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USING INFORMATION TECHNOLOGY TO DOCUMENT CITIZENSHIP IN MEDICAID

by Leighton Ku

HHS Secretary Michael Leavitt has stated that federal programs like Medicaid should be leaders in the adoption of information technology to modernize health care systems.¹ On June 9, the Centers for Medicare and Medicaid Services (CMS) issued federal guidance with directions to states on how to implement a new requirement that American citizens document their citizenship when applying for Medicaid or renewing their coverage.² The guidance appears mired in an old-fashioned paperwork-intensive system, and as a result, is virtually certain to create unnecessary barriers for substantial numbers of beneficiaries and administrators. CMS should consider how to encourage the use of information technology to meet the new requirement more effectively and efficiently, and thereby to prevent U.S. citizens who meet all of the Medicaid eligibility criteria from losing their Medicaid coverage and becoming uninsured as a result of paperwork problems.

The new HHS guidance implements a provision of the Deficit Reduction Act enacted earlier this year that requires U.S. citizens participating in Medicaid to prove their citizenship.³ This provision will apply, as of July 1, 2006, to each of the more than 50 million U.S. citizens who receive health care coverage through Medicaid, as well as to all citizens who apply for Medicaid in the future. The Deficit Reduction Act specifies that U.S. passports and birth certificates meet the requirements. It gives HHS the option to authorize additional documents, but does not specify whether paper or electronic documents meet the requirements, leaving that to HHS to determine.

The Reliance on a Complex Paperwork System

The new CMS guidance establishes a complex four-tier hierarchy of *paper* documents as the primary ways to satisfy the new requirements. U.S. passports are in the first tier. If they are not available, birth certificates and selected federal documents in the second tier may be used, and so on.

¹ “Secretary Leavitt’s 500 Day Plan.” www.hhs.gov/500DayPlan/500dayplan.html#HealthCare.

² CMS State Medicaid Director letter, dated June 9, 2006. www.cms.hhs.gov/smdl/downloads/SMD06012.pdf.

³ For more discussion of the June 9 guidance, see Judith Solomon and Andy Schneider, “HHS Guidance Will Exacerbate Problems Caused by New Medicaid Documentation Provision,” Center on Budget and Policy Priorities, June 16, 2006. For discussion of the legislation and potential impact, see “The New Medicaid Citizenship Documentation Requirement: A Brief Overview,” Center on Budget and Policy Priorities, April 20, 2006.

The third and fourth tiers include other paper documents, such as hospital, insurance and nursing home records and affidavits signed by at least two other citizens who have personal knowledge of an individual's birth in the United States. The use of documents in the second, third or fourth tiers must be accompanied by documents that prove identity, such as driver's licenses.

The June 9th guidance largely ignores the use of electronic records that already are available to the federal and state governments and could be used to readily determine whether someone is a citizen. For example, many states have computerized vital records systems that contain data on all birth certificates issued in that state and that could be used to swiftly determine whether a Medicaid beneficiary or applicant was born in that state and is therefore a native-born citizen. Using data systems like these can be much speedier and far less burdensome than requiring each of the more than 50 million low-income citizens on Medicaid, many of whom are elderly or have severe disabilities, to locate or obtain an original or certified birth certificate, passport, or other permissible document and bring or mail that document to the eligibility office. It also could lessen the need for state Medicaid eligibility workers to review huge quantities of paper documents, copy and store those documents in paper files, and return or mail the original documents back to the individuals.

In many states, the use of electronic records already is facilitating the use of mail-in, telephone or internet-based applications for Medicaid, which many agencies are using (or developing) to reduce the reliance on face-to-face interviews. Using electronic records for citizenship would supplement this approach. It could sharply reduce the number of paper documents that otherwise will have to be submitted, reviewed and stored and make the overall process faster and more efficient, while reducing the number of poor beneficiaries who "fall through the cracks" and are cut off Medicaid as a result of the new requirement.

Yet the June 9th CMS guidance appears to block such an approach. The guidance suggests that automated records may *not* be used until *after* "an applicant or recipient in good faith tries to present documentation, but is unable to do so because the documents are not available [within a time period of 45 to 90 days]."⁴ The guidance also notes that CMS is working with other federal agencies to develop new automated data systems to check citizenship, but these would primarily be used to further verify third- and fourth-tier paper documents (such as hospital records or personal affidavits) that had already been submitted.

Rather than encouraging the use of information technology, CMS appears to be discouraging it. Prior to issuance of the guidance, a number of states had been planning to use electronic records and data matching to document citizenship for as many people as possible. The new CMS guidance appears to be having a chilling effect on these plans. It also may have harmful repercussions for other components of program administration.

The State of Washington, for example, has a paperless document management system for all of its Medicaid records; when paper records are provided, they are scanned and stored electronically. The new CMS guidance threatens this system by appearing to mandate that records be stored in paper files.

⁴ This is what the written guidance says. In a nationwide telephone conference call on June 12, a senior CMS official suggested that states *could* use data matching as a primary option. The discrepancy between the written and oral guidance indicates there is some apparent ambiguity that needs to be clearly resolved in written form.

Fostering the Use of Information Technology

CMS ought to consider opportunities to improve its policies and to facilitate the use of information technology. The following are some of the steps that CMS could take.

- *Encourage the use of automated systems to determine if Medicaid beneficiaries or applicants are U.S. citizens.* Rather than suggesting that data matches are a *last resort*, CMS should make them equivalent to paper records as an option. In addition, when electronic records are used, the submission of unnecessary pieces of paper and wasteful retention of paper records should not be required.
- *Let states use electronic claims data to document that Medicaid has paid for a baby's birth in a U.S. hospital.* Many babies are entitled to automatic enrollment in Medicaid because their mothers were Medicaid beneficiaries when they delivered. There are sometimes delays, however, in the issuance of birth certificates for these babies. The Medicaid agency knows that these babies are citizens because the Medicaid claims data show they were born in U.S. hospitals. These data should be sufficient to document these babies' citizenship, and thereby to expedite their Medicaid coverage. It makes little sense to insist that parents first try to secure and submit passports or birth certificates for these babies.
- *Use Supplemental Security Income program data more effectively to check the citizenship of SSI beneficiaries.* As CMS has noted, the Social Security Administration's State Data Exchange (SDX) file contains information about the citizenship of SSI beneficiaries.⁵ While a draft version of the CMS guidance required that states check the SDX system to help document Medicaid citizenship, the final guidance appears to suggest that this, too, can be used only as a last-resort option.
- *Use other federal automated data to determine citizenship or U.S. birth.* The federal government already has data about citizenship for a large share of Americans, as well as data about the place of birth for virtually all people with Social Security numbers (SSNs). These data are part of the Social Security Administration's NUMIDENT data system, which contains information about all people who have applied for Social Security numbers. NUMIDENT includes the place of birth for all those with SSNs, including those who applied for SSNs, as well as data about citizenship status for all those who have applied for SSNs since 1972.

SSNs are required for Medicaid beneficiaries. This means that Medicaid and NUMIDENT data could be matched to determine whether a Medicaid beneficiary was born in the United States. The match could yield citizenship data for a substantial share of Medicaid beneficiaries.

In addition, CMS possesses data in automated form for all elderly and disabled beneficiaries who are dually eligible for Medicare and Medicaid.⁶ If NUMIDENT data were made available from SSA, CMS could itself match these Medicaid beneficiaries with SSA records to determine who is U.S.-born. The Social Security Administration, however, currently does not make citizenship or place of birth data available for purposes like this to CMS or the states. Federal agencies should be discussing how to modify this SSA procedure so these data can be used to

⁵ SDX is an extract of the Social Security Administration's SSI files which is periodically shared with state agencies.

⁶ CMS collects these data from states to administer the Medicare prescription drug benefit for dual eligibles.

help document citizenship for Medicaid. It is unclear whether this is occurring.

- *Permit other approaches or data bases that meet these needs.* In our information-rich nation, other reliable public or private data bases or information technology may be available or could be developed that would help meet this purpose. Federal rules should not preclude the potential for innovative alternatives that states may identify to meet these needs more efficiently and effectively.

While information technology can make the determination of citizenship simpler and more efficient, it is not a panacea. In some cases, automated matches will not identify a person's citizenship because a data base is incomplete (e.g., a vital records system may have information only about births in one state) or out-of-date (e.g., an immigrant may have become a naturalized citizen since the records were last updated). In addition, matches sometimes fail for technical reasons (e.g., transposed letters or numbers, typos, etc.).⁷ In cases when citizenship cannot be ascertained from electronic records, individuals always should have the opportunity to submit alternative documentation to prove their citizenship. It also will be important to avoid situations in which data errors or omissions lead to denial of, or delay in, providing health care coverage to an individual who meets all of the eligibility criteria for it.

CMS has stated that its June 9th guidance will soon be followed by interim final regulations with an opportunity for comments. But CMS need not wait until the comment period is over and final regulations are issued, which is likely to be many months (or years) from now. Even before issuing the interim regulations, CMS can consider how to foster the use of information technology to document citizenship in Medicaid, in order to lessen the reliance on paper documents and reduce the serious burdens that the June 9 guidance will place on many low-income Americans (and program administrators as well) when the requirement to prove citizenship takes effect on July 1.

⁷ More sophisticated data matching systems use algorithms that can account for some of these errors in a variety of ways.