to the State, which results in performing an unnecessary secondary verification, and an increase in administrative costs.

All alien registration numbers begin with the letter "A" followed by 7, 8, 9, or 10 digits. This number is assigned to an alien at the time the alien file is created. The INS instructions require the letter "A" to be converted to a zero before querying SAVE. However, if this conversion is not made or made incorrectly, it could result in an "Institute Secondary Verification" message, and subsequent requests for a secondary verification when, in fact, no such verification was needed.

Furthermore, the two States indicated that when an eligibility worker adds zero to the alien registration number but retains the letter "A" prefix, this causes the last digit in the number to be erased. When this query is submitted to INS for verification, it will also result in an "Institute Secondary Verification" message to the State. An unnecessary secondary verification will then be performed, resulting in increased administrative costs.

STATES ARE UNABLE TO CONSISTENTLY MATCH AND LOCATE SAMPLE CASES WHEN AN "INSTITUTE SECONDARY VERIFICATION" MESSAGE IS GENERATED FROM INS.

- *Sample States are unable to consistently match cases to INS records.*

In the INS/State matching process, INS sent us a data file of all records in our study period where the State had performed a primary query which resulted in an "Institute Secondary Verification" message. The States then matched their case files to these INS alien records. Table 3 breaks down the number of records in the INS data file and the records that States were able to match to them.

Table 3

INS/STATE MATCH OF DATA FILES ¹				
	CA	FL	IL	TX
INS Unique Records	22,659	8,283	2,996	6,584
INS/State Match	23,226 ²	1998	168	99 ³
Percent Matched	103%	24%	6%	50%

¹ For further details on the INS/State data file match, refer to Appendix C.

² Number larger due to multiple queries made by the State as a result of aliens applying in more than one county which establishes a separate record in each county.

³ Due to resource limitations and the inability to conduct automated matches in Texas, we provided a sample of 200 data files to match with their State records rather than have them match their data files to the full 6,584 data files. Manually matching the 200 INS data files resulted in a total of 99 matches.

All States but California had insufficient data available to reconcile their files with INS' data files as a result of inconsistent methods of designing and storing data information in their computer systems. California is the only county administered State in our sample. As a result, it is extremely difficult for the States to create an audit trail. Although California as a State could match all files, counties within the State were not able to match with INS records.

SAVE has 10 data elements in its data base. However, States can only match on a minimum of 3 data elements to a maximum of 6 elements. The three most common elements were: Last Name/First Name, Date of Birth, and Social Security Number. With insufficient matching points, it is difficult to reconcile State records with the INS data base.

The INS uses the alien registration number as one of the 10 data elements. However, most States are not able to match their records with this number. The primary reason indicated was that they are not required to maintain this number in their data base.

- *Sample States were unable to consistently locate cases in our sample.*

Our review called for samples to be taken from cases matched between INS and the States. The four States were able to locate only 75 percent of the sample cases in the study for our review. The numbers by State are displayed in Table 4.

Table 4

SAMPLE CASES LOCATED IN STATES			
STATE	SAMPLE SIZE	CASES FOUND	PERCENT FOUND
California	335	266	79 percent
Florida	200	180	90 percent
Illinois	200 ¹	153	76.5 percent
Texas	200	99	49.5 percent
TOTAL MATCHED	935	698	75 percent

¹ We conducted an INS/State match using Illinois' entire universe of cases in our study period and could only match 168 cases. Therefore, only 168 rather than 200 cases could be used to conduct our review.

We found that, while the State of California obtains the alien number for initial claims processing, it is not maintained on file by the State or county offices. Although the State could match all data files, California counties were unable to match and locate all cases in our sample. Also, in the State of Florida capturing the alien number was

voluntary which caused matching problems with the universe (Table 3). The State of Florida was able to match cases in our sample only through a manual process.

- *Other factors contribute to the States' low success rate in identifying and matching files.*

One State indicated that 40 percent of AFDC and Medicaid cases are denied, and for these cases information such as the alien number is not retained in the data base. Since only general information such as name, case number, and reason for the denial of benefits is retained in the State's system, it was unable to match and locate INS data for these denied cases.

One State responded that its data file structure does not permit entry of the alien number. Our review, however, showed that alien numbers provide a more effective match than is obtained by other data elements such as the individual's name.

RECOMMENDATIONS

In our companion report, "Cost-Effectiveness of SAVE" (OEI-07-91-01230), dated November 1995, we reported that we were unable to determine the cost effectiveness of the SAVE system. Consequently, there will be a continuing concern about the overall utility of the SAVE requirement. However, the statute requires that unless a waiver is granted, the system must be used to verify eligibility status of aliens. Based on our review, we believe that there are improvements that can be made in the system to both streamline its operation and more effectively allow for future reconciliations. To this end, we offer the following recommendations.

The ACF and HCFA should remind States of the SAVE requirements and suggest minimal documentation to be included in the State case files.

The ACF and HCFA should remind States to perform the required secondary verification requests when instructed to do so by INS, not relying solely on immigration documents in determining alien status, and only querying the SAVE system when necessary.

In relation to verifying alien status, ACF and HCFA should suggest minimal case file SAVE documentation such as:

- Dating primary and secondary verification requests.
- Documenting INS responses from verification requests.
- Documenting follow-up information on secondary verification requests and the INS's responses.

The ACF and HCFA should work with INS to enhance the SAVE program to make it more timely and user friendly.

The ACF and HCFA should work with INS to achieve responses to secondary verification requests within 10 working days as required by INS's memoranda of understanding with States.

The ACF and HCFA should request INS to modify the SAVE system to allow eligibility workers to enter alien numbers into the touch-tone system or other system, exactly as it is shown on the Alien Registration Card. This would eliminate eligibility worker confusion on converting this number and should reduce unnecessary secondary verifications.

The ACF and HCFA should coordinate with States and INS to identify the most efficient and effective way to designate and implement matching points between their respective data base systems.

These parties should explore the implementation of efficient and effective minimum matching points between INS and States' data bases. We found that States currently

have the following minimum data elements, with some States also using the alien number:

- Last Name/First Name
- Date of Birth
- Social Security Number

States will benefit by establishing universal matching points in their systems, the ability to create an audit trail to ensure only eligible aliens are receiving benefits, and the ability to reconcile records with the INS data base.

AGENCY COMMENTS AND OIG RESPONSE

The ACF feels the OIG has inferred that the fault and any corrective action on SAVE lay primarily with the States. It is their belief that improvements with SAVE are primarily the responsibility of INS.

We continue to believe that the States do have a role in making improvements to the SAVE program. Based on our review of the SAVE program and the States systems, we have specified in our three recommendations those areas needing improvements. We do agree, however, that effective improvements to SAVE should involve INS as well. This is reflected in our recommendations.

The HCFA concurs with our recommendations and has outlined specific actions to be taken to implement them.

Both ACF and HCFA stressed the importance of capturing the Social Security number in the INS data base to serve as a matching point. We hope that INS will give serious consideration to this suggestion.

The Assistant Secretary for Planning and Evaluation submitted several editorial and technical changes, which we have incorporated into the final report.

The INS did not provide written comments to the report, but verbally indicated concurrence with the findings and recommendations.

Copies of ACF and HCFA comments are included in Appendix D.

APPENDIX A

The table below breaks down the total number of cases in our original sample, those cases that were eliminated and the reasons for their elimination, and cases reviewed for cost avoidance.

BREAKOUT OF STATE SAMPLE CASES					
	CA	FL	IL	TX	TOTAL
Original number in sample	335	200	200 ¹	200	935
Less Cases not found by States	69	20	47	101	237
Less Denied - alien had too much income or resources or failed to cooperate	26	37	10	25	98
Less Food Stamps	32	21	0	45	98
Less Emergency Restricted ²	53	15	29	3	100
Less Refugee Cases	20	19	0	0	39
Less Reference Only ² - payment on another case, but used as reference to the file	27	25	1	1	54
Less Cases not in Study Period	5	18	0	2	25
Less U.S. Citizens ²	3	0	0	2	5
Less Incomplete Cases	4	4	1	2	11
Remaining Cases Reviewed in the Inspection for Cost Avoidance					
AFDC/Medicaid	54	19	53	12	138
Medicaid Only	42	22	59	7	130
TOTALS	96	41	112	19	268
¹ We conducted a match using the State's entire universe in an attempt to produce 200 cases required by the methodology for the review. However, only 168 cases out of the entire universe matched the INS data files.					
² SAVE used, but not necessary					

APPENDIX B

PRIMARY VERIFICATION SAMPLE REVIEWED

STATE	SAMPLE CASES	CASES FOUND
California ¹	-	-
Florida	100	97
Illinois	100	90
Texas	100	84

¹ CA was unable to access its system to provide us with a universe of cases from which we could select a sample.

DOCUMENTATION OF THE PRIMARY VERIFICATION

STATE	NO PRIMARY VERIFICATION IN FILE	PRIMARY IN FILE - NOT FOR APPLICATION MONTH	PRIMARY IN FILE - FOR APPLICATION MONTH	NO APPLICATION IN FILE	U.S. CITIZEN
California ¹	-	-	-	-	-
Florida ²	22	36	36	2	1
Illinois ³	-	-	-	-	-
Texas ²	13	20	49	2	0

¹ CA was unable to access its system to provide us with a universe of cases from which we could select a sample.

² Both Florida and Texas use the touch-tone method of accessing the SAVE system for primary verification queries. This is a manual system which relies on eligibility workers to enter the alien identification number into the SAVE system.

³ Illinois uses an automated system to make primary verifications queries. As part of the claims process, the eligibility workers enter the alien identification number into an automated query system which batch processes SAVE queries. This results in a primary query response. Although we found the State was consistently using this process, none of the primary verification requests are dated.

APPENDIX C

PROCESS OF SAMPLE & IDENTIFICATION SELECTION

CALIFORNIA

File Summary

INS Data Files sent to CA	22,659 ¹
CA Data Files Matched to INS	36,152 ¹
Unique Records Matched to INS	23,226 ²
Unique Sample Size	335
Number of Case Files Found	266

¹ includes multiple primary verification queries which resulted in duplicate files

² universe from which sample was selected (number larger than INS data files due to multiple queries made by the State as a result of aliens applying in more than one county, which establishes a separate record in each county)

FLORIDA

File Summary

INS Unduplicated Data Files sent to Florida	8283
Number of FL Data Files that Matched	2300 ¹
Unique FL Data Files that Matched INS records	1998 ²
Sample Size	200
Number of Case Files found	180

¹ includes duplicates

² universe from which sample was selected

PROCESS OF SAMPLE SELECTION CONTINUED

ILLINOIS

File Summary

INS Data Files with Duplicates	3551
INS Data files without Duplicates	2996
IL Data Files with Duplicates	11,408 ¹
Unique IL Data Files with Alien Number	6,731
IL Data Files with SSN	8,849 ²
Entire Universe Matched (INS and IL matches)	168 ³
Data Files Matched by Alien Number	88
Data Files Matched by SSN	6
Number of Case Files found	153

¹ includes Lawful Permanent Resident Aliens, "Institute Secondary Verification" messages, and the 40 percent denied cases (the cases are retained in the data only by Last Name/First Name, case number, and reason for denial - which could not be located in the State/INS match)

² includes duplicates

³ entire universe used for the review (not a sample), no duplicates

TEXAS

File Summary

INS Data Files for TX	6584
INS Data Files stripped of Files with A# only and Duplicates	1794 ¹
Sample Size	200
Number of Case Files found	99

¹ Texas could not match on the alien registration number. This produced the universe from which the sample was selected.

APPENDIX D

AGENCY COMMENTS



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Office of the Assistant Secretary, Suite 600
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

DATE: August 16, 1995

TO: June Gibbs Brown
Inspector General

FROM: Mary Jo Bane *MJB*
Assistant Secretary
for Children and Families

SUBJECT: Comments - OIG Report: "Review of the SAVE System and Processes." OEI-07-91-01231

As requested, we have reviewed the subject Report and found that from an overall perspective, we would have liked the OIG review to have resulted in a more definitive answer to the question of the Systematic Alien Verification for Entitlements (SAVE) program's cost effectiveness. However, we understand why this was not possible, not only by virtue of the reasons described in the OIG Report, "Cost Effectiveness of SAVE" (OEI-07-91-01230), but also, under the approach the OIG used for conducting the analysis.

Also, the Review and companion, Cost-Effectiveness Reports find fault with the way both the Immigration and Naturalization Service (INS) and the States operate and use the SAVE program. However, the tone of the reports and the study recommendations appear to put much of the onus for this, and any corrective actions, on the States. For example, the recommendation to improve the match points between State and SAVE data is to us, principally, a responsibility of the INS and not the States. Our comments on the specific recommendations made in the Reports reflect our concern in this regard.

Regarding the recommendations contained in the "Review of the SAVE System's Processes," we have the following comments:

RECOMMENDATION: The ACF and the Health Care Financing Administration (HCFA) should remind States of the SAVE requirements and suggest minimal documentation to be included in the State case files.

RESPONSE: The Immigration and Naturalization Service (INS) is responsible for providing the States with the necessary instructions for operating the SAVE program to include minimal

documentation in the State case files. The INS should be aware that the States require the latest and best information in this regard in order to properly use the SAVE program.

RECOMMENDATION: The ACF and HCFA should coordinate with INS to enhance the SAVE program to make it more timely and user friendly.

RESPONSE: We have in the past and will in the future work with INS to improve the SAVE program.

RECOMMENDATION: The ACF and HCFA should coordinate with the States and the INS to identify the most efficient and effective way to designate and implement matching points between their respective data base systems.

RESPONSE: In our opinion, the best way of improving the ability to match State files with the SAVE database is for the INS to make every effort to capture and include the social security number in SAVE records. It is our understanding that the SAVE system is designed to store this information, but the INS is not diligent in capturing and maintaining it. We would add that making it easier in the future to determine the cost effectiveness of SAVE is probably insufficient justification for compelling the INS to do a better job of maintaining this information.

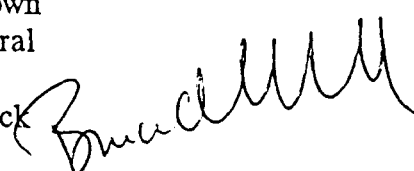
If you have any questions concerning these comments, contact Robert Shelbourne at (202) 401-5051 or Robert Laue at (202) 401-5040.





DATE AUG 3 1995

TO June Gibbs Brown
Inspector General

FROM Bruce C. Vladeck 
Administrator

SUBJECT Office of Inspector General Draft Reports Entitled "Cost-Effectiveness of SAVE" (OEI-07-91-01230) and "Review of SAVE System's Processes" (OEI-07-91-01231)

We reviewed the above reports which provide information on the Immigration and Naturalization Services' (INS) Systematic Alien Verification for Entitlement (SAVE) system and related State processes. Report OEI-07-91-01230 addresses the cost-effectiveness in verifying immigration status of aliens applying for Aid to Families with Dependent Children (AFDC) and Medicaid. The companion report, OEI-07-91-01231, describes the deficiencies in the INS and related State systems.

Report OEI-07-91-01230 contains no specific recommendations. The Health Care Financing Administration concurs with the three recommendations presented in the report on "Review of SAVE System's Processes." Our response has been coordinated with the Administration for Children and Families.

Thank you for the opportunity to review and comment on these reports.

Attachment

Health Care Financing Administration (HCFA) Comments on
Office of Inspector General (OIG) Draft Report: "Entitled Cost-Effectiveness of SAVE"
(OEI-07-91-01230) and "Review of SAVE System's Processes"-- (OEI-07-91-01231)

OIG Recommendation 1

The Administration for Children and Families (ACF) and the Health Care Financing Administration (HCFA) should remind States of the Systematic Alien Verification for Entitlement (SAVE) requirements and suggest minimal documentation to be included in the State case files.

HCFA Response

We concur. State workers need current, precise instructions on how to meet SAVE system requirements and how to properly use the query system. The Immigration and Naturalization Service (INS) should make certain that States have up-to-date INS user manuals.

OIG Recommendation 2

The ACF and HCFA should work with INS to enhance the SAVE program to make it more timely and user friendly.

HCFA Response

We concur. HCFA will formally request INS to modify the SAVE system to allow eligibility workers to enter alien numbers into the touch-tone-system or other system exactly as they are shown on the Alien Registration Card. We will continue to work with the INS to facilitate improvement in responses to secondary verification requests.

OIG Recommendation 3

The ACF and HCFA should coordinate with States and INS to identify the most efficient, effective way to designate and implement matching points between their respective data base systems.

HCFA Response

We concur. HCFA recommends that the INS investigate with the Social Security Administration the feasibility of adding the Social Security number to the INS data base to serve as a matching point.