



**Using Existing Databases to Meet the New Medi-Cal Citizenship
Documentation Requirement in the Deficit Reduction Act**
Ex Parte Options for California

In recent years, California has worked to streamline the enrollment and application process for families applying for public health coverage programs. In 2005, however, federal authorities implemented a new provision that adds additional complexity to Medicaid (Medi-Cal in California) enrollment. The Deficit Reduction Act (DRA) requires states, starting July 1, 2006, to ask citizens or nationals applying for and renewing Medicaid to provide documentation of their status. Previously, federal law required documentation of immigration status only from non-citizens.

There are varying options available to California to meet this new requirement. Any option chosen should focus on curtailing, as much as possible, the strain it will impose on families and on the state Medi-Cal eligibility and enrollment system. This report focuses on one such promising strategy: using, where possible, public databases that already collect or confirm citizenship information to verify a child's status instead of requiring the family to submit documentation. In federal guidance, this process is referred to as *ex parte*.

WHY EX PARTE

It is in California's best interest to ensure that the new provision is implemented in a manner that makes the process easy for families and that can be administered efficiently. This is particularly critical since the new DRA provision is not a condition of Medicaid eligibility. Instead, the documentation is required if the State wants to receive its federal matching funds. As such, an eligible applicant can still enroll and receive benefits in Medicaid, but if the state does not collect the correct documentation or verify citizenship status on the applicant in a manner that federal authorities deems acceptable, the State will not receive payment.¹

An *ex parte* strategy is uniquely equipped to be both easy for families and efficient for the State. It utilizes the information that is already in

¹ Center on Budget and Policy Priorities, *DRA Citizenship Documentation Requirement for Medicaid: States Can Use Procedures that Minimize Burdens on Applicants and Beneficiaries* (Washington, DC: May 3, 2006).

government databases as a means of satisfying the documentation requirement, thereby removing the onus on families and eliminating the need for yet another agency to collect, verify, and maintain an electronic or hard copy version of the citizenship documentation. Through this process, California can prevent large-scale duplication of effort and administrative inefficiency, while also helping to make the process family-friendly. In addition, since it has been shown that fraudulent paper birth certificates are easy to obtain,² a system of electronic record matching may prove more reliable against fraud.

Furthermore, an *ex parte* solution to the new requirement comports with federal guidance³ and state legislation (SB 87) that already encourages *ex parte* reviews at renewal to avoid unnecessary and repetitive requests for information. The concept was also endorsed by the Centers for Medicare and Medicaid Services (CMS) in its report *Continuing the Progress: Enrolling and Retaining Low-Income Families and Children in Health Care Coverage*⁴ and in its draft guidance on the new DRA requirement.⁵

EX PARTE OPPORTUNITIES

There are various ways in which an *ex parte* strategy can be utilized – primarily depending on the availability of other public databases or agencies in the State that collect the required information. The following provides a review of three principal collection systems available to California for use with an *ex parte* strategy.

Other Public Programs

A logical *ex parte* opportunity exists for Medi-Cal to access the databases of other programs that require documentation of citizenship in California: Temporary Assistance for Needy Families (TANF); foster care;

² Office of the Inspector General, *Birth Certificate Fraud* (Washington, DC: September 2000), <http://www.oig.hhs.gov/oei/reports/oei-07-99-00570.pdf>.

³ Letter to State Medicaid Directors, April 7, 2000, <http://www.cms.hhs.gov/SMDL>.

⁴ Centers for Medicare and Medicaid Services, *Continuing the Progress: Enrolling and Retaining Low-Income Families and Children in Health Care Coverage* (Washington, DC: August 2001), www.cms.hhs.gov/schip/outreach/progress.pdf.

⁵ Letter to State Medicaid Directors, *Medicaid Documentation of Citizenship Provision of the Deficit Reduction Act of 2005*, undated. It is unknown whether CMS will issue this draft guidance. See <http://www.familiesusa.org/assets/pdfs/Draft-CMS-Citizenship-Guidance.pdf>.

Social Security Income (SSI) and certain federal financial aid programs for students. In addition, other programs such as food stamps, that do not require documentation from citizens but often obtain such documentation for other purposes, can be a good *ex parte* resource.

The value of simple electronic matches with available databases was addressed in the draft CMS guidance previously referenced.⁶ Specific mention was made to the fact that an SSI recipient's citizenship status can be found at position 578 (the Alien Indicator Code) on the State Data Exchange (SDX). CMS indicated that since every SSI recipient who is a U.S. citizen provides documentary proof of that citizenship in order to qualify for coverage, it would only be necessary to match the records, rather than having to view an actual copy of the documentation in the SSI file.

In California, the food stamp program, specifically, is linked to Medi-Cal through the state's four automated welfare computer systems (called consortia).⁷ In some counties, the same eligibility worker assists Medi-Cal and food stamp clients. And, in fact, each of the consortia handles citizenship information in a manner that could be utilized by Medi-Cal. For instance, the I-SAWS consortia prompts the worker to indicate the client's citizen/non-citizen status and the associated verification provided. Where documentation of citizenship is voluntarily provided by the client, it is then copied and maintained in the paper case file or scanned and saved electronically. Although this procedure to access citizenship verification through food stamps may not be as simple as that for SSI, it is still worth pursuing, given the overlap in populations enrolled in the two programs.

Social Security Number

Another logical *ex parte* opportunity is provided by the fact that Medi-Cal collects a social security number (SSN) from all applicants. The Social Security Administration (SSA) already obtains and verifies documentation of citizenship or legal immigration status when someone applies for a SSN. With the SSN, the SSA can electronically verify citizenship status for someone claiming to be a U.S. citizen. Currently, Medi-

⁶ Ibid.

⁷ Information regarding the consortia was derived through a conversation with Joyce Brewer at the Food Stamp Branch of California Department of Social Services on May 2, 2006, incorporating responses from each of the consortia project directors.

Cal uses the SSN to confirm identity, and it makes sense to extend this inquiry to verify citizenship where the applicant/recipient declares him or herself to be a citizen. This process is already used to verify citizenship for federal student aid (called Free Application for Federal Student Aid).

Vital Statistics Database

Another opportunity for an *ex parte* solution to the DRA requirement is found in the vital records systems. In California, it is possible to obtain certification of birth (and, thus, of U.S. citizenship) from the counties, the State, and from other states' vital statistics databases. In fact, certain counties are already highly automated and can easily provide electronic information for births that took place there.

In addition, the State has a comprehensive database of electronic records going back to 1905 available through the Center for Health Statistics. Currently, in California, birth and death inquiries are routinely made by Medi-Cal through the Center for Health Statistics, subject to privacy protections and close oversight. It is even technically possible to design an interface allowing eligibility workers to do this inquiry in batches via the Internet.

Nationally, the Electronic Verification of Vital Events (EVVE) has been developed and implemented to allow immediate electronic certifications of birth, in lieu of a paper certification, in participating jurisdictions throughout the country. It has been designed to allow for a single electronic interface with vital records in all states, though currently not all states participate in the system. At its peak, 26 states participated in EVVE during a pilot with SSA. Without EVVE, the process of acquiring birth certification from other states is much more labor intensive, though possible.

From the perspectives of both the Chief of the Center for Health Statistics in California and the Executive Director of The National Association for Public Health Statistics and Information systems (NAPHSIS), which developed EVVE, an *ex parte* process is feasible, functional, and worthy of pursuit.⁸ However, to accomplish an automated *ex parte* procedure

⁸ Information on the feasibility of using the vital statistics database in California was derived from communications with Michael Quinn, Chief of the Center for Health Statistics, and Garland Lamb, Executive Director of NAPHSIS, on April 14, 2006.

on a larger scale in California through vital records databases, a few issues would need to be resolved:

- Technology: Technology would need to be modified to allow the process to occur for batches, rather than as currently conducted on a case-by-case basis, for greater efficiency.
- Fees: There are fees imposed in California and at the national level for birth and death certification. A bulk rate could be reached with both of those systems if batches were run through the system. However, similar cost issues led to an impasse in the use of EVVE for a similar, large-scale verification and certification process piloted by the SSA in which California participated.
- Workload: The procedure would require investment of labor at both ends of the inquiry. Leadership would need to play a critical role in helping departments overcome these workload challenges.

ISSUES TO CONSIDER

When determining whether to implement an *ex parte* process, it is important to take into account a few critical issues. The following lays out the primary considerations: privacy and confidentiality; technology development; interagency cooperation; federal funding and integration with other strategies.

Privacy and Confidentiality: Other efforts to utilize *ex parte* procedures have demonstrated that information can be shared for purposes of *ex parte* certification or verification without compromising an individual's privacy. However, to ensure that these protections are maintained, interagency agreements must be reached, and the applicant/recipient must be notified in any consent clause that they sign that data will be shared for this purpose.

Technology Development: As indicated in the discussion above, some of the underlying systems exist for these proposed processes, though the relevant applications may need to be customized to fit the needs of this new requirement and to mesh properly with California's administrative structure. Where the technology does not yet exist, it could be designed. In particular, some modifications are needed to allow data matching for batches of names rather than just individual inquiries to allow for greater efficiency.

Interagency Cooperation: *Ex parte* processes require administering departments to overcome their natural reluctance to change work routines and to take on the challenge of working with other agencies. A strong statement by leadership will help the relevant agencies get behind this new coordination. In addition, burdens imposed by this new federal requirement may help shine a bright light on the possibilities offered by computer matching of existing records.

Federal Funding: The implementation of technology solutions will require funding. Importantly, there is federal funding available to help states develop some of the technology infrastructure required to implement these *ex parte* proposals. In particular:

- Federal funding is available at a 90% matching rate for the design, development, installation, or enhancement of a mechanized claims processing and information retrieval system and at a 75% match for operation of such systems – but not for eligibility systems. Since the new documentation requirement is not an eligibility requirement but rather one related to claiming federal payment, technology improvements made for this purpose should be eligible for the enhanced federal funding.
- The Deficit Reduction Act itself includes an appropriation of \$75 million per year for FY 2007 and 2008 for Medicaid Transformation Grants, not requiring a state match. These grants are for “the adoption of innovative methods to improve the effectiveness and efficiency in providing” Medicaid. Since the crux of the citizenship documentation challenge is just that – effectiveness and efficiency – technology solutions to address the problem it presents should fall within the purview of these grants.

Other Strategies: *Ex parte* procedures cannot be the only solution to this new requirement. For some applicants/recipients, the database check will not be available, while for others it may not provide definitive information (due to errors, changed spellings, and other common issues). Still others may object to having such information shared. Thus, while the computer matching process should be able to satisfy the requirement for showing proof of

citizenship, it should not be considered proof that someone is not a citizen.⁹ Instead, where the computer match does not provide proof that an individual is a citizen, the State must examine other information. In addition, families should be given an opportunity to provide documentation if they wish.

WHY TAKE THESE STEPS NOW

The urgency of the July 1 deadline should not discourage the State from building an effective *ex parte* procedure. Though it may take some time to implement a system which functions at its most efficient capacity, it is currently possible to do some computer matching of existing records to satisfy the new requirement.

Whether or not CMS issues guidance before July 1, the State can always approach the agency for approval of *ex parte* procedures along the lines discussed above. It is likely that CMS will be receptive to a coherent *ex parte* proposal that builds in administrative efficiency while maintaining quality control. As mentioned, CMS has already endorsed such processes in the April 7, 2000 Letter to State Medicaid Directors, in its extensive guidance through the report *Continuing the Progress: Enrolling and Retaining Low-Income Families and Children in Health Care Coverage*, and in its draft guidance on this issue.

It is also important to note that the new documentation requirement imposed by the DRA is not the only pressure on the State to create a streamlined, computer-based system for checking eligibility information and, specifically, that related to citizenship status. In fact, such procedures are being imposed in other arenas as well, such as child support enforcement efforts and the federal REAL ID Act requirements for drivers' licenses and identification cards. For these and similar requirements, it will take strategic planning and creative thinking to find a reasonable solution that protects families' privacy and avoids unnecessary burdens on Californians and the State. Computer matching of available records and databases, done in an efficient and secure manner, will need to be part of the solution.

⁹ Center on Budget and Policy Priorities, *DRA Citizenship Documentation Requirement for Medicaid: States Can Use Computer Matching of Existing Records to Document Citizenship in Medicaid* (Washington, DC: May 3, 2006).

ABOUT THIS ISSUE BRIEF

This issue brief was produced by The Children's Partnership, utilizing research and analyses derived from its national and California health work. The primary author was Beth Morrow (bmorrow@childrenspartnership.org) with contribution from Dawn Horner (dhorner@childrenspartnership.org). The authors thank their colleagues for their assistance and review of the brief.

Some of the issues in this brief also can be found in The Children's Partnership's May 2006 report, produced with the Kaiser Commission on Medicaid and the Uninsured, *Opening Doorways to Health Care for Children*. The report is available at www.expresslaneinfo.org/ELE/Report/Doorways. Additional information on The Children's Partnership's work can be found at www.childrenspartnership.org and www.expresslaneinfo.org.

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