



## Deficit Reduction Act of 2005

### **SCHIP Reauthorization Presents a Significant Opportunity to Mitigate the Impact of the Citizenship Documentation Requirements of the Deficit Reduction Act of 2005 (DRA) on U.S. Citizens.**

Congress should make the Citizenship Documentation Requirements of the DRA optional for states and no more restrictive than documentation requirements of the Social Security Administration.

#### **Background**

The DRA imposed new citizenship and identity documentation requirements for U.S. citizens applying for or renewing Medicaid coverage. States, however, already had processes in place to verify the citizenship and identity of Medicaid applicants and recipients. The DRA's rigid new documentation requirements have increased administrative and fiscal burdens to state Medicaid programs, and added significant barriers to the application and recertification process for U.S. citizens.

#### **Impact of the DRA in Colorado:**

##### **I. Colorado Health Institute Survey Results Show Significant Costs to the State and Reduced Access to Medicaid**

Findings from a survey conducted by the Colorado Health Institute include:<sup>1</sup>

#### **The DRA Citizenship Documentation Requirements Have Significantly Increased County Workload and State Administrative Costs**

- The average county worker surveyed by the Colorado Health Institute spends **23** additional minutes per Medicaid application because of the DRA — more than four times the CMS estimate of **five** additional minutes per Medicaid application to process the new DRA proof of citizenship and identity documents.<sup>2</sup>
- On average, county workers reported spending 15 hours per week on DRA related activities such as: explaining DRA rules to families, sending letters about the new document requirements, reactivating closed cases, checking files for DRA documents, helping people get DRA documents, and making follow-up calls.
- 100 percent of county workers say that have much more work or more work as a result of the new requirements. 64 percent of workers report that the amount of time they have to process cases has decreased somewhat or a lot.

<sup>1</sup> CHI sent an electronic survey to 165 Medicaid Eligibility Technicians (ETs) who represent all of the ETs who serve families in Denver, Summit, Larimer, Boulder and Arapahoe Counties. One-hundred and twenty-seven ETs responded to the survey with a response rate of 77 percent.

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## Eligible People are Having Trouble Enrolling in Medicaid Because of the DRA

- 86 percent of Medicaid and CHP+ Community Outreach and Enrollment (O&E) workers said that it is harder or much harder for low income people to get healthcare since the citizen documentation requirements took effect.
- 48 percent of O&E workers report that immigrants with citizen children are less likely or much less likely to apply for Medicaid.
- 48 percent of county workers surveyed reported that eligible people are less likely to begin and complete a Medicaid application.
- 74 percent of county workers surveyed reported that the number of Medicaid clients who successfully complete redetermination applications has decreased either “somewhat” (47%) or “a lot” (27%).

## II. Enrollment of Children in Medicaid has Declined in Colorado since Implementation of the DRA Requirements

Enrollment of eligible children in Medicaid has declined by 11,000 (214,085 to 202,831) since July 1, 2006 (when the DRA took effect).<sup>3</sup> This decline occurred during a period when Colorado expected an increase in Medicaid enrollment because of the removal of the asset test from the Medicaid program. Colorado currently has an estimated total of 180,000 uninsured children, with 122,000 likely eligible for Medicaid or CHP+.<sup>4</sup>

## III. Fiscal Impact

According to the Colorado Department of Health Care Policy and Financing (HCPF), Colorado will need approximately \$2.8 million in additional county administrative dollars to keep an estimated 200 people (170 of them children) off of the Medicaid rolls and to realize a savings of \$170,000.<sup>5</sup> This expenditure reflects an estimated additional 5 minutes per application spent by county eligibility workers to process DRA documentation requirements, not the 23 additional minutes that county workers are actually spending on processing the documentation requirements or the 15 hours per week on DRA related activities. It is important to note that HCPF reported to the Joint Budget Committee that, to their knowledge, they provide no services to undocumented people.<sup>6</sup>

**The DRA citizen documentation requirements are administratively burdensome, costly and are serving as a barrier to health care access for U.S. citizens. Please use SCHIP reauthorization to make important necessary changes to the DRA by making citizen documentation requirements optional for states and no more restrictive than documentation requirements of the Social Security Administration.**

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<sup>3</sup> HCPF *April Expenditure Report, SFY06-07*.

<sup>4</sup> *Fulfilling the Promise: Opportunities and Strategies for Insuring Colorado's Kids*, pp 3-4, Trujillo, Tara, Colorado Children's Campaign, December 20, 2006.

<sup>5</sup> See FY07-08 JBC Hearing, Department of Health Care Policy and Financing, Agenda and Responses, #7; FY 2007-2008, Staff Budget Briefing Department of Health Care Policy and Financing, Staff Recommendation, December 13, 2006, p. 124. and HCPF, FY2006-2007 Supplemental Budget Request, S-4 Schedule 6, Change Request, Table 6, line 16a, p. S.4-24. FY 2007-2008, Staff Budget Briefing, Department of Health Care Policy and Financing, Staff Recommendation, December 13, 2006, p. 124

<sup>6</sup> FY07-08 JBC Hearing, HCPF, Q&A, #9.

