



Unintended Consequences: *The Impact of New Medicaid Citizenship Documentation Requirements on Virginia's Children*

Among the requirements of the Deficit Reduction Act (*DRA*) of 2005 is a provision requiring documentation of citizenship and identity for all those applying for or renewing eligibility for Medicaid. This was added to prevent illegal immigrants from obtaining public benefits intended for U.S. citizens, a problem that has not been identified in Virginia. Instead, the new federal requirement has hampered Virginia's ability to enroll eligible, uninsured children.

A study conducted by the Virginia Health Care Foundation (*VHCF*), in partnership with the Virginia Department of Medical Assistance Services (*DMAS*), has found that the new requirements have had a much broader impact than expected, adversely affecting thousands of *citizen* children since implementation last July. The unintended consequences include:

- A significant decrease in the number of children enrolled in Medicaid in Virginia;
- 4-6 month delays in obtaining Medicaid coverage for Virginia children;
- Inability of citizen children to obtain medical care; and
- A dramatic increase in emergency room utilization by those caught up in lengthy eligibility determinations

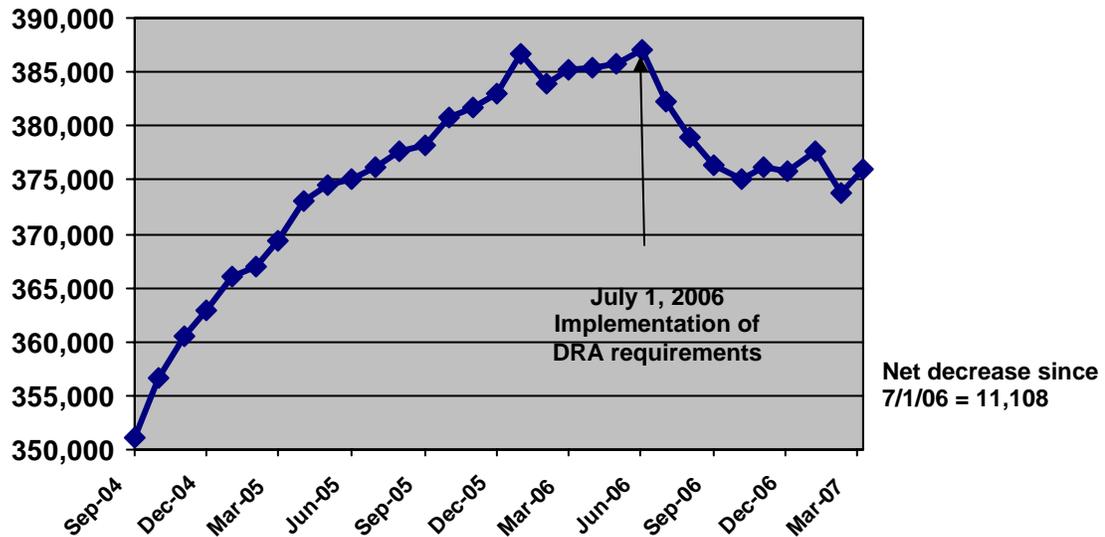
These requirements have also increased costs and administrative burdens to state and local government agencies, which have required additional tax dollars.

Medicaid Enrollment Has Declined Dramatically, While SCHIP Enrollment Continues to Grow

After years of steady growth and an average net increase of 1000 children per month in the 12 months immediately preceding the implementation of the new requirements, there has been a dramatic decline in the number of children enrolled in Virginia's Medicaid program since the requirements took effect.

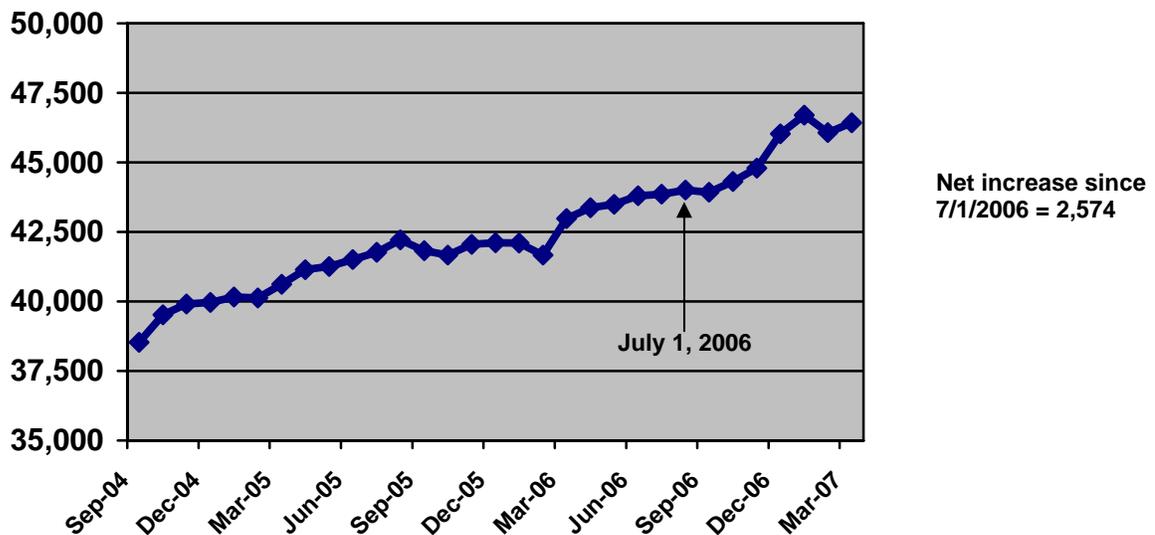
- Specifically, there has been a **net decrease of 11,108 children enrolled in Virginia's Medicaid program** in the first nine months of implementation (7/06 – 3/07).

Monthly Net Enrollment of Children in Medicaid (2004-2007)



In contrast, the monthly net enrollment of children in Virginia's SCHIP Program (*FAMIS*) continued to increase during the same period of time. SCHIP does not require utilization of original documents to prove citizenship and identity.

Monthly Net Enrollment of Children in SCHIP (2004-2007)



Given the similarities in the two programs, and the continuous growth in SCHIP, it is reasonable to conclude that enrollment in Virginia's Medicaid program would have continued increasing as well, in the absence of the new requirements. In fact, at the pre-regulation rate of monthly net increase (1000), an additional 9000 children would now be enrolled in Medicaid.

When the impact of decreased Medicaid enrollment (11,108) and the elimination of monthly growth (9000) are combined, **over 20,000 Virginia citizen children have been adversely affected**, and unintentionally impacted during the **first nine months** of the new requirements.

Survey Shows Delayed Coverage and Unavailability of Needed Care for Citizen Children

In an effort to “look behind” the enrollment data and to understand the overall consequences of the documentation requirements, VHCF contracted with *Matrix Research Group* to conduct a telephone survey of 800 adults¹, who applied for Medicaid for their citizen children² through DMAS’ Central Processing Unit (CPU) after the requirements were implemented. The survey results document a variety of troubling and unintended consequences.

Coverage is Delayed

The survey found that more than half of the children who were not yet enrolled at the time they were surveyed had been **waiting for four months or more** for their applications to be processed.

- For those who were enrolled at the time of the survey, **72% required more than the allowable 45 days to process, with 21% taking more than 76 days.**

These delays, which seriously affected children’s access to care, are atypical for the CPU, which needed an average of *only 16 days* to process a child’s Medicaid application in the six months *prior to implementation* of the new requirements.

Access to Care is Compromised; Emergency Room Use Escalates

While waiting for their children’s enrollment to be approved, **90% of those surveyed said they had no other health coverage for their child.** Of those:

1. The survey sample was drawn from approximately 3000 adults who applied for Medicaid for their children after July 1, 2006. It included 509 adults whose children were enrolled at the time of the survey, and 291 adults who had applied during the same period, but whose children were not yet enrolled. Except where noted, there were no significant differences in the responses of the sample groups.

2. The survey targeted those who reported that their children were U.S. citizens. Matrix used several methods to confirm citizenship, including a question asking for the name of the U.S. hospital in which a child was born. 93% of respondents were able to respond to this question without difficulty. Given the challenges of obtaining original documents (31% were born in a state other than Virginia), and the delays in processing applications, a portion of the survey group was not enrolled in Medicaid at the time of the survey. *At this point*, 80% have been approved, and the remaining cases are pending while parents and caseworkers work through the costly, time-consuming process of obtaining original documentation.

- **65% reported needing some type of health care during that time.**
- **41% of those children who needed care were not able to get all of the care they needed.**
 - **Almost half (47%), of the young children (aged 0-24 months) who needed immunizations were unable to get them.**
 - **41% were unable to access dental care, 24% did not obtain medical care for an illness, and 17% couldn't fill needed prescriptions.**
- The most frequently cited reason that parents said they were unable to obtain health care for their children is that **they couldn't afford it (72%).**
- In addition, there was a **significant increase in the use of hospital Emergency Rooms (ER) for primary care**, by parents who indicated that they do not normally use the ER as their usual source of care. Only 3% of surveyed parents reported that ERs are the usual source of care for their children. But 18% indicated that their children had to use an ER for treatment while the processing of their application was delayed.

Implementing the Requirements is Costly and Undermines Recent System Efficiencies

The requirement to prove citizenship and identity has taken a toll on the state and local agencies responsible for administering the programs, as well.

Impact on State Agencies

At the state level, the CPU's "**pending**" cases, (*those awaiting further documentation*), skyrocketed **from about 50 a month** before the new requirements were implemented **to 4000 in January**.

- To address the backlog, the CPU had to hire seven additional staff and provide accompanying space, phones, and computers. **Extra costs in the first year alone will total more than \$144,000.**
- This does not include the costs of obtaining out-of-state birth certificates, (\$25-\$50 each). In just the first six weeks of implementation, local departments of social services received 900 requests for assistance in obtaining out-of-state birth certificates.

Impact on Local Agencies

To learn more about the impact at the local level, VHCF conducted focus groups with eligibility workers at five local departments of social services in different

regions of the state. All reported a **significant increase in workloads** as a result of the requirements for original documentation of citizenship and identity.

- Eligibility workers reported that they are taking **more phone calls**, and that the **calls last longer**. They indicate **parents call repeatedly** to check on the status of their applications, and to **ask for help** in finding **care for their sick children** during the delays in enrollment.

These difficulties are reflected in the dramatic change in Medicaid applicants' experience with the application process. The survey found that **40% of respondents reported the Medicaid application process to be difficult, compared to only 8%** in a similar survey conducted **in 2004**.

- Getting paperwork together (36%), obtaining answers to questions (24%), and understanding what was needed (22%), were the most frequently identified difficulties.

Conclusion

Unfortunately, the requirement for original documentation of citizenship and identity has resulted in unintended, adverse consequences. While waiting for their health coverage to be approved, Virginia children have gone without needed medical care, including care for illness or injury, immunizations, dental care and prescription medications. All evidence indicates that these are US citizen children, born in U.S. hospitals, with *more than two-thirds born in Virginia*.

The new requirements have also had a serious impact on state and local agencies responsible for administering the Medicaid program, and have undermined Virginia's previously successful efforts to simplify and streamline application procedures.

Virginia's impressive progress in enrolling eligible children in the Medicaid program is being diminished by these requirements, and the health of thousands of Virginia's most vulnerable children is *threatened*.

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