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THE NEW MEDICAID CITIZENSHIP DOCUMENTATION REQUIREMENT: A BRIEF OVERVIEW

Under a new federal requirement that took effect July 1, most U.S. citizens applying for Medicaid or renewing their coverage must prove their citizenship by submitting a passport or a combination of a birth certificate and an ID. This new requirement, part of budget legislation enacted in February, was intended by its sponsors to keep illegal immigrants from fraudulently enrolling in Medicaid. (Certain *legal* immigrants are eligible for Medicaid; they are not affected by the new requirement.) Yet the requirement's main impact is likely to be to impede or delay coverage for significant numbers of *eligible U.S. citizens*.

On July 12, the Centers for Medicare & Medicaid Services (CMS) issued interim final regulations on the new requirement that exempted Medicare beneficiaries and most elderly and disabled individuals who receive Supplemental Security Income (SSI) benefits. But these regulations do not protect other groups that may have considerable difficulty meeting the requirement, including children in foster care, victims of natural disasters, the homeless, and individuals with disabilities who do not receive Medicare or SSI. Under the CMS regulations, an estimated 38 million current Medicaid beneficiaries, as well as an additional 10 million applicants, are still subject to the new requirement.

Many low-income people do not have birth certificates in their possession and do not have passports. Some may have had a birth certificate in their possession at one time, but after moving various times over the course of their lives, they are no longer able to locate it. This could be a particular problem for uninsured U.S. citizens who are eligible for Medicaid but are not enrolled and who need immediate medical care. Hospitals, physicians, and pharmacies may not be willing to treat these individuals until they have a source of payment, but they cannot qualify for Medicaid until they produce a birth certificate and ID.

For further detail on the issues discussed here, see the following Center reports: Judith Solomon and Andy Schneider, "New HHS Regulations Focus Medicaid Documentation Requirement on U.S. Citizen Families," July 13, 2006 [<http://www.cbpp.org/7-13-06health.htm>]; Leighton Ku, "Revised Medicaid Documentation Requirement Jeopardizes Coverage for 1 to 2 Million Citizens," July 13, 2006 [<http://www.cbpp.org/7-13-06health2.htm>]; Pat Redmond, "Children in Foster Care May Have to Delay Health Care Because of Federal Regulations on Citizenship Requirement," July 7, 2006 [<http://www.cbpp.org/7-7-06health.htm>]; Leighton Ku, Donna Cohen Ross, and Matt Broaddus, "Documenting Citizenship and Identity Using Data Matches: A Promising Strategy for State Medicaid Programs," September 1, 2006 [<http://www.cbpp.org/9-1-06health.htm>].

Roughly 38 million low-income American citizens will be required to submit birth certificates or passports or else lose their Medicaid coverage.

- According to the most recent data, 38 million people currently on Medicaid will be subject to the new requirement when they renew their coverage. In most cases, Medicaid beneficiaries must renew their coverage every six months. In the first six to twelve months of the new requirement, therefore, states will have to check citizenship documents for roughly 38 million beneficiaries, largely mothers and children, almost all of whom are U.S. citizens.
- The above estimate includes 750,000 people with disabilities. While most disabled Medicaid beneficiaries will be exempt from the new requirement because they are on SSI or Medicare, an estimated 750,000 beneficiaries are *not* exempt and will be required to provide documentation. This group includes non-elderly citizens with serious physical or mental disabilities whose incomes are just above the SSI income limit, persons in home- and community-based care, and some persons in nursing homes or other facilities.

An estimated 10 million low-income American citizens who apply for Medicaid will be required to submit birth certificates or passports in order to enroll.

- An additional 10 million American citizens apply for Medicaid each year. They, too, will have to meet the new requirements in order to receive health care coverage through Medicaid. Most of these applicants will have no idea when they first apply that they will be required to document their citizenship, leading to delays as they attempt to obtain documentation.

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.

The new requirement will increase administrative burdens for state Medicaid agencies.

- The new requirement will increase state administrative burdens and slow eligibility processing. States will 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."

States can make the new requirement less burdensome through the use of data matching.

- States can substantially reduce the documentation burdens on many Medicaid beneficiaries — and reduce their own administrative burdens — by adopting an option made available in CMS’s July 12 regulations. This option allows states to document individuals’ citizenship and identity by conducting electronic cross-matches with existing databases, such as vital records, Social Security, and the state motor vehicles department. (At present, automated checks are feasible only for individuals born within the state.)

Even if states use data matching, between 1 and 2 million eligible U.S. citizens may have serious problems getting or keeping Medicaid coverage.

- The CMS regulations reduce but do not eliminate the problems that the new requirement will create for citizens applying for Medicaid or renewing their coverage. If one-half to two-thirds of Medicaid beneficiaries live in states that conduct matching against vital records data, we estimate that between 1.2 and 2.3 million U.S. citizens, including as many as 1.6 million children and 600,000 adults, may have serious problems getting or retaining their Medicaid coverage because (a) their citizenship will not be checked via data matching (either because their state does not adopt the data-matching option or they do not live in the state in which they were born) and (b) they lack a birth certificate or passport.

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. There is serious danger that the new requirement, though intended to prevent undocumented immigrants from receiving Medicaid, will deprive large numbers of *eligible U.S. citizens* of the health coverage they need and to which they are entitled. States can reduce this danger by documenting individuals’ citizenship and identity through data matches to the full extent possible.