

# CHIP TIPS

*A new series highlighting opportunities for covering children under Medicaid and CHIP*

**MAY 2009**

## **CITIZENSHIP DOCUMENTATION CHANGES**

The recently enacted CHIP reauthorization law (known as CHIPRA) includes a number of important program and financing changes that affect both Medicaid and CHIP. One important change is that CHIPRA extends the requirement to document citizenship that applies in Medicaid to CHIP as well. At the same time, the new law modifies current requirements to reduce the paperwork burden on families and states and helps ensure that eligible children and others are enrolled and receive the health care they need without delay.

### **WHAT HAPPENED BEFORE CHIPRA?**

Prior to CHIPRA, states were required by a provision of the Deficit Reduction Act of 2005 (DRA) to establish the citizenship status of individuals applying for or renewing Medicaid by obtaining "satisfactory documentary evidence."<sup>1</sup> This requirement was not applied to CHIP. Before the DRA, states determined their own methods for documenting citizenship for Medicaid purposes, and many states accepted applicants' written declaration of citizenship under penalty of perjury.

Under the DRA and regulations issued by the Centers for Medicare and Medicaid (CMS), four levels of acceptable evidence of citizenship were established and rank-ordered in a complex hierarchy of reliability, and states were required to seek the highest-level evidence available. Although not required by the DRA, the CMS rules required states to obtain original or certified documents; copies were deemed unacceptable.<sup>2</sup>

State administrators and advocates alike reported that the citizen documentation rules made it significantly harder for many eligible people to obtain Medicaid.<sup>3</sup> Coverage for eligible children has been delayed or denied when families have been unable to provide the required documents within limited time frames.<sup>4</sup> The rules have proved especially burdensome for the many children who do not have passports or certificates of naturalization.<sup>5</sup> In addition, there is evidence that families with eligible children have been deterred from applying because they do not have

the documents at hand. While the requirements have created a barrier to Medicaid for people who are eligible, states have detected very few undocumented immigrants—who have always been ineligible for Medicaid—applying for benefits.<sup>6</sup> The citizenship documentation rules have also increased the complexity, administrative burden, and costs of enrollment for states. Some states have complained that the new rules hindered their efforts to streamline enrollment, as resources were diverted for citizenship documentation purposes.<sup>7</sup>

### **WHAT CHANGES DOES CHIPRA MAKE?**

CHIPRA makes several major changes related to citizenship documentation. (See Box 1 on page 4 for key dates.) The new law:

- Requires states to make certain changes immediately that will help ensure that eligible children and others are not denied or delayed coverage due to citizenship documentation-related paperwork burdens;
- Provides states a new option, effective January 1, 2010, to meet the citizenship documentation requirement through a data exchange with the Social Security Administration (SSA); and
- Extends the citizenship documentation requirement in Medicaid to CHIP.

## HOW DOES IT WORK?

CHIPRA makes several immediate changes to prevent delays in or denials of coverage, as outlined below.

- **Reasonable Opportunity to Document Citizenship.** All states must give children and others applying for coverage a reasonable period to document their citizenship. During this period, states must provide benefits for applicants who declare that they are citizens or nationals and meet all other eligibility requirements. Applicants must have at least the same reasonable opportunity to present evidence that the law requires for eligible legal immigrants who apply for Medicaid.<sup>8</sup>
- **Newborns.** Newborns whose deliveries are covered by Medicaid are exempt from the citizenship documentation requirement. Recognizing that babies born in U.S. hospitals are, by definition, American citizens, CHIPRA explicitly exempts these babies from the citizenship documentation requirement. The law clarifies that this exemption applies whether the baby was born to a mother covered by regular Medicaid or to a mother whose delivery was covered under emergency medical services for non-citizen women. In addition, CHIPRA requires states to issue a separate identification number for babies born to non-citizen mothers immediately upon notification by the facility where the baby was born.
- **Renewals for Citizen Newborns.** To ensure a healthy start for all babies born to mothers covered by Medicaid, federal law has long required states to enroll these newborns in Medicaid automatically until their first birthday, but, at that time, a review of eligibility is required.<sup>9</sup> CHIPRA eliminates the requirement that babies whose births were covered by Medicaid have their citizenship documented at that first review or thereafter, because such babies are citizens, by definition.<sup>10</sup>

- **American Indians.** CHIPRA permits other documents issued by federally recognized Indian tribes to be used to establish citizenship for American Indians, such as a tribal enrollment card or certificate of degree of Indian blood, and, for tribes located on international borders, other documents as determined by the Health and Human Services Secretary in consultation with those tribes.

Under CHIPRA, states have a new option to document citizenship status by conducting a data match with the Social Security Administration (SSA).

- **SSA Data Match.** As an alternative to requiring applicants to provide citizenship documents, states can elect to verify citizenship by obtaining data from the SSA.

Under this option, a state will submit the names and social security numbers of applicants declaring to be citizens or nationals to the SSA. The SSA, which maintains citizenship and nationality information, will notify the state if the names, social security numbers, or declarations of citizenship are inconsistent with its records. In that case, the state must make a reasonable effort to identify and address the causes of such inconsistencies, including correcting clerical errors.

If an inconsistency cannot be resolved, the state must notify and provide a 90-day period to the applicant to submit satisfactory documentation or resolve the inconsistency directly with SSA. During that period, the state must provide the individual with coverage. If at the end of the 90-day period the inconsistency has not been resolved and satisfactory documents have not been submitted, the state must disenroll the individual within 30 days.

- **Financial Incentives for SSA Data Match.** CHIPRA offers states significant financial incentives to either develop an online system or provide for an electronic exchange of data with the SSA. Specifically, the law provides a higher federal match for the administrative costs of both development and ongoing operation of these systems. The design, development, and installation of such systems qualify for a 90% match, rather than the usual 50% match for administrative costs, and the federal government will finance 75% of ongoing operational costs.
- **Additional Incentives for “Real Time” Data Match.** States that develop a system to confirm citizenship in “real time” are also exempt from requirements to track and report mismatches on a monthly basis, which apply in states that conduct an electronic data exchange with SSA. Under those requirements, if the average monthly rate of “countable” mismatches exceeds 3%, the state must develop and adopt a corrective plan and may also be required to repay a proportional share of coverage costs for the rate of error exceeding 3%, although this penalty may be waived in certain circumstances.<sup>11</sup>

CHIPRA extends application of the Medicaid citizenship documentation requirement to CHIP.

CHIPRA extends the citizenship documentation requirement to existing CHIP enrollees and new CHIP applicants, effective January 1, 2010. The new option for a data exchange with SSA takes effect on the same date, which should enable states to minimize the paperwork burden and enrollment challenges associated with implementing the new requirement in CHIP. Further, as outlined earlier, the law provides for enhanced administrative federal matching funds for the development and operation of an SSA data match system. Regardless of how states implement the documentation requirement, the associated administrative expenses are exempt from the 10% CHIP cap on administrative costs.

## WHAT ARE THE CHOICES FOR STATES?

**SSA Data Match.** States can elect the new option to conduct a data match with SSA to document the citizenship of Medicaid and CHIP applicants, or they can continue the paperwork-intensive process of requiring applicants to document citizenship with original documents. In either case, states must give applicants a reasonable opportunity to document their citizenship status. During that period, states cannot delay or deny benefits for applicants who attest under penalty of perjury that they are citizens or nationals and otherwise meet all eligibility requirements. Additionally, states can no longer require citizenship documentation for babies born in the United States to mothers covered by Medicaid or CHIP.

**Financial Incentives.** States that choose to implement an electronic data exchange with the SSA will receive significant federal financial support to offset the cost of such systems. It is important to note that while the costs of developing and operating electronic systems qualify for an enhanced federal match of 90% and 75%, respectively, states also retain the option to use CHIP administrative funds for this purpose. States where the CHIP enhanced match is higher than 75% may choose to claim their CHIP match for these expenses, knowing that such expenditures will not count toward the state’s 10% cap on administrative expenses.

**Reducing Burdens on Families and States.** The option to match data with the SSA will likely reduce the increased costs that state and local agencies conducting eligibility determinations have experienced in complying with the citizenship documentation requirement.<sup>12</sup> In addition, states that choose to implement a real-time system will be exempt from tracking and reporting data mismatches. Overall, the data matching option provides states an opportunity to remove the administrative barriers imposed by the citizenship documentation requirement while also improving program efficiency and assuring program integrity. Most importantly, the elimination of unnecessary paperwork will help ensure that eligible children and others are enrolled and receive the health care they need without delay.

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## BOX 1. Key Dates for Citizenship Documentation Changes

**Retroactive to February 8, 2006** (the enactment date of the Deficit Reduction Act of 2005):

- Certain additional tribal documents are allowed as evidence of citizenship.
- Individuals are provided a reasonable opportunity, as defined in law, to provide citizenship documents and, during this period, coverage cannot be delayed or denied.
- Babies whose delivery was covered by Medicaid are exempt from the citizenship documentation requirement.
- States are required to issue separate identification numbers for babies born to mothers covered under emergency medical assistance for non-citizens.

### Effective January 1, 2010:

- Citizenship documentation requirements apply also to CHIP.
  - States can adopt a process of documenting citizenship by conducting a match with Social Security Administration records.
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## WHERE CAN I FIND MORE INFORMATION?

- For other topics in the CHIP Tips series, visit <http://www.kff.org/medicaid/kcmu040609pkg.cfm> or <http://ccf.georgetown.edu/index/chip-law>.
- The provisions related to citizenship documentation can be found in section 211 of of [H.R. 2](#).
- A summary of CHIPRA and related resources are available at the CCF website at <http://ccf.georgetown.edu/index/chip-law>.
- A fact sheet on CHIPRA and other resources on children's coverage can be found at the Kaiser Family Foundation website at <http://www.kff.org/medicaid/childrenscoverageresources.cfm>.

## ENDNOTES

<sup>1</sup> J. Ryan, "The Medicaid Citizenship Documentation Requirement," National Health Policy Forum (July 27, 2007).

<sup>2</sup> "Citizenship Documentation in Medicaid," Kaiser Commission on Medicaid and the Uninsured (December 2007).

<sup>3</sup> Ibid.

<sup>4</sup> Government Accountability Office, "MEDICAID: States Reported that Citizenship Documentation Requirements Resulted in Enrollment Declines for Eligible Citizens and Posed Administrative Burdens" (June 2007).

<sup>5</sup> The citizenship documentation requirement largely affects children, pregnant women, and parents, since it exempts individuals receiving Medicare, Supplemental Security Income (SSI), and Supplemental Security Disability Insurance (SSDI), as well as children in foster care.

<sup>6</sup> Committee on Oversight and Government Reform, "Medicaid Citizenship Documentation Requirements Deny Coverage to Citizens and Cost Taxpayers Millions," Majority Staff (July 24, 2007).

<sup>7</sup> L. Summer, "Getting and Keeping Coverage: States' Experience with Citizenship Documentation Rules," The Commonwealth Fund (January 2009).

<sup>8</sup> Social Security Act §1137 [42 U.S.C. 1320b-7] (a)(4) "(A) the State—(i) shall provide a reasonable opportunity to submit to the State evidence indicating a satisfactory immigration status, and (ii) may not delay, deny, reduce, or terminate the individual's eligibility for benefits under the program on the basis of the individual's immigration status until such a reasonable opportunity has been provided."

<sup>9</sup> Social Security Act §1902 [42 U.S.C. 1396a] (e)(4) "A child born to a woman eligible for and receiving medical assistance under a State plan on the date of the child's birth shall be deemed to have applied for medical assistance and to have been found eligible for such assistance under such plan on the date of such birth and to remain eligible for such assistance for a period of one year so long as the child is a member of the woman's household and the woman remains (or would remain if pregnant) eligible for such assistance."

<sup>10</sup> The new law explicitly provides that newborns whose delivery is covered by CHIP are eligible for coverage for their first year of life. While it appears that the intent of the law is also to include these babies in the broader exemption from the citizenship documentation requirement, this may require clarification from the federal Centers for Medicare and Medicaid Services.

<sup>11</sup> A data inconsistency resolved by a correction or by the submission of documents is not counted as a mismatch. Mismatches for which there is no payment for services are not counted either.

<sup>12</sup> L. Ku, D. Cohen Ross, M. Broaddus, "Documenting Citizenship and Identity Using Data Matches: A Promising Strategy for State Medicaid Programs," Center for Budget and Policy Priorities (September 2006).

This publication (#7896) is available on the Kaiser Family Foundation's website at [www.kff.org](http://www.kff.org) and on the Center for Children and Families' website at [ccf.georgetown.edu](http://ccf.georgetown.edu).