



## Streamlining Citizenship Documentation: States Can Make Documenting Citizenship and Identity Easier



**T**he Deficit Reduction Act of 2005 (DRA) instituted a new requirement for states to require proof of U.S. citizenship for any person who claims to be a U.S. citizen when she or he applies for Medicaid. Although this requirement may appear benign on the surface, the administrative burden of the requirement has cost states significant amounts of money, and it has caused many

eligible citizens to lose or be denied health coverage. It has also not had any noticeable impact on Medicaid fraud. However, because immigration remains a hot-button political issue, efforts to repeal the citizenship documentation requirement have failed. Instead, advocates have focused on ways to make the provision less onerous for both states and individuals. Some of those changes were included in the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). These changes are particularly important as states look ahead to implementing the Medicaid expansion in health reform and as more people become eligible for Medicaid.

CHIPRA made several immediate changes to the requirement that will make it less burdensome for consumers and for states, including allowing states to verify citizenship and identity using Social Security Administration (SSA) databases when possible, rather than requiring families to submit documents. These changes also make it easier for families to prove citizenship for newborns, and they allow American Indians to use tribal documents to prove citizenship and identity.

On December 28, 2009, the Centers for Medicare and Medicaid Services (CMS) issued guidance on the changes in CHIPRA that affect the citizenship documentation requirement.<sup>1</sup> The guidance provides states with more information regarding new options to simplify the process, which will make it easier for individuals to meet the requirement and less burdensome for states to administer. The original requirement interfered with states' efforts to simplify and streamline enrollment. These new simplification options position states to take better advantage of opportunities to make it easier to determine eligibility for Medicaid, CHIP, and the new state exchanges.

## Background

The citizenship documentation requirement in Medicaid was enacted in February 2006, when President Bush signed the Deficit Reduction Act into law. The provision requires states to obtain proof of citizenship and identity from applicants and recipients who declare that they are U.S. citizens when they apply for Medicaid. The purpose was to find undocumented immigrants who were thought to be fraudulently applying for Medicaid. However, evidence suggests that few undocumented immigrants have been found through this process and, rather, that many eligible citizens have been prevented from enrolling.<sup>2</sup>

According to several studies, the documentation requirement has resulted in delayed, denied, or terminated Medicaid benefits for thousands of eligible individuals.<sup>3</sup> Research has consistently shown that the requirement has posed a substantial barrier for people who are eligible for Medicaid.<sup>4</sup> In fact, many states have seen significant declines in Medicaid enrollment since the citizenship documentation requirement went into effect in 2006. In a survey of 44 state Medicaid agencies from 2006 to 2007, exactly half of the states reported declines in Medicaid enrollment due to the citizenship documentation requirement. Moreover, 12 of these states concluded that the requirement prevented or delayed individuals who appeared to be U.S. citizens from enrolling in Medicaid.<sup>5</sup>

In addition to denying Medicaid to eligible individuals, the documentation requirement has placed a costly administrative burden on states. All of the 44 states surveyed in the study reported instituting additional administrative measures to implement the requirement, including providing additional training for eligibility workers, revising application forms, modifying technology systems, performing data matches with the state's vital statistics agency, and conducting outreach. These administrative activities have cost states millions of dollars without providing any added benefit to the programs.<sup>6</sup>

The changes in CHIPRA are designed to fix some of the obvious problems that have been identified during the early implementation of the requirement.

## How Does CHIPRA Change the Citizenship Documentation Process?

CHIPRA makes several important changes to the citizenship documentation requirement (see Table 1 on page 5):

- **Effective July 1, 2006, as if included in the DRA:** CHIPRA requires states to make three changes to reduce the burden of documentation-related paperwork on individuals who apply for Medicaid and CHIP and ensure that they receive the services they are entitled to without delay.
- **Effective February 4, 2009, when CHIPRA was signed into law:** States must restore Medicaid eligibility to those who were denied or cut from the program because they were unable to meet the citizenship documentation requirement, and this coverage is retroactive to the date that they were determined to be ineligible.
- **Beginning on January 1, 2010:** States must require citizenship documentation from all CHIP enrollees (the requirement that is already applied to children in Medicaid-expansion CHIP programs but not in separate CHIP programs). States also have a new option to verify Medicaid and CHIP enrollees' U.S. citizenship and identity through a data match with the SSA.

### Three Immediate Changes to the DRA

CHIPRA modifies the DRA's Medicaid citizenship documentation requirement to include the following changes, which are retroactive to July 1, 2006 (as if the provisions were included in the DRA):

#### 1. Coverage during the Reasonable Opportunity Period

**Before CHIPRA was enacted:** When CMS issued regulations on how states were to implement the new citizenship documentation requirement, it indicated that states must give all individuals who applied for coverage a reasonable opportunity to present satisfactory documentary evidence of citizenship and identity. However, states were not allowed to provide Medicaid benefits to new applicants until they provided this proof—even if the applicants had met all of the other eligibility requirements. This policy left many applicants uninsured during the weeks or even months it took to obtain acceptable documentation.

**Now:** States are required to provide coverage to applicants who claim to be U.S. citizens and have met all of the other eligibility requirements.<sup>7</sup> In addition, states will get federal matching funds for health care services that are provided during the reasonable opportunity period, even if the applicant is ultimately unable to satisfy the citizenship documentation requirement. This will ensure that people who apply for Medicaid will no longer have to wait to get the coverage that they need while in the process of obtaining and submitting documents.

## 2. Deemed Newborn Eligibility

**Before CHIPRA was enacted:** Infants born to mothers who were enrolled in Medicaid were not automatically deemed to have met the citizenship documentation requirement even though the child was born in the United States. In order to maintain a child's Medicaid coverage, his or her family was required to submit documentation of the child's citizenship and identity when the child reached one year of age. This often meant delays or disruptions in these children's coverage while information was being gathered, despite the fact that there was no question as to their citizenship, since they were born in the United States and Medicaid paid for their birth.

**Now:** Children who are born to mothers enrolled in Medicaid or CHIP are exempt from the citizenship documentation requirement. Because Medicaid or CHIP paid the costs associated with their birth, the federal government has satisfactory evidence that they were born in the United States. Moreover, they will not be required to document their citizenship and identity at any subsequent redetermination. This will ensure that children who are born in the United States and whose births were paid for by Medicaid or CHIP will be able to keep the coverage that they have, if they are otherwise eligible, without the need for their families to provide additional proof of citizenship.

## 3. Simplification of Documentation for American Indians

**Before CHIPRA was enacted:** When the Medicaid citizenship documentation requirement went into effect, it created a huge burden for American Indians. Many tribal members found it extremely difficult to meet the requirement because they did not have birth certificates.<sup>8</sup> They often had other forms of documentation, such as tribal enrollment cards or certificates of degree of Indian blood that were issued by the federal government, but these documents served only as proof of identity.

**Now:** Documents that are issued by the federal government, such as tribal enrollment cards or certificates of degree of Indian blood, can be used to satisfy both the citizenship and the identity requirements. Tribal documents are now considered to have the same status as U.S. passports and certificates of naturalization, the most reliable of all documentation sources. For Tribes that have an international border and non-U.S. citizens, the Secretary of Health and Human Services (HHS) will consult with the Tribe and will issue regulations describing what forms of documentation will be necessary. Until such regulations go into effect, however, those from cross-border Tribes can use tribal enrollment cards to prove both citizenship and identity.

Table 1.  
Summary of CHIPRA Changes to Citizenship Documentation

Provision	Effective Date	Summary
Citizenship Documentation Requirement <sup>a</sup>	July 1, 2006 - Medicaid; Jan. 1, 2010 - CHIP (separate programs)	States are required to obtain proof of citizenship and identity from Medicaid and CHIP applicants. <sup>b</sup>
SSA Data Match	January 1, 2010	States have the option to conduct a data match with SSA to document an applicant's citizenship.
Enhanced FMAP for SSA Data Match	January 1, 2010	If states elect to conduct SSA data matches, they will receive a 90% federal match to cover administrative fees and a 75% federal match for ongoing operational costs.
Coverage during the Reasonable Opportunity Period	Retroactive to July 1, 2006 (as if included in the DRA)	States must give those applying for coverage a reasonable period of time to document citizenship. During this time, they must provide coverage to applicants who claim to be U.S. citizens and have met all other eligibility requirements.
Deemed Newborn Eligibility	Retroactive to July 1, 2006 (as if included in the DRA)	Children born to mothers in CHIP or Medicaid are deemed to have met the citizenship documentation requirement and do not need to submit additional documentation at any future redetermination.
Simplification of Documentation for American Indians	Retroactive to July 1, 2006 (as if included in the DRA)	Tribal documents (such as a tribal enrollment card or certificate of degree of Indian blood) that are issued by the federal government satisfy both the citizenship and identity requirements.
Retroactive Eligibility <sup>c</sup>	February 4, 2009	Individuals denied Medicaid coverage during the period between July 1, 2006, and October 1, 2009, as a result of the Medicaid citizenship documentation requirement may now be eligible based on the new procedures allowed in CHIPRA. Individuals deemed eligible using the new option can get coverage restored as of the date they were determined to be ineligible.

<sup>a</sup> Exempt categories include children in foster care; those receiving assistance under Title IV-E or Title IV-B of the Social Security Act; babies born to Medicaid or CHIP enrollees; and anyone enrolled in Medicare, Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), or Social Security Retirement and Survivors Insurance (RSI).

<sup>b</sup> Only new CHIP applicants are required to comply with the citizenship documentation requirement. Existing enrollees are exempt.

<sup>c</sup> Retroactivity applies only to Medicaid.

## Restoring Medicaid Eligibility Retroactively

The CHIPRA provisions pertaining to citizenship documentation sought not only to correct implementation problems going forward, they also attempt to correct problems that people have had since the original provisions went into effect in 2006. Thus, people who were denied or cut from Medicaid because they were unable to meet the citizenship documentation requirement will now be able to get coverage retroactive to the date when they were originally denied coverage. Although such retroactive coverage can't make up for delayed access to health care, it can help cover the costs of any health care that individuals were able to get during the time that they were unable to enroll in (or stay enrolled in) Medicaid.

As a result of new procedures in CHIPRA, individuals who were denied Medicaid during the period between July 1, 2006, and October 1, 2009, may qualify for coverage under the following two conditions:

1. The individual was found to be ineligible due only to the citizenship documentation requirement at the time of the determination; and
2. The individual would be eligible based on one of the three modifications that CHIPRA makes to the DRA (reasonable opportunity period, deemed newborn eligibility, and acceptable tribal documents).

The state must grant or restore Medicaid services to individuals who meet these two conditions as of the date that they were determined to be ineligible. States will also have the option to “deem” individuals to be eligible retroactively if they meet both criteria. Under this option, states would not need to perform new eligibility determinations for these individuals.

## Citizenship Documentation in CHIP

CHIPRA requires that states apply the citizenship documentation requirement to separate CHIP programs starting on January 1, 2010. (The requirement already applied to Medicaid-expansion CHIP programs.) States are responsible for documenting citizenship for new CHIP enrollees only as of January 1, 2010. They do not have to document citizenship for current CHIP enrollees, nor will they have to verify the citizenship of these enrollees at any future redetermination.<sup>9</sup> Although this provision imposes a new burden on CHIP applicants, it does address an administrative problem for states: Because most states use a single application form for Medicaid and CHIP, it can be easier for states to make a timely and accurate eligibility determination when Medicaid and CHIP application requirements are aligned.

Although both Medicaid and CHIP require the documentation of citizenship and identity, the state should require the verification process only once. For example, if a child is determined to be a citizen in the Medicaid determination process, and the child later becomes eligible for CHIP as a result of an increase in the child's family income, the state should not have to verify the child's citizenship status again, and the same should be true for children moving from CHIP to Medicaid.

## The Social Security Data Match Option

Within the past 10 years, states have made significant efforts to simplify enrollment in Medicaid and CHIP, and the Social Security Administration (SSA) data match option is another way that states can make the enrollment process easier for children and families. As an alternative to requiring applicants to provide citizenship documents, states can submit an applicant's name, Social Security number, and date of birth to SSA to compare the information with their data. SSA uses an existing electronic data exchange known as the State Verification and Exchange System (SVES) to identify whether the information that is provided by the state matches the records kept by SSA. Under this system, states send requests for Social Security number verification to SSA on a daily basis, and SSA sends responses back to the states the next day. In order to use this new option, states must have signed an agreement with SSA.

States that take up this new option will reduce their own administrative burden and make the citizenship documentation process smoother for families. By using data matching, states can easily verify the citizenship and identity of applicants who are born out of state, which was administratively cumbersome and expensive to do before. Moreover, data matching is a better alternative to requiring individuals and families to submit original documents. It also has implications for health reform, especially since reform envisions the use of online applications to streamline enrollment and make it easier for individuals and families to obtain coverage through Medicaid, CHIP, and state exchanges.

States that have separate CHIP agencies must coordinate and connect with their state's Medicaid agency in order to verify citizenship for new applicants through the state's current Medicaid State Verification and Exchange System data exchange. (For more details, see "The Data Matching Process between States and SSA," on page 8)

It is especially important to note that individuals can receive benefits while they are waiting for SSA to verify their citizenship. As with the reasonable opportunity period, they do not have to wait until eligibility determinations have been made to begin receiving Medicaid or CHIP benefits.

### ■ Inconsistencies and Reporting Requirements

If the data a state submits through the data matching process cannot be confirmed by SSA databases, then the state is obligated to attempt to identify errors, notify applicants, and give applicants 90 days to provide the documentation themselves. If an individual is unable to resolve the error or provide satisfactory documentation by the end of the reasonable opportunity period, the state must disenroll the individual within 30 days.

States that choose to do data matching with SSA are required to submit monthly reports on the percentage of submissions that were inconsistent. If this percentage exceeds 3 percent, the state will need to develop a plan to review its verification procedures for applicants and must implement changes to improve the accuracy of the data matching process. States will also be required to reimburse CMS a certain amount (based on the number of inconsistencies above 3 percent) for health care services that are received by individuals who are unable to meet the citizenship documentation requirement.

- **“Real-Time” Data Matching Option**

In the future, states may have the opportunity to confirm applicants’ identity and citizenship even more quickly than under the new state data matching option (which is done in overnight batches). SSA has indicated that it is seriously considering switching from the State Verification and Exchange System overnight batch to a real-time match, meaning that states could submit data to SSA and get instant results. CMS will advise states as this alternative develops so states can take advantage of it.<sup>10</sup>

### The Data Matching Process between States and SSA

- A state submits a State Verification and Exchange System request to SSA that contains information about the applicants who declare themselves to be citizens.
- SSA verifies the information.
  - If a match is found, no further action is required on behalf of the state or individual, and no additional documentation is necessary.
  - If no match is confirmed, the state must make a reasonable effort to identify and address the causes of the inconsistencies, which include trying to fix errors and resolving typos. Then the state must resubmit the request to SSA.
- If an inconsistency can’t be resolved, the state will notify the applicant, and the applicant will have 90 days to verify his or her citizenship through other means.
  - During the 90-day reasonable opportunity period, the state is required to provide the applicant with Medicaid or CHIP coverage.
  - If the inconsistency is not resolved after the 90-day period, the state must disenroll the individual within 30 days.



## Why States Should Conduct SSA Data Matches

According to CMS, all states have submitted the necessary agreements with SSA.<sup>11</sup> Having these agreements in place will make it easier for states to take up the new data matching option in the future, if they choose to do so. As of May 17, 2010, 28 states have begun conducting data matches using the new option or are in testing mode to do so.<sup>12</sup> There are several benefits to taking up the new option, including the following:

- **Financial Incentives for SSA Data Matching**

States that choose to do data matching will receive an enhanced federal match for the costs of development and ongoing operations. States can receive a 90 percent administrative match for the design, development, and installation of a data matching system, as well as a 75 percent match for ongoing operational costs.

- **Reduces Burdensome Administrative Costs**

After the enactment of the citizenship documentation requirement in the DRA, many states faced enormous administrative burdens. Data matching will make verifying citizenship and identity easier for states because the matching process requires less administrative time and effort than gathering documentation from each and every person who applies for Medicaid or CHIP. During the first few months that SSA data matching was available, SSA was able to confirm nearly all submissions (94 percent).<sup>13</sup> This is a promising way to make the current process less onerous for the vast majority of families.

For example, the state of Washington has already begun to see positive effects of the new data matching option on state administrative savings. Officials in Washington anticipate that the new option will provide hundreds of thousands of dollars in administrative relief, because the state no longer has to obtain documents for the majority of applicants. Furthermore, the state plans to reduce the size of its citizenship documentation unit, which was created to administer the requirement.<sup>14</sup>

- **Additional Incentive for “Real-Time” Data Matching**

Once the “real-time” data matching option is available, states that take advantage of it will be exempt from tracking and reporting the percentage of mismatches on a monthly basis. This will further reduce the administrative burden associated with citizenship documentation.

## What Can State Advocates Do?

- Make sure your state is implementing the three immediate changes to the DRA that CHIPRA authorized. All states may not yet be providing Medicaid coverage during the reasonable opportunity period, even though CHIPRA requires that states grant individuals this benefit.<sup>15</sup>
- Encourage states to do their own record search for retroactive eligibility. States should be proactive in finding and targeting individuals who had been denied Medicaid coverage but who would have otherwise been eligible if not for the citizenship documentation requirement.<sup>16</sup>
- Encourage states to implement SSA data matching to document the citizenship of Medicaid and CHIP applicants.
- Reach out to CHIP agencies to track citizenship documentation denials. Since a citizenship documentation process hasn't been implemented for CHIP before, it may be useful to track CHIP denials and determine whether a significant portion is related to the documentation requirement.
- Push for states to set up a system to conduct real-time data matching. States should take the necessary measures to ensure that they have procedures in place to conduct real-time data matches with SSA.

## Conclusion

Individuals who are eligible for Medicaid and CHIP should not be denied coverage because of cumbersome citizenship documentation requirements. While CHIPRA does apply the Medicaid citizenship documentation requirement to new CHIP enrollees, it gives states the option of conducting data matches with SSA to verify citizenship and identity, which eases the process considerably. The data matching option will help families enroll in coverage more quickly and easily, and it will help minimize administrative costs to states without compromising program integrity. Furthermore, these new simplifications to citizenship documentation will make it easier for states to streamline Medicaid and CHIP enrollment for the millions of new enrollees that are expected to gain coverage through these programs over the next decade.

## Endnotes

<sup>1</sup> CMS State Health Official Letter, *Citizenship Documentation Requirement*, December 28, 2009, available online at <http://www.cms.hhs.gov/smdl/downloads/SHO122809corrected.pdf>.

<sup>2</sup> House Committee on Oversight and Government Reform, *Medicaid Citizenship Documentation Requirements Deny Coverage to Citizens and Cost Taxpayers Millions*, July 24, 2007, available online at [http://www.healthlawyers.org/SiteCollectionDocuments/Content/ContentGroups/Publications2/Health\\_Lawyers\\_Weekly2/Volume\\_5/Issue\\_293/majoritystaff\\_rpt.pdf](http://www.healthlawyers.org/SiteCollectionDocuments/Content/ContentGroups/Publications2/Health_Lawyers_Weekly2/Volume_5/Issue_293/majoritystaff_rpt.pdf).

<sup>3</sup> Government Accountability Office, *Medicaid: States Reported That Citizenship Documentation Requirement Resulted in Enrollment Declines for Eligible Citizens and Pose Administrative Burdens* (Washington: GAO-07-889, June 2007), available online at <http://www.gao.gov/new.items/d07889.pdf>.

<sup>4</sup> Donna Cohen Ross, *New Medicaid Citizenship Documentation Requirement Is Taking Its Toll: States Report Administrative Costs Are Up* (Washington: Center on Budget and Policy Priorities, March 13, 2007).

<sup>5</sup> Government Accountability Office, *op. cit.*

<sup>6</sup> *Ibid.*

<sup>7</sup> States have the flexibility to define what constitutes a reasonable opportunity period, but they cannot apply a reasonable opportunity standard that is more restrictive than the standard that is applied to immigrants.

<sup>8</sup> Judith Solomon and Donna Cohen Ross, *New Children's Health Law Reduces the Harmful Impact of Documentation Requirement* (Washington: Center on Budget and Policy Priorities, April 23, 2009), available online at <http://www.cbpp.org/files/4-23-09health.pdf>.

<sup>9</sup> This information was provided by Victoria Wachino, Director of Family and Children's Health Programs Group at the Centers for Medicare and Medicaid Services, during a public conference call hosted jointly by the Center on Budget and Policy Priorities, Families USA, and the Georgetown Center for Children and Families on January 22, 2010.

<sup>10</sup> Personal communication between CMS officials and Jennifer Sullivan and Christine Sebastian, Families USA, January 5, 2010.

<sup>11</sup> *Ibid.*

<sup>12</sup> National Academy for State Health Policy, "It's a Match! Early State Success with SSA Data Matching for Citizenship Documentation" webinar, May 25, 2010.

<sup>13</sup> Donna Cohen Ross, *New Citizenship Documentation Option for Medicaid and CHIP Is Up and Running* (Washington: Center on Budget and Policy Priorities, April 20, 2010).

<sup>14</sup> *Ibid.*

<sup>15</sup> This information was provided by an advocate during a public conference call hosted jointly by the Center on Budget and Policy Priorities, Families USA, and the Georgetown Center for Children and Families on January 22, 2010.

<sup>16</sup> This information was provided by Victoria Wachino, Director of Family and Children's Health Programs Group at the Centers for Medicare and Medicaid Services, *op. cit.*

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