

Board of Directors

David de Ferranti, Chair
The World Bank

Henry J. Aaron
Brookings Institution

Ken Apfel
University of Texas

Barbara B. Blum
Columbia University

Marian Wright Edelman
Children's Defense Fund

James O. Gibson
Center for the Study of Social Policy

Beatrix Hamburg, M.D.
Cornell Medical College

Frank Mankiewicz
Hill and Knowlton

Richard P. Nathan
Nelson A Rockefeller Institute of Government

Marion Pines
Johns Hopkins University

Sol Price
Chairman, The Price Company (Retired)

Robert D. Reischauer
Urban Institute

Audrey Rowe
AR Consulting

Susan Sechler
German Marshall Fund

Juan Sepulveda, Jr.
The Common Experience/ San Antonio

William Julius Wilson
Harvard University

John Kramer
Founding Chair 1937-2006

NEWS RELEASE

For Immediate Release

Friday, July 7, 2006

Contact:

Shannon Spillane, 202-408-1080, spillane@cbpp.org

CHANGE IN MEDICAID RULES "COMMENDABLE," BUT FURTHER CHANGES NEEDED TO PREVENT LOSS OF HEALTH CARE COVERAGE BY POOR CHILDREN AND PARENTS

A July 6 announcement by the Department of Health and Human Services that it will exempt 8 million elderly or disabled people from new citizenship documentation requirements for receiving Medicaid "is an important and commendable action that will prevent many vulnerable low-income citizens from losing essential health care services for which they are eligible," according to Robert Greenstein, executive director of the Center on Budget and Policy Priorities.

But even with these exemptions, "the new requirements still are likely to force significant numbers of U.S. citizens who are fully eligible for Medicaid — primarily poor children and parents — to go without health care, because they are waiting for paperwork from a government bureaucracy or are unable to get the paperwork," said Greenstein. He noted that HHS could have addressed many of these problems as well, but has not done so.

The announcement means that states can exempt low-income elderly people and people with disabilities who are eligible for both Medicare and Medicaid or are receiving Supplemental Security Income benefits. These individuals have already been subject to documentation requirements.

The announcement also gives states the option of conducting upfront data matches with state vital records to obtain birth certificates. Low-income individuals whose birth certificates are secured through a data match will not need to obtain and submit certified paper copies of their certificates. This new option will primarily help individuals who are applying for, or receiving, Medicaid in the state where they were born. It is unlikely to help many people born in other states.

Several major categories of eligible low-income citizens who could have been protected, however, remain at risk of losing health care or having health care coverage delayed, even if they are sick, Greenstein said.

One such category is low-income children in foster care. States already verified the citizenship of about half of the children in foster care when they determined these children's eligibility for federal foster care payments. Nevertheless, the new regulations require these children's citizenship to be proven anew, and deny Medicaid coverage to these children until that is accomplished.

Obtaining birth certificates on a timely basis for children in foster care can be difficult because of the chaotic family backgrounds of many of these children and for other reasons. These problems are compounded when children live in a state other than the state in which they were born; the foster parents of such children may not know where to apply to get the child's birth certificate, and once they do apply, they may have to wait

(more)

for extended periods of time until the government agencies provide certified copies of the birth certificates. Under the new regulations, many such children could be forced to go without health care in the meantime. A new report, “*Children in Foster Care May Have to Delay Health Care Because of Federal Regulations on Citizenship Requirement*” <<http://www.cbpp.org/7-7-06health.htm>> discusses these issues in further detail.

“These children are among the most vulnerable members of our society. Many of them have been victims of abuse or neglect. To deny them health care coverage for bureaucratic reasons that readily could be solved, and to refuse them coverage while their documents are being located, is not defensible,” Greenstein said. “HHS should act swiftly to change course here and protect these children.”

Greenstein noted that under the regulations, new applicants whose citizenship is *not* in doubt, and who are simply awaiting receipt of a birth certificate that proves their citizenship, are to be denied coverage until the birth certificate is provided. “HHS could have provided coverage for an interim period for poor children, parents, and elderly and disabled people who meet all eligibility criteria, have applied for a birth certificate or similar document, and are waiting for a government bureaucracy to produce it,” Greenstein noted. Federal officials have so far declined to take this step.

Obtaining a birth certificate from the certifying agency can take weeks or months in the case of some large states. In California, for example, the wait can be as long as ten weeks.

“Sick children could be denied health care while a government agency is locating their documents,” Greenstein observed.

A solution in search of a problem

The new rule is based on legislation enacted earlier this year that imposed the new documentation requirement on U.S. citizens. Supporters of the new requirement contend that it is needed to prevent illegal immigrants from obtaining Medicaid by falsely claiming to be citizens.

A comprehensive investigation by the Department of Health and Human Services’ Office of the Inspector General, however, found no substantial evidence that such a problem exists. Legal immigrants are already required to provide proof of their legal immigrant status. And while most states have allowed citizen applicants to attest, under penalty of perjury, that they are citizens, these states have required documentation from citizen applicants if there is reason to question an applicant’s truthfulness. The HHS report found no problems with this longstanding approach, which states will now have to discard and replace with the new, more cumbersome requirements and procedures.

###

The Center on Budget and Policy Priorities is a nonprofit, nonpartisan research organization and policy institute that conducts research and analysis on a range of government policies and programs. It is supported primarily by foundation grants.
