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## **NEW CITIZENSHIP DOCUMENTATION OPTION FOR MEDICAID AND CHIP IS UP AND RUNNING**

### **Data Matches with Social Security Administration Are Easing Burdens on Families and States**

By Donna Cohen Ross

A key provision of the Children's Health Insurance Reauthorization Act (CHIPRA) is helping to reduce the detrimental effects of a Medicaid citizenship documentation requirement enacted in 2006 that has caused many eligible citizen children, pregnant women, and parents to lose or be denied health coverage. The CHIPRA provision gives states the option of meeting this requirement by conducting a data match with the Social Security Administration's (SSA) database to verify an applicant's U.S. citizenship. States that have taken up this option, which became available on January 1, report that it eases the paperwork burden on families applying for coverage, simplifies enrollment procedures, and produces significant administrative savings.

The new health reform law requires states to use this data-matching system to verify citizenship for people who seek coverage in the new health insurance "exchanges" that will be established. The early success of this system suggests that it will work well when individuals apply for subsidies and health coverage through the exchanges. This system also can help states coordinate the eligibility determinations they will conduct for Medicaid, CHIP, and the new health reform subsidies.

#### **Background**

Under the Medicaid citizenship documentation requirement, most U.S. citizens who apply for Medicaid have been required to present original documents proving their citizenship and identity, such as a valid U.S. passport or both a U.S. birth certificate and a form of official identification. CHIPRA extends this requirement to children applying for CHIP, as well.

Proponents of imposing this requirement claimed it was needed to prevent undocumented immigrants from fraudulently claiming U.S. citizenship to obtain Medicaid coverage. States that tracked the effects of the requirement after its implementation in 2006 reported, however, that its main effect was to delay or deny benefits for substantial numbers of *eligible U.S. citizens* who do not have ready access to the required documents and often must wait considerable periods of time or

pay fees to obtain them.<sup>1</sup> Moreover, states also reported that the requirement identified virtually no ineligible immigrants applying for or receiving Medicaid.<sup>2</sup>

Under CHIPRA, states have had the option since January 1, 2010 to conduct data matches with the Social Security Administration database to substantiate an applicant's claim of U.S. citizenship. A successful match is considered as reliable as a valid U.S. passport, meaning that applicants whose information is found in the SSA database are *not* required to present paper documents to prove U.S. citizenship or identity. In the first three months since the option became available, almost half the states have adopted it, and SSA reports the matches to be *94 percent successful* overall. In other words, the matches confirm citizenship for 94 percent of the people whose names their state has submitted to SSA. States report that this process both eases procedural barriers to enrollment and produces administrative savings.

## Implementing the Option

CHIPRA's data-match option builds upon the State Verification and Exchange System (SVES) that all states use to verify Social Security numbers and other information when determining eligibility for various programs. Regular data-matching agreements between state Medicaid agencies and SSA were scheduled to be renewed by December 31, 2009 anyway, and to facilitate use of the new option, SSA added language to the agreements to authorize matches with the citizenship fields in the SSA database in order to determine Medicaid and CHIP eligibility. Once states renewed their agreements with SSA, they could begin implementing the citizenship documentation option, with no additional state plan amendment needed. All states had signed these agreements by December 31, and 24 states now have either implemented the option fully or are testing the procedure and will likely adopt it.

Before implementing the match, some states may need to make some systems changes to receive and display the new data. In addition, states with separate CHIP programs need to work out data-sharing procedures with their state Medicaid agencies, since SSA will not enter into separate agreements with entities determining CHIP eligibility that are different from the state Medicaid agency. CHIPRA provides an enhanced administrative match to states to help defray the costs associated with setting up and operating such systems; the enhanced matching rates are 90 percent and 75 percent, respectively.

To conduct the match, states electronically transmit data on Medicaid and CHIP applicants (name, SSN, and date of birth) in batches to SSA. *By the next day*, the state receives a response indicating whether a match was found in the SSA database and a claim of U.S. citizenship can be confirmed. The vast majority of U.S. citizen children under age 19 and many parents are in the database, since information on citizenship has been collected and put into the database on all individuals who have applied for an SSN since 1978. In addition, SSA's Enumeration at Birth program has facilitated the process of issuing SSNs for in-hospital births. For individuals who were issued SSNs before 1978,

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<sup>1</sup> Donna Cohen Ross, "New Medicaid Citizenship Documentation Requirement Is Taking a Toll: States Report Enrollment is Down and Administrative Costs Are Up," Center on Budget and Policy Priorities, revised March 13, 2007.

<sup>2</sup> "Medicaid Citizenship Documentation Requirements Deny Coverage to Citizens and Cost Taxpayers Millions," Majority Staff, Committee on Oversight and Government Reform, July 24, 2007.

SSA matches into a part of its database that contains data on “place of birth”; if the individual’s record is not coded for “foreign country,” he or she is considered to be a U.S. citizen.

A “positive match” indicates that the person in question is found in the SSA database and the claim of U.S. citizenship is substantiated. It is important to understand that lack of a positive match does not indicate that the applicant is not a U.S. citizen. Lack of a match or an inconsistency with SSA data could mean that an error was made when submitting the data to SSA or that a change in citizenship status — for example, the information that a person has naturalized — has not been reported to SSA.

States are required to make a reasonable effort to identify and correct possible errors (misspellings, transposed numbers, etc.) and resubmit the data to SSA to confirm an individual’s citizenship. (SSA can help states improve their matching rate, such as by automatically correcting transposed numbers.) If an inconsistency cannot be resolved through such efforts, the state must notify the individual and provide him or her 90 days (from the date the individual receives the notice) to resolve the inconsistency, either by correcting any errors or presenting documents proving his or her citizenship. During this period, the individual remains enrolled in Medicaid or CHIP. After 90 days, if the inconsistency has not been resolved and documents proving citizenship have not been produced, the state must provide timely and adequate notice and disenroll the individual within 30 days.<sup>3</sup>

## Experience of Early Adopters

SSA reports that as of April 9, 2010, 24 states were using the data-match option (or testing it) to meet the citizenship documentation requirement. These states include: Alabama, Alaska, California, Connecticut, Delaware, District of Columbia, Illinois, Iowa, Louisiana, Maine, Maryland, Minnesota, Mississippi, Montana, Nevada, New Jersey, North Carolina, Ohio, Pennsylvania, South Dakota, Virginia, Washington, West Virginia, and Wisconsin. Since the option went into effect, there have been more than 4.9 million inquiries to the system, which have yielded, on average, a 94 percent positive match rate. Brief profiles of state experiences follow:

- **Alabama.** ALL Kids, Alabama’s CHIP program, started conducting data matching with SSA on February 1, piggybacking on the state’s longstanding Medicaid data submission process. Inquiries from CHIP go through the state Medicaid program to SSA; the Medicaid program receives responses from SSA within two days and transmits the data to CHIP.

On February 1, for example, ALL Kids submitted 3,500 records to SSA, 97 percent of which matched successfully. Of the 110 records that did not match, many were babies who did not yet have a Social Security number. Until an official SSN is obtained, the state assigns a “pseudo number” as a placeholder in the system. In such cases, as well as cases where typographical errors occur, problems are corrected and the data resubmitted. In addition, 30 non-matching records were sent to the state Vital Records agency, where eight were found to be Alabama-born citizens.

Because ALL Kids is a separate CHIP program, Alabama established a new system to create

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<sup>3</sup> Centers for Medicare and Medicaid Services, letter to state health officials, December 28, 2009 (SHO #: 09-016).

and read matched files. Programming costs to accomplish this totaled about \$5,000, for which the agency claimed the 90 percent federal administrative match. The state also has one staff person dedicated to finding and obtaining the documentation for children whose information cannot be substantiated in the SSA database. According to state officials: “in the grand scheme of things, these costs are negligible.”<sup>4</sup>

- **California.** Prior to implementing the data match for citizenship documentation, California’s SVES system submitted data to SSA only once every six months. The state has now converted that system to one that can support a daily submission process; the programming was not difficult and the state did not claim the 90 percent federal administrative match. Although Medi-Cal (as Medicaid is known in California) is a state supervised/county administered system, SSN validation and citizenship documentation is primarily administered at the state level. The match is conducted only for Medi-Cal, since the state’s CHIP program (Healthy Families) does not require applicants to provide SSNs.

Each day, California sends 40,000 to 50,000 transactions to SSA, and state officials indicate that the successful match rate has never been less than 93 percent. The state estimates that it will save \$26 million annually in state and federal costs associated with administering the citizenship documentation requirement.<sup>5</sup>

- **Maine.** To implement the citizenship documentation match, the state made relatively simple modifications to its system for exchanging data between Medicaid and SSA: it updated data fields and made arrangements to accommodate data inquiries for CHIP (which is administered by the same agency that administers Medicaid). These changes were not expensive, so the state did not need to claim the 90 percent administrative match authorized in CHIPRA.

Before Maine adopted the data-match option, its citizenship and identity documentation process was cumbersome and costly. The state both outstationed workers and authorized staff of Federally Qualified Health Centers and other community-based institutions to view original documents so applicants would not have to present them to the Medicaid office in person. In addition, the state created a Citizenship and Identity Unit, and staff of the unit obtained documentation to the extent possible through matches with Vital Records and the Division of Motor Vehicles. (Since Maine has not fully automated its Vital Records system, birth records issued before 1995 cannot be obtained electronically and have to be looked up manually at the Vital Records Department.) The state also helped pay for documents for Maine residents who were born in other states.

Now that the SSA data-match procedure has been operating, these complex procedures are no longer needed for most applicants. Maine has submitted approximately 16,000 inquiries to SSA, 98 percent of which have been matched successfully. State officials anticipate the new procedure will save \$30,000 to \$50,000 a year in administrative costs.<sup>6</sup>

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<sup>4</sup> Correspondence with Cathy Caldwell, Bureau of Children’s Health Insurance, Alabama Department of Public Health, March 17, 2010.

<sup>5</sup> Correspondence with Bill Walsh, California Department of Health Services, March 9, 2010.

<sup>6</sup> Correspondence with Bethany Hamm, Office of Integrated Access and Support, Maine Department of Health and Human Services, March, 5, 2010.

### Maine Example Highlights Human Impact of New Option

A 28-year-old Maine resident with two children lost her MaineCare coverage when the citizenship documentation requirement took effect. She was living in a shelter, fleeing domestic violence. She had no trouble keeping her children's health coverage, but since she had been born in Florida, documenting her own citizenship status proved to be a serious problem. The staff at the shelter helped her fill out the paperwork to obtain a birth certificate from Florida. But since Florida never sent the certificate (despite numerous follow-up calls), she remained without coverage.

Recently, when a worker at her local community action program learned from the Maine Equal Justice Center, an advocacy organization, that the state had adopted the new data-match option, the worker notified the woman of the change. The woman — then eight months pregnant — went back to the Medicaid agency, and after a successful match, had her MaineCare eligibility reinstated. She was able to get an immediate appointment at a local women's health center. She called the Maine Equal Justice Center in tears to say that she was now going to get the prenatal care she needed and would be able to deliver her baby with a doctor she trusted.

- **Washington.** To implement the citizenship documentation match, Washington revised its longstanding data exchange interface with SSA, a process sufficiently simple that the state did not draw on the 90 percent administrative match available for establishing a new system. Since the state determines CHIP eligibility using the same system as Medicaid eligibility, it merely established new codes for CHIP applicants; separate procedures were not needed.

Washington reports a successful match rate of 99 percent. The cases that appear not to match are mainly citizens born abroad.

State officials identify two areas where they expect measurable administrative savings. First, the state will shrink the separate citizenship documentation unit it had created to administer the requirement from seven full-time staff to one half-time employee. Second, the state will drastically reduce its spending to purchase birth certificates for Medicaid applicants born in other states. The state was incurring an average cost of \$3,000 per month using the EVVE system (an interstate system for obtaining birth records from participating states). In addition, the state was spending between \$250,000 and \$300,000 per year to purchase documents for people born in states that do not participate in EVVE. Officials report that in March 2010, after fully implementing the SSA matching system, the state incurred *zero* costs for out-of-state birth certificates and only \$168 in EVVE costs to obtain two birth records from California.<sup>7</sup>

### State Officials Cite Clear Advantages of Data-Matching Procedures

States that have implemented the SSA data-match option point to several benefits. The most obvious is that Medicaid and CHIP applicants who are U.S. citizens are no longer saddled with the burden of providing documentation of their citizenship and identity. If they qualify for coverage, they can be enrolled immediately and stay enrolled while the match is being conducted. The ability

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<sup>7</sup> Correspondence with Kathy Johansen, Washington Health and Recovery Services Administration, April 7, 2010.

to conduct the data match with SSA is especially helpful in the case of individuals who live in a different state from the one in which they were born. These citizens are likely to be found in the SSA records. Previously, it was costly and time-consuming for these individuals to gather the documents they needed to secure coverage.

The SSA data match can also facilitate simplified enrollment strategies such as Express Lane Eligibility, which enables states to use findings from other public benefit programs to determine Medicaid and CHIP eligibility *without* requiring families to complete a separate Medicaid application or re-submit documentation they have already provided. In Louisiana, for example, an Express Lane Eligibility procedure uses income eligibility information from SNAP (formerly the Food Stamp Program), but citizenship information must be obtained separately. The ability to obtain this information for citizen applicants through the SSA data match means that the Express Lane process can be paperless, as intended.

In addition to easing burdens on beneficiaries, the SSA data match can provide states with administrative cost-savings and workload relief. State officials say they are extremely pleased with the system and its high yield of positive matches. According to Kathy Johansen of Washington State's Health and Recovery Services Administration, "We never dreamed it would be this successful. We anticipated and hoped for at least an 80 percent match. Our match rate is an awesome 99 percent." Cathy Caldwell, Director of the Bureau of Children's Health Insurance at the Alabama Department of Public Health, stated: "We are excited because fulfilling the [citizenship documentation] requirement is much less burdensome [using the SSA data match]."

Finally, states that gain experience with the SSA data-match system will be in a better position to implement health care reform, which requires use of the SSA system in determining eligibility for participation in the new health insurance exchanges. SSA officials have indicated that they are prepared to handle increased volume as more states adopt matching for Medicaid and CHIP and as the early provisions of health reform, such as the high-risk pools, are implemented. But as the nation moves to full implementation of health reform, the volume of inquiries to the SSA database can be expected to increase significantly, and SSA may need to enhance the system's infrastructure. Some additional funding may be needed to ensure that such changes are made effectively so the system supports this highly efficient method of verifying eligibility, which will help streamline eligibility determinations not only in Medicaid and CHIP but in the new exchanges.