

New Medi-Cal Citizenship Requirements: Impact on the Most Vulnerable and At-Risk

EMMA GONZALEZ-ROMERO

EXECUTIVE SUMMARY

On February 8, 2005, President Bush signed into law the Deficit Reduction Act (DRA) which made certain changes to Medicaid (Medi-Cal in California) law. One of those changes was the requirement for individuals declaring to be U.S. citizens or U.S. nationals to show documentary evidence of this fact as well as proof of identity.

Prior to the enactment of the DRA, documentary evidence to establish U.S. citizenship or U.S. national status was not required unless an applicant declared a birthplace outside the United States. Under

the DRA, documentation of the U.S. citizenship/national status must be obtained for most Medi-Cal applicants who declare that they are citizens/nationals for whom eligibility determinations are made on or after July 1, 2006. For current Medi-Cal beneficiaries, the documentation of citizenship/identity must be provided at their next annual re-determination.

During the course of my research, I was able to gain valuable insights on planning processes, as well as learn about possible increases to Food Stamps enrollments linked to the new requirements.

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Introduction

The purpose of this case study was to better understand and assess strategies which counties have developed to effectively meet the Improved Enforcement of Documentation Requirements, which dictate that Medi-Cal recipients claiming U.S. citizenship provide documentation of citizenship and identification. Specifically, the goal of my case study was to gather information and lessons learned from Santa Cruz, Contra Costa and Santa Clara Counties, with the plan of assisting San Mateo County in its implementation efforts. To date, the final All-County Welfare Director's Letter which will provide implementation guidelines for California counties has not been released, making it extremely difficult for counties to develop an implementation process.

During the course of my research, I was able to gain valuable insights on planning processes, as well as learn about possible increases to Food Stamps enrollments linked to the new Medi-Cal identification requirements.

Background

The Federal Deficit Reduction Act (DRA) of 2005, includes a section on Improved Enforcement of Documentation Requirements pertaining to the Medicaid program. Congress created the Medicaid program in 1965 through Title XIX of the Federal Social Security Act as a partnership between the federal government and state governments. States then created their own individual Medicaid programs within the federal guidelines. California's Medicaid program, Medi-Cal, was established as a health benefit to people receiving welfare. Over the past 40 years, additional Medi-Cal eligibility categories

have been created both to respond to the health care needs of the growing number of uninsured individuals and to address health coverage issues for disabled and elderly people.

The Improved Enforcement of Documentation Requirements mandate that individuals claiming U.S. citizenship provide documentation of citizenship and identification when applying for Medi-Cal or when a recipient's first annual re-determination is completed. Prior to enactment of this provision, individuals applying for Medi-Cal as U.S. citizens declared this under penalty of perjury, and no further documentation was necessary.

"While we understand that the new law targets illegal immigrants, we must point out that the impact of the law in our state is mostly falling on eligible citizens."

Andrew Allison, Deputy Director, Kansas
Lawrence Journal World, January 19, 2007

The California Department of Health Services (CDHS) has yet to provide guidelines or implementation instructions. While it may not be problematic for some Medi-Cal recipients to produce the required documentation to prove citizenship, many Americans, including the elderly, homeless, and mentally and/or physically disabled, may be in jeopardy of losing benefits when they are unable to comply with the new guidelines. This change could significantly impact access to healthcare for Medi-Cal applicants and recipients. Under the new requirement, more families will likely apply in person, instead of online or by mail, making it a hardship for those who cannot take time away from low-income jobs or who live in rural areas and have to travel to an office.

Challenges Faced by Health and Human Service Agencies

The new regulations will also have an impact on Health and Human Service Agency staff workloads since the regulations require original citizenship documentation. Not many clients are willing to mail original birth certificates or drivers licenses, which will increase the number of applicants coming to offices rather than processing verification by mail.

In reviewing numerous articles and materials, counties indicated that under the new DRA requirements, they will face major workload issues, especially in the first 12 to 18 months of implementation. Counties will need to ensure sufficient resources are available to implement the new requirement in a timely and effective manner.

Although counties are working closely with the State Department of Health Services in developing an implementation approach that would minimize negative impact on Medi-Cal recipients, counties will experience a significant increase in costs and may not provide savings for the federal government as anticipated. Other challenges faced by counties that will result in increased cost include staff resources and automation.

The DRA requirement will hold counties financially responsible for Medi-Cal expenditures for individuals claiming to be citizens unless the individuals provide actual documentary evidence supporting their citizenship and identity.

In meeting with staff from Santa Cruz, Santa Clara and Contra Costa counties, there is a common goal expressed by all counties: determine strategies that will minimize the impact to families receiving Medi-Cal. Counties are torn with the challenge of abiding by the regulations and meeting the needs of their community. Counties understand how critical it is to provide for access to coverage and the health-care services to children and families.

Early Evidence from Other States

In the seven states where the new identification and citizenship requirements have been implemented, Medicaid enrollments have dropped. Most impor-

tantly, those unable to secure documents such as birth certificates, are remaining uninsured for longer periods of time. There is a decline in enrollment,

particularly among low-income children. For instance, Hawaii reports 40% of their returned packages do not have the required documents for eligibility; and Virginia reports 10,000 applicant children were not eligible to receive healthcare benefits due to a lack of documentation. States also are reporting significant increases in administrative costs as a consequence of the requirement.

"[Kansas] Gov. Kathleen Sebelius . . . recently said the state's enrollment has declined by 18,000 people since the citizenship documentation requirement took effect. Many of those people are likely citizens who simply lack documents, she said, who may experience a harmful gap in health insurance coverage."

United Press International, December 1, 2006

Although early evidence illustrates a potential drop in Medicaid enrollments, it will take a few years before Health and Human Services agencies see the full impact on families.

There are two significant problems surfacing among the seven states that have implemented:

- 1 Medicaid is being denied or terminated because recipients and applicants cannot produce the specific documents despite being U.S. citizens; and
- 2 Medicaid eligibility determinations are being delayed, resulting in large backlogs of applications, either because it is taking time for applicants to obtain the required documents or because workers are overloaded with the new tasks and paperwork associated with administering the new requirements.

As early evidence has indicated a decline in Medicaid enrollments, interestingly, Food Stamp caseloads have been increasing slightly in the recent months. States believe the increase in Food Stamp enrollments are linked to implementation of the new citizenship requirements. The graph below demonstrates Food Stamps enrollments rising in the seven states that implemented the Medicaid citizenship requirements.



Implications for Bay Area Call Centers

In 2003, San Mateo County Human Services Agency was the first county that took a positive approach to budget challenges by implementing the first Medi-Cal Call Center. This approach allowed the county to serve a greater population, while managing budget reductions. The Call Center system reduced the number of contacts required between staff and clients, while increasing satisfaction of both the client and staff.

Since 2004, Santa Clara, Contra Costa, and Santa Cruz counties have opened Medi-Cal Call Centers. However, every county has distinct differences which influence how the system operates: They include the size of region, poverty rates within each county, and the degree of cultural diversity within each region.

The following table represents Medi-Cal enrollments for some of the Bay Area counties that will be impacted by the new citizenship requirements:

Bay Area Call Center Counties	Medi-Cal Caseload (approx.)
San Mateo	23,000
Santa Cruz	11,500
Contra Costa	48,500
Santa Clara	200,000
Bay Area Total Affected:	283,000

Implications Specific to San Mateo County

San Mateo County reported approximately 23,000 Medi-Cal cases in 2007. San Mateo County is concerned about the impact of the new citizenship requirements on the most vulnerable populations (e.g., elderly, blind, disabled, children) accessing care through Medi-Cal, since they must provide heightened assistance to applicants and beneficiaries.

Pursuant to federal law, Human Services Agency staff will be required to obtain satisfactory evidence of citizenship and identify for most U.S. citizen/U.S. national applicants at the time of application, and most beneficiaries at time of their next annual re-determination.

During the first year of implementation, San Mateo County projects the citizenship requirements will affect:

- 13,000 adults and 21,000 children currently receiving Medi-Cal
- 800 adults and 3,900 children currently receiving CalWORKs-linked to Medi-Cal

It is also estimated that the citizenship requirements will potentially apply to approximately:

- 300 CalWORKs applicants per month
- 1700 Medi-Cal applications per month

San Mateo County is committed to ensuring that applicants and beneficiaries have access to health-care through Medi-Cal. In order for San Mateo County to implement the requirements in the most efficient manner, it will need to develop different strategies to assist beneficiaries and applicants with the process. Examples of the impact to San Mateo County include:

- All documents must provide evidence of citizenship, and the evidence provided must be originals or certified copies by issuing agencies. It is expected that the county will experience additional walk-in traffic from persons bringing their original documents, and special procedures will need to set up to ensure documents are reviewed, copied, and returned appropriately.
- Additionally, the county will be required to update MEDS at the time of application and at re-determination to show that satisfactory evidence of citizenship has been provided.

Planning Efforts

Although the new requirements were enacted in 2006, counties struggle with planning for the implementation absent the final guidelines from the state. The State of has issued at least two drafts guidelines, which changed dramatically from one to another.

As a result, counties have opted to plan for implementing the new requirement in different ways. Some counties have developed outreach and planning workgroups to begin discussions and outreach strategies to notify recipients of the citizenship requirement.

Recommendations

All counties have unique structures, politics and community needs, creating their own work environments. As a result, there is not one approach that can fit perfectly all counties. Based on the information gathered through research in Santa Cruz, Contra Costa, and Santa Clara counties, I would like to make the following recommendations for San Mateo County as it begins to implement the new citizenship requirements:

- Develop an agreement among Bay Area counties on similar processes;
- Develop agreement among Bay Area counties for a target effective date once the final All-County Welfare Director's Letter is released;
- Continue dialogue with the County Welfare Directors Association of California and regional stakeholders;
- Include all stakeholders in the planning phases prior to implementing citizenship requirements; and
- Monitor Medi-Cal enrollments and assess the potential increase in Food Stamps enrollments.

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