

April 20, 2006

## THE NEW MEDICAID CITIZENSHIP DOCUMENTATION REQUIREMENT: A BRIEF OVERVIEW

The U.S. Department of Health and Human Services has yet to issue guidance to states on how to implement a provision of budget legislation President Bush signed in February requiring all U.S. citizens applying for Medicaid or renewing their coverage after June 30 to prove their citizenship by submitting a birth certificate or passport. This new requirement, the subject of a front-page *New York Times* story on April 16, was intended by its sponsors to keep illegal immigrants from fraudulently enrolling in Medicaid. Yet its main impact is likely to be to impede or delay coverage for significant numbers of *eligible U.S. citizens*.

Many low-income people do not have birth certificates in their possession and do not have passports. Many elderly African Americans were never issued a birth certificate, as explained below. Many other low-income people may have had a birth certificate in their possession at one time, but after moving various times over the course of their lives, no longer have it handy. This could be a particular problem for people who are elderly or have physical or mental disabilities and are in need of immediate medical care. Yet the new requirement contains *no exceptions*, even for people who are extremely old or have severe impairments, such as Alzheimer's disease.

Under the new requirement, a mother whose child is injured could find that her child fails to receive timely medical coverage because she does not have a valid copy of a birth certificate readily available. Citizens who are homeless or who have experienced a disaster such as Hurricane Katrina or a fire may be unable to enroll in Medicaid because they do not have the required documents in their possession. Significant numbers of other low-income patients would be similarly affected.

Moreover, a recent examination by HHS's Office of Inspector General (OIG) indicates that the new requirement is unnecessary. OIG found no substantial evidence that immigrants are obtaining Medicaid by falsely claiming citizenship. In addition, state Medicaid directors have stated that the requirement will substantially increase administrative burdens.

For further detail on the issues discussed here, see the following Center reports: Leighton Ku, Donna Cohen Ross, and Matt Broaddus, "Survey Indicates Deficit Reduction Act Jeopardizes Medicaid Coverage for 3 to 5 Million U.S. Citizens," revised February 17, 2006 [<http://www.cbpp.org/1-26-06health.htm>]; Leighton Ku and Matt Broaddus, "New Requirement for Birth Certificates or Passports Could Threaten Medicaid Coverage for Vulnerable Beneficiaries: A State-By-State Analysis," revised February 17, 2006 [<http://www.cbpp.org/1-5-06health.htm>]; Leighton Ku and Donna Cohen Ross, "New Medicaid Requirement Is Unnecessary and Could Impede Citizens' Coverage," revised January 4, 2006 [<http://www.cbpp.org/11-9-05health.htm>]

**Roughly 49 million low-income Americans will be required to submit birth certificates or passports or else lose their Medicaid coverage.**

- Analyses of Census data and Medicaid administrative data show that about 49 million native-born U.S. citizens and two million naturalized citizens were enrolled in Medicaid over the course of the year in 2003. (A little less than 4 million legal immigrants also participated.) Thus, about 49 million native-born citizens will be required to submit birth certificates or passports or lose Medicaid coverage. (The 2 million beneficiaries who are naturalized citizens would be allowed to submit naturalization documents.)

- The new requirement will apply to *all* Medicaid applications submitted after July 1, 2006, as well as *all* applications to renew Medicaid coverage. (In most cases, Medicaid beneficiaries must renew their coverage every six months.) In the first six to twelve months, states will have to check citizenship documents for more than 50 million beneficiaries.

- The Center used Census data and administrative data to estimate the number of citizens in each state who will be required to prove their citizenship (see Table 1). In 16 states, more than one million Medicaid beneficiaries will be required to submit new paperwork to receive or stay on Medicaid.

<b>TABLE 1</b>			
<b>Estimated Number of Citizens Who Are Enrolled in Medicaid in Each State Over the Course of a Year And Thus Will Be Required to Produce These Documents</b>			
<b>United States</b>	<b>51,285,000</b>	Missouri	1,147,000
Alabama	882,000	Montana	110,000
Alaska	122,000	Nebraska	260,000
Arizona	1,133,000	Nevada	227,000
Arkansas	673,000	New Hampshire	126,000
California	8,192,000	New Jersey	882,000
Colorado	446,000	New Mexico	479,000
Connecticut	479,000	New York	3,993,000
Delaware	153,000	North Carolina	1,420,000
Dist. Columbia	150,000	North Dakota	75,000
Florida	2,590,000	Ohio	1,911,000
Georgia	1,611,000	Oklahoma	654,000
Hawaii	201,000	Oregon	607,000
Idaho	203,000	Pennsylvania	1,746,000
Illinois	2,091,000	Rhode Island	188,000
Indiana	927,000	South Carolina	984,000
Iowa	370,000	South Dakota	118,000
Kansas	316,000	Tennessee	1,627,000
Kentucky	802,000	Texas	3,430,000
Louisiana	1,054,000	Utah	266,000
Maine	374,000	Vermont	157,000
Maryland	798,000	Virginia	727,000
Massachusetts	1,055,000	Washington	1,085,000
Michigan	1,531,000	West Virginia	365,000
Minnesota	678,000	Wisconsin	885,000
Mississippi	729,000	Wyoming	77,000
Based on Census and Medicaid administrative data for 2003.			

**The requirement jeopardizes Medicaid coverage for 3-5 million citizens.**

- About one in twelve (8 percent) U.S.-born adults aged 18 or older with incomes below \$25,000 report they do not have a U.S. passport or U.S. birth certificate in their possession, according to a nationally representative telephone survey of 2,026 adults commissioned by the Center and conducted January 12-16 by the Opinion Research Corporation. Applying this percentage to

the number of adult citizens covered by Medicaid over the course of a year indicates that approximately *1.7 million U.S.-born adults* could lose Medicaid because of the new requirement or experience delays in obtaining coverage as they attempt to secure these documents.

- More than one-tenth of U.S.-born adults with children who have incomes below \$25,000 reported they did not have a birth certificate or passport for at least one child. This indicates that *between 1.4 and 2.9 million children* enrolled in Medicaid appear to lack the needed paperwork.
- Taken together, the survey indicates that Medicaid coverage could be in jeopardy for *3.2 to 4.6 million U.S.-born citizens* because they do not have a passport or birth certificate readily available.

**African Americans and other groups are at particular risk of losing Medicaid because they are less likely than other citizens to have the required documents.**

- Some 12 million African Americans, including 800,000 elderly African Americans, will be subject to the new requirement between July 2006 and June 2007. African Americans are at particular risk of having their Medicaid coverage delayed, denied, or canceled as a result of the requirement because many elderly African Americans have no birth certificate: they were born in a time when racial discrimination in hospital admissions kept their mothers from giving birth at a hospital, so their birth often was not officially registered. (One study estimated that about one in five African Americans born in the 1939-1940 period lack a birth certificate.) In the Center's survey described above, 9 percent of African American adults reported they lack a passport or birth certificate, compared to 5.7 percent of all adults surveyed.
- Other groups that are more likely than adults as a whole to lack the required documents are adults without a high-school diploma, adults living in rural areas (9 percent of both groups reported that they lack the required documents), and senior citizens aged 65 or older (7 percent of whom reported that they lack the required documents).
- Also at special risk of lacking the required documents are several groups not represented in the Center's survey, including:
  - √ people who have a sudden medical emergency and need Medicaid coverage immediately but cannot get their documents quickly;
  - √ people who are homeless, mentally ill, or suffering from senility or a disease like Alzheimer's;
  - √ people who are in nursing homes or are severely disabled and would have difficulty getting access to their birth certificate; and
  - √ people whose personal documents have been destroyed by disasters like Hurricane Katrina.

As noted, the new rule provides *no exceptions* from the documentation requirement.

**Obtaining the required documents can take substantial time and cost money.**

- In California, for example, it generally takes 10 to 12 weeks to get a birth certificate from the county office in the county where the birth occurred, and it can take six to eight months if the information submitted is not complete. Because of heightened security procedures, the process for obtaining birth certificates has become more cumbersome in recent years. In some areas, it may be particularly problematic for people to secure birth certificates on a timely basis for step-

children, foster children, or individuals whose names have changed (e.g., because of marriage).

- The cost of getting duplicate birth certificates or passports would effectively add an application fee to Medicaid for many people, which could deter some from entering the program and cause them to remain uninsured. A birth certificate can cost \$5-23; a passport can cost \$87-97.

**A recent review by the federal government found that states' existing policies to document citizenship are effective and that no new federal requirements are needed in this area.**

- Federal law already requires immigrants who apply for Medicaid to provide proof of their legal immigration status. States demand such documents on their Medicaid applications and take other steps to verify immigrants' legal status. When people apply as citizens, they normally attest, under penalty of perjury, that they are citizens, and states usually do not require documentation of citizenship on a routine basis. However, if there is any question about the citizenship of an applicant, almost all states require documentation of citizenship.
- HHS' Office of Inspector General (OIG) conducted a comprehensive review of state policies in this area and issued a report in July 2005. *After studying the evidence, OIG did not recommend a new requirement for documentation of citizenship.* The Centers for Medicare and Medicaid Services, which oversees Medicaid, concurred, reporting it has no evidence of a problem in this area.

**The new requirement will increase costs for states and health care providers.**

- In the above-mentioned OIG study, state administrators informed OIG that requiring birth certificates or passports would increase state administrative burdens and slow eligibility processing. States would have to notify applicants of the requirement, check their documents, keep records that the documents were submitted, delay enrollment if people cannot locate the documents, and in some cases, try to help people locate the documents. If such activities add 15 minutes of administrative effort per beneficiary, as one state estimates, the requirement will increase an average state's workload by about 125 person-years. Connecticut's Medicaid director has stated that the requirement "would be an enormous administrative burden."
- Hospitals and nursing homes will face higher costs as well. Some Arizona nursing homes estimate that 60-70 percent of their residents will be unable to produce the required documents. "People who are cognitively impaired would have difficulty even addressing that issue," said the head of the Arizona Health Care Association (AHCA), which represents nursing homes. If nursing home residents are denied Medicaid coverage, the nursing home could end up paying the cost of their care. The requirement "will create a huge crisis," the AHCA head has warned.

In sum, the new requirement threatens to create new hurdles for eligible low-income citizens applying or reapplying for Medicaid while imposing new burdens on states. To minimize the potential damage, HHS's forthcoming guidance needs to address a number of critical questions, such as: When and how will HHS begin informing citizens about the new requirement? How does HHS propose to help people such as elderly African Americans who never had a birth certificate or Katrina evacuees whose records were lost in the disaster to document their citizenship? Will HHS demand official birth certificates with a raised seal, or are copies acceptable? There is serious danger that the new requirement, though intended to prevent ineligible persons from receiving Medicaid, will deprive large numbers of *eligible* persons of the health coverage they need.