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Justice and Economic Security for all Coloradans

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New surveys show ID requirements cost more than they save

Workers spend longer on Medicaid applications due to new law

Denver, CO—Three Colorado nonprofit organizations are advocating changes to the Citizen Documentation requirements in a new federal Medicaid law—the Deficit Reduction Act of 2005 (DRA)—calling the requirements a huge burden on the state, counties, and citizens in need of critical services. The Colorado Center on Law and Policy, Colorado Covering Kids and Families, and the Colorado Consumer Health Initiative cited new data from two surveys released today by the Colorado Health Institute as evidence of a growing problem in the state’s health care system.

“These surveys show that Congress passed a law that essentially drains state resources and prevents citizens from getting the services they need,” said Elisabeth Arenales, Health Care Program Director at the Colorado Center on Law and Policy. “There’s a real concern about this law and its role in decreasing Medicaid enrollment, increasing administrative costs, and denying U.S. citizens critical services.”

“The new documentation requirements don’t appear to be saving the state or the federal government any money,” said Dede de Percin, executive director of the Colorado Consumer Health Initiative. “We are spending far more than we are saving, because states already had processes in place to verify the identity and citizenship of applicants. The new requirements make workers spend much more time on redundant paperwork. Under this federal law, some of the neediest and most vulnerable Coloradans are being harmed, because they are not receiving necessary healthcare.

One of the surveys focused on county Eligibility Technicians (ETs) who enroll families in Medicaid and the Child Health Plan Plus (CHP+) in five counties. The other focused on community-based Outreach and Enrollment (O&E) workers who assist families with the application process.

The results show how Medicaid applicants and recipients, and Colorado counties are being affected by the new Citizenship Documentation requirements in the DRA. More than 220 respondents addressed critical questions and the data reveals what new challenges were found, how much the

new requirements are likely to cost the State, and how additional barriers and burdens are impacting families in need.

According to the 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 off of the Medicaid rolls—170 of whom are children. HCPF estimates this would save the state \$170,000. The cost estimates are based on an anticipated five extra minutes that ETs would need to spend per application on the new documentation requirements.

However, as the new data shows, ETs are spending an additional 23 minutes per application on the new requirements—more than four times longer than anticipated, meaning Colorado could be spending more than \$12 million because of this new law.

Another result of the new requirements is decreasing enrollment. Since the new law took effect in July 2006, the number of children enrolled in Colorado's Medicaid program has decreased by approximately 11,000 children. This is at a time when, according to Morgan Quitno's *2006 Health Care State Rankings*, Colorado already has the 7th highest percentage of uninsured children in the country.

Some of the other key findings from the surveys include:

- County ETs are spending more than four times longer per application than was anticipated on activities related to the new documentation requirements
- On average, ETs are spending 15 hours per week on activities directly related to the new requirements
- 86 percent of O&E workers say it is harder for low income people to get healthcare since the citizen documentation requirements took effect
- 100 percent of ETs say the new requirements have resulted in more work.
- 48 percent of ETs surveyed reported that they thought that eligible people were less likely or much less likely to begin and complete a Medicaid application since implementation of the DRA.

“The good news is that Congress has the opportunity to fix this,” added Arenales. “When they consider the reauthorization of the State Children’s Health Insurance Program (SCHIP) in the coming days, they can make these documentation requirements optional for states, and ensure that states that choose the option require the same documentation currently required by the Social Security Administration. That way states have flexibility to do what works for them and can streamline the requirements so that they match those of other state or federal programs. It’s the most common sense solution.”

The full surveys are available at www.coloradohealthinstitute.org or www.cclponline.org.