



Impact of the DRA Citizenship and
Identity Documentation Requirement on
Medi-Cal: Findings from Site Visits to Six
Counties

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Executive Summary

The federal Deficit Reduction Act (DRA) of 2005 (P.L. 109-171) made a number of significant changes to the Medicaid program (known as Medi-Cal in California), including adding a new mandate that all existing Medicaid enrollees and new applicants claiming U.S. citizenship or national status must provide proof of their citizenship and identity beginning July 1, 2006. Documentation of citizenship and identity is a one-time activity for each enrollee or applicant, and certain groups are exempt from the DRA requirement. Nevertheless, this newly-mandated provision was a significant change in the Medicaid eligibility process. Prior to the DRA, most states, including California, allowed applicants to self-attest, under penalty of perjury, to their U.S. citizenship.

The federal statute and implementing regulations promulgated by the Centers for Medicare and Medicaid Services (CMS) are very specific and define a limited and prescriptive list of documentation that can be used to satisfy the DRA requirement, including a hierarchy of acceptable documentation. When acceptable documentation is not immediately available, federal guidance directs the states to provide a “reasonable opportunity period” (ROP) for applicants and enrollees to present the necessary documentation.¹

California’s Department of Health Care Services (DHCS) moved in a deliberative manner to implement the new requirement. Acting specifically to minimize any potential negative impacts of the DRA, DHCS completed several data matches of current Medi-Cal eligibility files and California Vital Statistics data prior to issuing guidance to the counties. DHCS also updated the Medi-Cal Eligibility Data System (MEDS) to allow county eligibility workers to request birth matches for Medi-Cal clients. DHCS issued All County Welfare Directors Letter (ACWDL) Number 07-12 on June 4, 2007 directing the counties to begin to operationalize the DRA requirement. However, even with the measured pace of implementation in California, concern remained about the potential negative impacts of the DRA requirement on Medi-Cal clients and California’s counties.

Health Management Associates was asked by The California Endowment (TCE), with additional support from the California HealthCare Foundation (CHCF), to conduct a comprehensive evaluation of the impacts of the DRA on California’s counties, existing Medi-Cal enrollees and new applicants. The evaluation includes two surveys of all 58 California counties, site visits to six counties (the subject of this report), and quantitative analysis of Medi-Cal eligibility data. To collect in-depth information about the effects of the new policy on counties and local stakeholders, the project team conducted site visits in March and April 2009 to six counties across the state: Contra Costa, Fresno, Los

¹Medicaid Program; Citizenship Documentation Requirements, Interim Final Rule, Federal Register, Vo. 71, No. 1333, 39214-39229, July 12, 2006.

Angeles, Monterey, San Diego, and Shasta. During the site visits, structured interviews were conducted with key stakeholders, including county Social Services staff (representing executive leadership, mid-level management, and front-line eligibility workers), safety-net providers (hospitals and clinics), community advocates and Medi-Cal health plan staff. The interviews focused on state and county implementation processes, workload and other impacts on current county operations, information and assistance provided to applicants and existing enrollees, impacts on Medi-Cal clients and impacts on community stakeholders.

Based on the site visit interviews, the following key themes and findings emerged:

- *Medi-Cal clients experience a significant burden from the new documentation requirement.* Site visit counties reported that it was a considerable challenge for clients to locate and pay for the required documents. Medi-Cal clients also found the new requirement quite confusing, and community stakeholders indicated that confusion about the new requirement likely deterred potential citizen applicants from applying.
- *Certain Medi-Cal population groups are more likely to feel the burden of compliance with the DRA.* These subpopulations included: the homeless and migrant workers; people with serious medical and/or mental health conditions; Medi-Cal clients born outside of California; children over age 16; Medi-Cal clients who were adopted; and mixed status families. In addition, pregnant women must choose whether to enroll in restricted Medi-Cal immediately or wait and enroll in full-scope coverage after satisfying the DRA requirement.
- *Counties reported increases in workload and administrative costs.* County staff pointed to the increased workload for eligibility workers associated with the DRA, both in terms of the additional steps required to process an application or renewal as well as the added time per case due to DRA. Prior to operationalization, the site visit counties had to develop new processes and procedures as well as to train staff on the new requirement. Delays in updates to MEDS and the Statewide Automated Welfare Systems (the county eligibility systems) added to the burden imposed by DRA. On a positive note, all of the site visit counties identified the Vital Statistics match as critical to reducing the burden on both county staff and Medi-Cal clients.
- *Community stakeholders acted to minimize the impacts on Medi-Cal clients.* Safety-net hospital and clinic staff in the site visit counties work with their patients to obtain and renew coverage, including, in some cases, providing financial assistance to obtain required documents. Five of the site visit counties are Medi-Cal managed care counties, and the health plans reported developing materials and strategies to provide outreach and education about the DRA requirement. Consumer advocacy groups and legal aid organizations also worked to educate clients and minimize the DRA's impact.
- *The DRA requirement has not impacted access to Medi-Cal for new applicants or existing Medi-Cal enrollees.* Despite early concerns about the potential impacts of the DRA

requirement on Medi-Cal clients, no one in the site visit counties reported that any ongoing enrollees had lost coverage or any applicant been denied all coverage solely due to the DRA requirement. Further, the site visit counties reported very few clients (either applicants or existing enrollees) had been placed on restricted Medi-Cal because they were not able to provide the required documents. This result was attributed to the steps taken in the site visit counties to assist and reduce the burden for clients.

- *Most interviewees questioned the DRA's value.* Almost everyone, from county officials to health care providers and consumer advocates, questioned the value and benefit of the documentation requirement and expressed concern that it did not support efforts to simplify eligibility processes. No interviewees reported any examples of Medi-Cal clients misrepresenting their citizenship to gain Medi-Cal coverage. Interestingly, however, few interviewees thought the DRA requirement should be repealed. This seemed to reflect a general view that, despite the increased burdens on counties and Medi-Cal clients, it is not terribly unreasonable to ask applicants and enrollees to provide evidence of their citizenship and identity as part of the eligibility process.
- *Initial concerns about the impact of the DRA requirement have dissipated following county operationalization.* Most interviewees reported the DRA has been integrated into the eligibility and renewal processes for eligibility workers, and most Medi-Cal clients are aware of the requirement and know what to expect. While the first year of operationalization has been challenging, county leadership and staff indicated they expect the impacts of the DRA requirement to decrease as they complete the process of verifying citizenship and identity for all existing enrollees.

DHCS, the counties, and Medi-Cal stakeholders approached the DRA documentation requirement with significant concerns about the possibility of severe negative impacts on Medi-Cal clients, including impacts on enrollment and retention. As documented by the site visit interviews, county staff and Medi-Cal stakeholders have taken a wide variety of steps to assist Medi-Cal clients to meet the DRA requirement as easily and reasonably as possible. When combined with the state's efforts, these county steps have meant the DRA requirement has played out quite differently in California compared to other states.

Nevertheless, the county site visits documented the considerable impact the DRA has had on county social services agencies, Medi-Cal clients, and non-county stakeholders. The DRA requirement imposed significant administrative hurdles and burdens that are time-consuming and costly, and the value-added from the DRA has yet to be demonstrated.

The Children's Health Insurance Program Re-Authorization Act (CHIPRA) revised the DRA requirement (to allow eligibility workers to grant full-scope coverage to new applicants working to comply with the DRA requirement and to match applicants to

Social Security Administration (SSA) data to verify both citizenship and identity). While county officials expect the CHIPRA revisions will help reduce the DRA's burden, it remains important to continue to monitor the impacts of the DRA to identify additional policy changes that further limit the unintended consequences of the DRA and reduce the administrative burden on the State, counties, and Medi-Cal clients. In the future, the impacts on counties and clients will depend on the extent that eligibility workers use all of the tools available to them to meet the DRA requirement, including computerized matches with birth records and SSA records, to minimize the need to produce hard-copy originals. Counties also should continue to assess how best to assist clients in obtaining documentation, the impacts of defined "reasonable opportunity periods" for new applications and renewals, and how to help clients placed on restricted Medi-Cal to achieve full-scope coverage.

Introduction

The federal Deficit Reduction Act of 2005 (DRA)² made a number of changes to the Medicaid program (known as Medi-Cal in California), including the addition of a requirement that all existing Medicaid enrollees and applicants who claim U.S. citizenship or national status provide proof of their citizenship and identity effective July 1, 2006. While the DRA did not change the eligibility criteria for Medicaid, which has included U.S. citizenship or satisfactory immigration status since the mid-1980s,³ it did eliminate state flexibility to determine how to ensure citizenship status. Prior to the DRA, most states – including California – opted to allow applicants to self-attest, under penalty of perjury, to their U.S. citizenship.⁴ The DRA, however, eliminated the option for self-attestation of citizenship and required over 40 million existing enrollees and all new applicants to document both citizenship and identity.

Documentation of citizenship and identity is a one-time activity for each enrollee or applicant, and certain groups are exempt from the requirement.⁵ Nevertheless, this newly mandated provision was a significant change in the Medicaid eligibility process with important implications for state and local agencies that administer it and for program applicants and enrollees.

The federal statute and implementing regulations promulgated by the Centers for Medicare and Medicaid Services (CMS) are very specific and define a limited and prescriptive list of documents that can be used to document citizenship and/or identity, including a hierarchy of acceptable documentation. For example, a valid U.S. Passport can be used to satisfy documentation of both citizenship and identity. However, those who do not provide a valid passport must present a combination of two documents, one that verifies citizenship (e.g., a birth certificate) and one that verifies identity (e.g., a driver's license). Documents must be originals or certified copies. In lieu of a paper birth certificate to prove citizenship, the CMS regulations also allow states to use electronic data matches with the Social Security Data Exchange (SDX) (for states that do not automatically provide Medicaid to SSI recipients) and vital statistics agencies (for birth records).

CMS acknowledged the new requirement would impose a burden on clients and the state and local agencies that carry out Medicaid eligibility determination but estimated the impact would be minimal. CMS estimated it would take clients 10 minutes to obtain

² Public Law 109-171.

³ Public Law 99-163.

⁴ Only Montana, New Hampshire, New York and Georgia did not allow self-attestation of U.S. citizenship. (See: Kaiser Commission on Medicaid and the Uninsured, "Citizenship Documentation Requirements in Medicaid," January 2007.)

⁵ The following groups are exempt from the DRA requirement: children in foster care and receiving assistance under Title IV-E or Title IV-B of the Social Security Act; babies born to Medicaid enrollees; and anyone enrolled in Medicare, Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI) or Social Security Retirement and Survivors Insurance (RSI).

and provide acceptable documents to the state, and state eligibility staff 5 minutes per client to receive acceptable documentation, validate it and update the case records.⁶

When acceptable documentation is not immediately available, federal guidance directs the states to provide a “reasonable opportunity period” (ROP) for applicants and enrollees to present the necessary documentation. The CMS regulations also state that existing enrollees cannot be disenrolled from Medicaid during the ROP but that new applicants must meet the DRA requirement to enroll in the program.⁷

As DRA implementation began, there was significant concern among states and Medicaid stakeholders about the burdens placed on states to enforce the requirement and on Medicaid clients applying or re-applying for benefits. Early reports indicated some states were experiencing enrollment declines following DRA implementation, including some that were relatively large. Virginia reported a net decrease in the number of Medicaid-enrolled children of 11,108 over the first eight months following implementation.⁸ Similarly, in the first six months following implementation, Louisiana reported that more than 14,880 children lost coverage.⁹

In 2007, the U.S. Government Accountability Office (GAO) conducted a survey of all 50 states to assess the impacts of the DRA requirement on both Medicaid clients and state administrative responsibilities. Twenty-two of 44 responding states reported a decline in Medicaid enrollment attributable to delays or denials for clients who appeared to be U.S. citizens, and all 44 states reported increased administrative requirements due to the DRA (e.g., the need to provide training to staff on the new requirement, hiring additional staff).¹⁰

Purpose of DRA Evaluation

The experiences of other states raised concerns about the potential impacts of the DRA requirement on Medi-Cal clients and California’s counties. To monitor and assess this impact, Health Management Associates (HMA) was asked by The California Endowment (TCE), with additional support from the California HealthCare Foundation (CHCF), to conduct a comprehensive evaluation of the impacts of the DRA on California’s counties, existing Medi-Cal enrollees and new applicants. The comprehensive evaluation includes

⁶ Medicaid Program; Citizenship Documentation Requirements.

⁷ Under the Children’s Health Insurance Program Reauthorization Act of 2009 (Public Law 111-3), new Medicaid applicants can be enrolled in Medicaid while they work to provide their DRA documents, assuming they are otherwise eligible for the program.

⁸ Virginia Health Care Foundation, “Unintended Consequences: The Impact of the New Medicaid Citizenship Documentation Requirements on Virginia’s Children,” May 24, 2007, available at: <http://www.vhcf.org/documents/DRAStudyUnintendedConsequencesFINAL5-24-07.pdf>.

⁹ Cohen Ross, D., “New Medicaid Citizenship Documentation Requirement is Taking a Toll: States Report Enrollment is Down and Administrative Costs are Up,” Center on Budget and Policy Priorities, revised March 13, 2007, available at: <http://www.cbpp.org/cms/index.cfm?fa=view&id=1090>.

¹⁰ U.S. Government Accountability Office, “Medicaid: States Reported that Citizenship Documentation Requirement Resulted in Enrollment Declines for Eligible Citizens and Posed Administrative Burdens,” June 2007, available at: <http://www.gao.gov/new.items/d07889.pdf>.

two surveys of all 58 California county Social Services directors, site visits to six counties (the subject of this report), and quantitative analysis of Medi-Cal eligibility data. HMA is partnering with the University of California, San Francisco and Mathematica Policy Research to conduct the evaluation.

Methodology

To collect in-depth information about the effects of the new policy on counties and local stakeholders, the project team conducted site visits to six counties across the state: Contra Costa, Fresno, Los Angeles, Monterey, San Diego, and Shasta. These counties were selected for site visits because they represent the diverse characteristics of California's 58 counties. In selecting the six counties, the project team, in coordination with TCE and CHCF, considered the following factors: geographic diversity; county size; percent of county residents enrolled in Medi-Cal; ethnic composition of Medi-Cal enrollees; estimated size of the county undocumented population; county political environment; county emphasis on streamlining, enrollment, and retention; presence of Medi-Cal managed care; and the eligibility determination system used by the county.¹¹

Two-person teams conducted two-day site visits in each county in March and April 2009. During the site visits, structured interviews were conducted with key stakeholders, including county Social Services staff (representing executive leadership, mid-level management, and front-line eligibility workers), safety-net providers (hospitals and clinics), community advocates and Medi-Cal health plan staff. The interviews focused on state and county implementation processes, workload and other impacts on current county operations, information and assistance provided to applicants and existing enrollees, impacts on Medi-Cal clients, and impacts on community stakeholders.

DRA Implementation in California

The California Department of Health Care Services (DHCS) oversees the Medi-Cal program and relies on the 58 county social services agencies to conduct all eligibility and redetermination activities. To implement the DRA, the state legislature (Assembly Bill 1807, Chapter 74, Statutes of 2006) directed DHCS to implement the new requirement with as much flexibility as possible without jeopardizing federal financial participation (FFP). Assembly Bill 1807 (AB 1807) requires the state provide Medi-Cal clients with as much time as allowable by the federal government to produce their documents, assuming the client is making a "good faith effort" to do so, and requires the counties assist Medi-Cal clients with meeting the DRA requirement. AB 1807 also states that Medi-Cal clients who are otherwise eligible for Medi-Cal but who fail to produce

¹¹ California's counties use one of four Statewide Automated Welfare Systems (SAWS): CalWIN, C-IV, ISAWS, or LEADER.

satisfactory DRA documents must be placed on restricted Medi-Cal¹² rather than denied coverage completely.

DHCS moved in a deliberative manner to implement the new requirement. To minimize any potential negative impacts of the DRA, DHCS completed several data matches of current Medi-Cal eligibility files and California Vital Statistics data prior to issuing guidance to the counties. This process allowed the state to identify 1.1 million existing enrollees (out of a total of 6.7 million enrollees) who were born in California, the majority of whom were children. Medi-Cal deemed that enrollees with a successful match with California birth records had met the DRA citizenship requirement. DHCS also updated the Medi-Cal Eligibility Data System (MEDS) to allow county eligibility workers to request birth matches for Medi-Cal clients. DHCS issued All County Welfare Directors Letter (ACWDL) Number 07-12 on June 4, 2007 directing the counties to begin to operationalize the DRA requirement. (A final, amended ACWDL, Number 08-29, was issued on July 9, 2008.) In the Fall of 2007, DHCS began quarterly mailings to existing Medi-Cal enrollees. Timed to coincide with enrollees' redetermination dates, the mailings alerted them to the new requirement, informed them whether DHCS had completed a successful match with California birth records on their behalf, and advised them if the county would be requesting additional, necessary documentation.

Following the issuance of the June 2007 ACWDL, counties began to operationalize the DRA requirement, which occurred in a staggered fashion across the counties. Some counties moved to operationalize the requirement for new applicants and then existing enrollees, while others started with existing enrollees and then moved to include new applicants. A number of factors affected how the counties operationalized the new requirement, including how quickly counties could schedule and complete staff trainings, or their capacity to update a range of materials and processes. For example, each county needed to develop a protocol to return any original documents that were submitted through the mail rather than in-person. In some counties, operationalization depended on county willingness to move forward before the local Statewide Automated Welfare System (SAWS) was updated to reflect the new requirement.

Site Visit Findings

Based on the interviews conducted in the six site visit counties, the following key themes and findings emerged:

- Medi-Cal clients experienced a significant burden from the new documentation requirement;
- Certain Medi-Cal population groups were more likely to feel the burden of compliance with the DRA;

¹² Restricted Medi-Cal covers a limited set of benefits, including emergency services and pregnancy-related services.

- Site visit counties uniformly experienced an increase in workload, backlogs and other administrative burdens and costs;
- Hospitals, clinics and health plans acted to minimize the impacts on Medi-Cal clients;
- The DRA documentation requirement did not seem to impact access to Medi-Cal for new applicants or existing Medi-Cal enrollees;
- Almost everyone, from county officials to health care providers and consumer advocates, questioned the value and benefit of the documentation requirement, and expressed concern that it did not support efforts to simplify eligibility processes; and
- Initial concerns about the impact of the DRA requirement have dissipated as the challenges and issues of operationalization were addressed and clients were not significantly affected.

Each of these issues and findings are discussed in more detail below.

Medi-Cal Clients Experience Significant Burden

The DRA requirement clearly imposes a significant additional hurdle for both new applicants seeking coverage and existing enrollees seeking to retain full-scope Medi-Cal coverage. In particular, the site visit counties reported that it was a considerable challenge for clients to locate and pay for the required documents. Across the site visit counties, county eligibility staff stated that most clients can produce the required documents (if they do not already have them) within 30 – 45 days. Depending on the individual case, it can take less or more time (as much as 120 days according to interviewees in Contra Costa County). Without question, this can add significantly to the length of both the application and renewal processes.

Based on the site visit interviews, Medi-Cal clients initially found the new requirement quite confusing. Existing enrollees, in particular, did not understand the need to provide original documentation of citizenship and identity since they had already been determined eligible for the program. U.S. citizens expressed concerns to eligibility workers and other stakeholders about the requirement and bewilderment about why they needed to prove their citizenship as opposed to non-citizens and legal permanent residents. Further, some community stakeholders indicated that confusion about the new requirement likely deterred potential citizen applicants from applying, although it was not possible for stakeholders to quantify this number.

Even after they secured the necessary documents, some clients found it difficult to get them to eligibility workers. Counties allowed documents to be submitted through the mail, but many clients were hesitant to do so for fear they might be misplaced and would not be returned to them. In many cases, the client had to make a special trip to the local social services agency to present their DRA documents in person, and a number of interviewees commented that it can be challenging for clients to find transportation to the

local office. They also emphasized that Medi-Cal clients usually cannot easily take time off from work to come to the local office.

Interestingly, Monterey County's Department of Social and Employment Services has long-requested that clients bring in their birth certificate and identification when applying for public benefit programs.¹³ As a result, county staff indicated the DRA requirement imposed less of a burden on their clients than clients in the other site visit counties for whom providing this kind of documentation was a new requirement.

For new applicants, who remain uninsured during the application process, DRA-related delays could lead to delays in obtaining needed care. According to interviewees, however, this has not been a significant problem to-date. One hospital reported difficulty placing patients with pending Medi-Cal applications (whether due to the DRA or other eligibility requirements) in nursing homes or home health care following hospital discharge. In another county, an eligibility supervisor described a case in which an otherwise-eligible applicant had not been able to get needed medications while seeking to obtain the required documents. However, it was clear from discussions with the full range of stakeholders across all site visit counties that these were exceptions. Notwithstanding the extra burden, expense and time associated with the DRA requirement, it was extremely rare for any applicant or existing enrollee not to receive needed health care.

Certain Medi-Cal Populations May Feel Impacts More Acutely

Interviewees across the counties highlighted a number of Medi-Cal sub-groups for whom the DRA requirement is particularly challenging. These groups include:

- *The homeless and migrant workers who do not have a permanent address or may not have a safe place to store important documents.* To help homeless patients, Clinica Sierra Vista, a Federally-Qualified Health Center (FQHC) in Fresno County, will keep original copies of all documents on file at the clinic. Scripps-Mercy Hospital in San Diego has rented a post office box so homeless patients have a valid mailing address for the purpose of obtaining DRA documentation.
- *People with serious medical and/or mental health conditions who are hospitalized or incapacitated.* A hospital financial counselor described driving more than one hundred miles to a patient's home to locate DRA-required documents to complete a Medi-Cal application.
- *Medi-Cal clients born outside of California who cannot benefit from the Vital Records match and must request a birth certificate from another state.* Interviewees also shared that delays in obtaining an out-of-state birth certificate can lead to delays in securing an

¹³ Monterey officials noted that, prior to DRA, they could not require that Medi-Cal clients provide citizenship and identity documents nor could they deny or restrict Medi-Cal benefits for failure to provide this documentation.

acceptable form of identification as the client may need to have a valid birth certificate to do so.

- *Children over age 16 who must provide proof of their identity.* Medi-Cal allows parents to attest, under penalty of perjury, to the identity of children under age 16. While many children over age 16 may have an acceptable form of identification (e.g., driver's license, state-issued identification card, school identification card), interviewees noted this is not always the case.
- *Medi-Cal clients who were adopted may have difficulty providing valid birth certificates.* Eligibility workers provided a variety of examples of problems assisting these clients. For example, one client was never formally adopted, so the name on her birth certificate was not changed to the name her adoptive parents gave her. In this case, the eligibility worker is helping the client prove that the name she uses ties back to her birth certificate. Another client did not know he was adopted until the eligibility worker was unable to complete a successful birth match with Vital Statistics.
- *Mixed status families in which only some family members must comply with the DRA.* For these families, eligibility workers reported they may have to delay action on applications for family members who are U.S. citizens without acceptable documents but grant Medi-Cal coverage (either restricted or full-scope coverage) for the non-U.S. citizens. Several workers questioned the fairness of this result.

The DRA requirement also poses a unique dilemma for Medi-Cal-eligible pregnant women who must choose whether to enroll in restricted Medi-Cal immediately to access pre-natal care, or to wait and enroll in full-scope coverage (which provides a comprehensive benefit package including non-pregnancy-related primary and preventive care) once they have satisfied the DRA requirement.

Finally, many interviewees commented that the DRA requirement adds to already-heightened anti-immigrant sentiment and may deter individuals who are, in fact, eligible for Medi-Cal from applying for coverage. This view was expressed largely by providers and advocates in the community who work closely with local immigrant populations and who may have a better opportunity to understand this issue than county social service agency staff. This was true even in San Diego where the Health and Human Services Agency conducted outreach and education activities to community-based organizations specifically designed to mitigate any potential deterrent effect of the DRA.

Counties Reported Increases in Workload and Administrative Costs

Given the economic downturn, all of the site visit counties are experiencing increases in overall work load as more people seek to enroll in Medi-Cal (as well as other public benefit programs). This made it hard for county leadership and staff to isolate the administrative burdens imposed specifically by the DRA requirement, but all of the counties agreed that their workload and administrative costs had increased under DRA.

County staff pointed to the increased workload for eligibility workers associated with the DRA requirement. According to county staff, the DRA increases the complexity of each case and extends processing times for new applications and for renewals because staff has to explain the requirement to clients, track the ROP, and follow-up with clients to ensure they are still making a good faith effort to obtain their documents. Once they receive them, the eligibility workers must review DRA-related documents, determine whether they are acceptable, issue a verification receipt to the client, and then document receipt in the client's MEDS record. To handle the new workload associated with the DRA requirement, Fresno County added a total of 44 new full-time equivalent (FTE) positions, and San Diego added 10 new FTEs. Most site visit counties, however, were unable to add new positions due to resource constraints, and one county (Contra Costa) has had to lay-off eligibility workers due to county budget reductions.

While CMS estimated that it would take states an additional 5 minutes per client to complete the DRA process, the site visit counties reported a wide variation in DRA-related processing times. For example, Monterey County estimated that DRA adds 3-5 minutes per person per case but Contra Costa estimated the DRA requirement adds 10 minutes per family member, and Fresno County estimated it can take 20-40 minutes per case for an average family.

Prior to operationalization, the site visit counties had to take steps to ready themselves for DRA. The addition of a new eligibility requirement entailed a number of county-specific process changes, including the development of a system to track the DRA status of new applications and renewals, and development of procedures for tracking the receipt of documents as well as for return of original documents to clients. To develop all of the necessary processes, Monterey convened a work group and dedicated county staff time to ensure DRA was operationalized smoothly.

Several counties described the process they use to ensure any documents received in the mail are returned promptly to clients. In Contra Costa County, all documents received in the mail are viewed immediately and returned to the client via certified mail. In Monterey County, the application and original documents are placed in a red envelope which is given directly to an eligibility worker for processing. Once the worker verifies the documents, most documents are sent back to clients in the mail, although U.S. Passports are returned via certified mail. The eligibility worker also calls to let the client know their documents have been sent back.

Once the necessary policies and procedures were developed, the counties had to provide training to staff on the new requirement. In some cases, counties also provided DRA-related training to community stakeholders. Counties developed the curriculum and training materials and scheduled training sessions. The length and number of training sessions varied by county. For example, Shasta County conducted five training sessions for staff, and each session was between 30-90 minutes, while San Diego County

conducted several four-to-five hour training sessions. Additionally, as the state provided additional guidance on the DRA, counties worked to provide updated information to eligibility workers and address any questions. In some cases, the county provided additional training sessions to address updates and changes. In other cases, these topics were covered in staff meetings or through e-mail. Several counties also described making training staff available to eligibility workers during the early phases of operationalization (e.g., to answer questions about specific cases).

The site visit counties pointed to delays in updates to MEDS and SAWS as adding to the burden imposed by DRA. A number of the site visit counties operationalized the DRA requirement before necessary systems changes had been completed, and this necessitated the development and use of workarounds, which added to the administrative burden associated with the new requirement. For example, counties that use ISAWS had to code a client as “undocumented” to grant restricted Medi-Cal. Once ISAWS was updated for DRA, county staff had to recode all these cases properly.

On a positive note, all of the site visit counties identified the ability to conduct a match with Vital Statistics through MEDS as critical to reducing the burden on both county staff and Medi-Cal clients. Eligibility workers consistently reported that they receive birth match results from Vital Statistics within 24-48 hours. All of the counties interviewed also anticipated that the Children’s Health Insurance Program Re-Authorization Act (CHIPRA) provision allowing states to match Medi-Cal applicants’ Social Security Numbers against the Social Security Administration’s (SSA’s) database will help to significantly reduce the burden on the counties and clients.

Community Stakeholders Acted to Minimize Impacts on Medi-Cal Clients

Prior to implementation, hospitals, clinics, health plans and consumer advocates all were concerned about the possible impacts of the DRA requirement on Medi-Cal clients. Medi-Cal providers and health plans also were concerned about potential impacts on Medi-Cal enrollment and retention, with possible associated financial implications, including lost revenue in the event that DRA caused a decrease in Medi-Cal enrollment. Further, one site visit county was concerned the DRA might lead to an increase in uncompensated care and worried the local safety-net hospitals might reduce their Medi-Cal patient case load. In the site visit interviews, Medi-Cal stakeholders described a number of steps they have taken to minimize or otherwise address these issues. As a result of these actions, they reported very minimal impacts on Medi-Cal clients.

California’s safety-net providers have a strong financial incentive to help eligible patients enroll in Medi-Cal and retain their coverage. Accordingly, hospital and clinic staff interviewed for this report described the steps they routinely take to work with their patients to obtain and renew coverage. In some cases, providers reported that they will provide financial assistance to obtain required documents. In Fresno, Clinica Sierra Vista

developed staff training specifically related to obtaining out-of-state birth certificates for their patients.

Five of the six site visit counties are Medi-Cal managed care counties.¹⁴ To help their members, the health plans developed materials and strategies to provide outreach and education about the DRA. L.A. Care Health Plan and Contra Costa Health Plan both described including information about the DRA requirement in member newsletters. The plans interviewed also notify members about the requirement at renewal. Finally, some health plans also were active participants in DRA work groups led by the county social services agency to prepare for DRA. None of the health plan staff interviewed were able to identify a decline in plan enrollment due to the DRA.

In addition to the Medi-Cal health plans, consumer advocacy groups and legal aid organizations were involved in county-led DRA workgroups in some of the site visit counties. In some cases, they also organized their own campaigns to educate Medi-Cal clients about the new requirement. In Fresno County, the Fresno Health Consumer Center used the media (e.g., Spanish-language radio stations) to provide information about the new requirement. In Los Angeles County, L.A. Care Health Plan provided grant funds to Neighborhood Legal Services of Los Angeles County to provide outreach and education about the requirement in the community, including development of a PowerPoint presentation, known as “DRAGON Slayer,” that advocates could use to provide complete and consistent information about the requirement during outreach activities. While legal aid organizations may have expected to see an increase in cases due to the DRA, this has not been the case for any of the legal aid organizations in the site visit counties. This likely reflects the state’s policy that Medi-Cal eligibility cannot be denied solely due to failure to comply with the DRA.

Medi-Cal Coverage Has Not Been Impacted Significantly

Despite early concerns about the potential impacts of the DRA requirement on Medi-Cal clients, no one reported that any had lost coverage or been denied solely due to the DRA requirement. This sentiment was universally expressed by county staff, providers, advocates and health plans across all six site visit counties. Without doubt, this outcome reflects clear guidance from the state that prohibited denial or loss of Medi-Cal coverage due to failure to comply with the DRA. DHCS guidance, however, does allow counties to place enrollees on restricted Medi-Cal if they do not comply with the DRA within the ROP or stop making a “good faith effort” to obtain their documents. Significantly, the site visit counties reported very few clients (either applicants or existing enrollees) had been placed on restricted Medi-Cal because they were not able to provide the required documents. In the State’s largest county, Los Angeles, officials indicated that 2,700 of

¹⁴Among the site visit counties, Medi-Cal managed care plans operate in Contra Costa, Fresno, Los Angeles, Monterey, and San Diego Counties.

approximately 331,020 new applicants (or less than 1 percent) had been placed on restricted Medi-Cal in the first seven months following operationalization. As of January 1, 2009, only 2,320 individuals (including existing enrollees) were receiving restricted benefits. (Note that Los Angeles County encourages pregnant women who do not present immediate proof of citizenship and identity to enroll in restricted Medi-Cal pending receipt of their DRA documents to ensure they are able to receive prenatal care, labor and delivery services.) In addition, the site visit counties reported a limited number of applicants had been placed on restricted Medi-Cal if the applicant required emergency medical treatment while DRA documentation was pending.

Just as the state worked diligently to minimize the impact of the DRA on Medi-Cal clients, the site visit counties also took steps to reduce the burden for clients. For example, the ACWDL does not define the length of the ROP for clients to provide their documents, leaving this decision up to each individual county. Among the site visit counties, most implemented an open-ended ROP; as long as the client is making a good faith effort, the eligibility worker will not place the client on restricted Medi-Cal. Some counties, however, have implemented a defined timeframe for the ROP. Monterey County, for example, provides a 30-day ROP for new applicants, to allow the County to comply with the 45-day application processing requirement. Any new applicants who cannot comply with DRA within 30 days are placed on restricted Medi-Cal until they submit acceptable documentation. As of early April 2009, Monterey County had placed only two applicants on restricted Medi-Cal due to DRA, and both ultimately were moved to full-scope coverage. For existing enrollees, Monterey and Contra Costa counties provide a 12-month ROP. At the time of the site visits, both counties were still within the first year of requiring DRA documents for existing enrollees, and it remains to be seen whether any existing enrollees will be moved onto restricted Medi-Cal because they are unable to comply with the DRA within the county-defined 12-month ROP. Finally, while Los Angeles County does not currently place a limit on the length of the ROP, County leadership indicated they are reviewing the status of all renewals that are missing DRA documentation at least six-months past the redetermination date and will be developing a policy to address these cases.

Counties and other stakeholders also work closely with their Medi-Cal clients to help them obtain acceptable documentation. Leadership and staff in several of the site visit counties stressed that eligibility workers are trained to determine whether the client is exempt from the DRA requirement or a successful birth match is documented in MEDS and to conduct a Vital Statistics match (if the client is born in California) before asking the client to provide any original documentation. In Los Angeles County, eligibility workers are trained to use a copy of a California birth certificate (if provided by the client) to complete an automated birth match, and Fresno County developed an electronic link with the county Vital Statistics office to search for birth certificates for anyone born in the county. Interviews with non-county stakeholders, however,

indicated eligibility workers may not always follow these steps reliably. Instances were reported, for example, where the eligibility worker had asked for original documentation even if it was not necessary (e.g., asking a child to provide proof of identity even though the applicant had provided a valid U.S. Passport).

All of the site visit counties reported assisting clients with securing required documents. Contra Costa, Los Angeles, and Monterey county social service agencies will pay for documents on behalf of clients if necessary, while the other site visit counties do not. Beyond the county social services agencies, hospitals and clinics were likely to offer to pay for documents for their patients. This assistance is consistent with the mission of these providers as well as the obvious financial incentive for them to help uninsured patients enroll in Medi-Cal or other health care coverage programs to secure reimbursement for ensure medical services provided. All of the counties, and many stakeholders, reported that they assist Medi-Cal clients to determine how to secure required documentation (e.g., by providing contact information for Vital Statistics agencies in other states). One provider has gone further and paid for hospital staff who serves as financial counselors to become notary publics as they found many states required clients to submit notarized requests for birth certificates. Monterey County also provides access to a notary public which allows eligibility workers to complete out-of-state birth certificate requests for clients.

Finally, county social services agencies described their efforts to help clients submit their documents efficiently. For example, Los Angeles County established “DRA Lobby Teams” with the sole responsibility of receiving and processing DRA-related documentation. The County stationed “Lobby Teams” in 27 offices around the county, and Medi-Cal clients can present their documents at any office location. The “Lobby Team” makes a copy of the original documents and provides the client with a receipt. According to Los Angeles County, this approach reduced waiting times for clients to no more than 15 minutes and allowed clients to submit documentation without meeting with their eligibility worker.

Most Interviewees Questioned Value of DRA

Virtually everyone interviewed in the site visit counties expressed some level of frustration with the DRA requirement and questioned whether it provided any added value given the administrative costs and burdens on counties and clients. In particular, no county officials or community stakeholders reported any examples of existing enrollees or applicants misrepresenting their citizenship to gain Medi-Cal coverage. Interviewees expressed a common sentiment that persons who lack satisfactory immigration status know they do not qualify for Medi-Cal and do not try to apply for benefits, and that this reality was not changed by the new DRA requirement. Interviewees also commented that the DRA requirement is inconsistent with other

eligibility and retention streamlining efforts supported by the state and federal government (e.g., elimination of the need for a face-to-face interview).

Interestingly, however, few interviewees thought the DRA requirement should be repealed. This seemed to reflect a general view that, despite the increased burdens on counties and Medi-Cal clients, it is not terribly unreasonable to ask applicants and enrollees to provide evidence of their citizenship and identity, even though the DRA requirement was not preventing people who are not eligible from enrolling in or retaining Medi-Cal coverage.

Initial Concerns Have Dissipated Following County Operationalization

Across all of the site visit counties, the initial concerns that Medi-Cal clients who were otherwise eligible would be denied or face lengthy delays in obtaining coverage have largely dissipated as the counties moved to operationalize the DRA requirement. Most interviewees reported the DRA has been integrated into the eligibility and renewal processes for eligibility workers, and most clients are aware of the requirement and know what to expect because it has become “common knowledge” among the Medi-Cal population. The one exception noted by most interviewees is the “new” county clients who are applying for Medi-Cal for the first time due to the economic downturn and who are less likely to be familiar with the eligibility process overall and the various Medi-Cal documentation requirements, including the DRA requirement.

While the first year of operationalization has been challenging, county leadership and staff indicated they expect the impacts of the DRA requirement to decrease as they complete the process of verifying citizenship and identity for all existing enrollees. They also pointed to the relief provided by CHIPRA (both the SSA match and the ability to grant full-scope Medi-Cal coverage to new applicants who are working to comply with the DRA requirement) as further reducing the impacts of the DRA on both Medi-Cal clients and county staff.

Even though California has not experienced significant declines in Medi-Cal enrollment due to the DRA, one concern which remains, and was voiced by a number of community stakeholders, is whether the DRA has deterred eligible clients from applying for Medi-Cal out of fear of deportation, misunderstanding or confusion about the new requirement, inability to pay for required documents, or a perception they would not be able to produce the necessary documentation. As noted above, this effect is not easily measured, but it remains an issue of interest and concern to all Medi-Cal stakeholders.

Conclusion

California DHCS, the counties, and Medi-Cal stakeholders approached the DRA documentation requirement with significant concerns about the possibility of severe negative impacts on Medi-Cal clients, including impacts on enrollment and retention. It

is noteworthy that California implemented the DRA requirement with due deliberation in an attempt to mitigate these impacts to the greatest degree possible. As documented by the site visit interviews, county staff and Medi-Cal stakeholders have taken a wide variety of steps to assist Medi-Cal clients to meet the DRA requirement as easily and reasonably as possible. When combined with the state's efforts, these county steps have meant the DRA requirement has played out quite differently in California compared to other states. Significantly, based on discussions with county officials and a broad range of community stakeholders in six counties, no one has been denied or lost Medi-Cal coverage and very few Medi-Cal clients have been placed on restricted coverage as a result of the DRA.

Nevertheless, the county site visits documented the considerable impact the DRA has had on county social services agencies, Medi-Cal clients, and non-county stakeholders. The DRA requirement imposed significant administrative hurdles and burdens that are time-consuming and costly, and the value-added from the DRA has yet to be demonstrated.

While county officials expect the CHIPRA revisions will help reduce these burdens, it remains important to continue to monitor the impacts of the DRA to further limit the unintended consequences of the DRA and reduce the administrative burden on the State, counties, and Medi-Cal clients. In the future, the impacts on counties and clients will depend on the extent that eligibility workers use all of the tools available to them to meet the DRA requirement, including computerized matches with birth records and SSA records, to minimize the need to produce hard-copy originals. Counties also should continue to assess how best to assist clients in obtaining documentation, the impacts of defined ROPs for new applications and renewals, and how to help clients placed on restricted Medi-Cal to achieve full-scope coverage.