**EQUIFAX WORKFORCE SOLUTIONS TESTIMONY**
Kansas Legislative Budget Committee
December 14, 2023

**TESTIMONY:**

Good morning, Chairman Waymaster and distinguished Members of the Legislative Budget Committee. My name is Bill Roe, (a life-long resident of KS) and I am Equifax Workforce Solutions Director of Government Relations for Kansas and ten other states.

I am joined remotely by my colleague, Ian Doyle, Vice President of Government Sales - West States for Equifax. While we are just two representatives of our company, we want you to know our dedicated team of 14,000 people around the world is united by a singular purpose: helping people live their financial best. We are honored to join you today to share more about our company and some of the work we currently do for the majority of states across the United States, including Kansas.

When people hear the name Equifax, many think of us as the company that provides credit reports to lenders when a person applies for a new mortgage, buys a new car or tries to obtain a new credit card. We are here to discuss Equifax Workforce Solutions, a dedicated business unit separate from  the credit reporting business. This business unit is based in St. Louis and provides a variety of services like human resource data, I-9 and W-2 work, unemployment claims, analytic services, and verifications of employment and income to both the public and private sectors.

Of particular importance for Kansas is The Work Number® - or TWN - which is a unique database that contains current employment and income information (currently, approximately 163 million active employment records and 641 million total employment records for verifications) that is updated each time employers and payroll providers process payroll.  TWN is owned and operated by Equifax Workforce Solutions and contains data contributed directly from 2.9 million participating employers and payroll providers, making it the industry-leading centralized commercial repository of income and employment information in the United States.

Today, I would like to share some information related to the Equifax Workforce Solution data and services provided to the many federal, state, and local government agencies to assist in their administration of public assistance programs. The verifications services we provide, in turn, help government agencies make eligibility determinations, right-size payments to eligible beneficiaries, improve service delivery, and increase staff efficiency. Government agencies that administer public assistance to individuals and families use our verifications services to independently verify applicant-provided information, potentially learn of unreported or additional income data, facilitate ex-parte decisions, and improve overall program integrity through efficient and effective eligibility decisions.

As this Committee is well aware, in April 2023, a change in federal law allowed Kansas to begin redetermining Medicaid enrollees' eligibility – a process often called "unwinding." Because of the public health emergency (PHE), states were not able to disenroll ineligible individuals or require eligibility determinations for Medicaid. Specifically, here in Kansas, there are about 500,000 people on Medicaid, which is a 30%[1] increase from the beginning of the pandemic in March 2020. This unprecedented growth has broad macro-economic consequences and specific challenges for the Kansas Department of Health and Environment (KDHE), including the requirement to try and verify people added to Medicaid in 2020, 2021 or 2022 when they may have been eligible due to job loss caused by the pandemic. Do they still live in Kansas, are they still living, have they become incarcerated, are they still eligible based on their income or employment status? Equifax is helping many states with this basic but critically important information. We believe we can help KDHE's workforce be more efficient and effective.

Equifax Workforce Solutions is very proud of our decade-long partnership with the State of Kansas. Specifically, we partner with both KDHE and the Department for Children and Families (DCF). Kansas has primarily relied upon our employment and income data source, known as The Work Number®, to assist in the benefit eligibility determination and redetermination process for Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Child Support services, Child Care assistance, Employment services, Low Income Energy Assistance Program (LIEAP), Medical assistance, and Child Welfare services. Kansas leveraged The Work Number® last year to access over 1 million employment and income verifications returned instantaneously through both a Web portal and direct API integration into the Kansas Eligibility Enforcement System.

Equifax maintains a suite of data insights and services, including The Work Number®, the nation's industry-leading consolidated commercial repository of income and employment records. Through this powerful data source, Equifax offers credentialed verifiers with permissible purpose, like KDHE and DCF, access to nearly 167 million active employment records. In 2021, we provided over 145 million verifications across our various client bases, including more than 835,000 verifications specifically for KDHE and DCF that help state employees provide eligible Kansans with right-sized benefits in an efficient manner.

We also have additional data insights such as incarceration data and a solution called Contact Complete. Our Incarceration Insights database contains state prison and local jail records from across the country. The pointer data returned for a query regarding processing, incarceration, and release status provides 'tip and lead' information to help states identify when the information

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[1] *Source KFF: 378,292 in February 2020 to 504,765 in August 2022*
*https://www.kff.org/coronavirus-covid-19/issue-brief/analysis-of-recent-national-trends-in-medicaid-and-chip-enrollment/*

on an individual's application may require additional verifications and research. Being able to identify potential issues and conduct additional research enables compliance with the Medicaid Inmate Exclusion policy and provide continuity of coverage in a less manual fashion. Contact Complete, can help states verifying or learning more about an applicant's name, address, date of birth and contact information by matching a known identity and delivering information on address, phone, and email data as well as a death indicator to help expedite communications, recertifications, and eligibility determinations.

Data insights are critical for verifying eligible individuals for benefit programs in an efficient and effective way, but some state and federal agencies do not have access to current information. Using outdated or 'stale' wage data from other sources to set benefit levels can lead to over- or underpayments – and puts Agency integrity at risk if the data used is not the most current available from employers. I'd also like to emphasize that using instantaneous, automated data ultimately benefits the consumer by accelerating the decision process of government benefits and alleviating the need for the collection of paperwork.

We believe we can be helpful to the State with a multi-data source solution providing verifications in accordance with your program specific policies. We are encouraged by recent conversations with the State suggesting that there is a need for this data delivered instantaneously to help verify an applicant's or beneficiary's change in circumstance (employment, income, incarceration, address, household composition, or death status) as it relates to their eligibility for benefits.

Additionally, these services can be used throughout the benefit lifecycle to learn of changes - as informed by program requirements - that impact a beneficiary's eligibility or flag if further investigation is needed. This allows the state to prioritize their enrollees' throughout the entire benefit lifecycle rather than narrow the focus to specific points, such as initial determination, redetermination, or mid-year reporting.

Equifax operates in a closely regulated environment in accordance with federal and state laws and regulations, including under the Fair Credit Reporting Act (FCRA) and its state counterparts. This oversight includes requiring permissible purpose, specific data treatment and security measures, privacy controls, and other factors in efforts to protect individual consumers and their data from unauthorized access and use.

Thank you for allowing us to share our perspective today. We regard state agencies like KDHE and DCF as important partners. Working together, with a mutual understanding of needs and challenges, we can help states make eligibility determinations, right-size payments to eligible individuals in need, improve service delivery and caseworker efficiencies, reduce churn and increase overall program integrity. For many years we have helped KDHE do just that with data solutions for KanCare. With this Committee's and the legislature's support, we look forward to playing a continued role in helping Kansans receive their benefits in an efficient and effective manner.

Thank you again, and we welcome your questions.