

Testimony on:
Immigration Issues in Kansas Medicaid and the State Children's
Health Insurance Program (SCHIP)

presented to:
Senate Committee on Federal and State Affairs

by:
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**Senate Committee on Federal and State Affairs
January 18, 2007**

Immigration Issues in Kansas Medicaid and the State Children's Health Insurance Program (SCHIP)

Good morning Mr. Chairman and members of the Committee. I am Andy Allison, Deputy Director of the Kansas Health Policy Authority (KHPA) and Acting Medicaid Director. Thank you for inviting me to speak today.

One of KHPA's important responsibilities is to provide access to quality health care to low-income Kansans. We take seriously the agency's statutory mission to ensure access to health care services for our beneficiaries and to be responsible stewards for the resources entrusted to us by the citizens and State of Kansas. One of our responsibilities is to provide medical assistance to U.S. citizens and qualified aliens.

I want to, first, provide you with background information as to who is eligible for benefits, and second, demonstrate the challenges the new citizenship requirements have placed on beneficiaries and the Medicaid system in Kansas.

Eligibility for Benefits

With the exception of Sixth Omnibus Reconciliation Act (SOBRA) coverage, medical assistance is available to U.S. citizens and 'qualified aliens' only. The Personal Responsibility and Work Opportunity Act and Reconciliation Act of 1996 (PRWORA) defined the immigrant populations who meet qualified alien status. The following groups of immigrants are considered qualified aliens:

- *Persons with Legal Permanent Resident (LPR) status;
- Refugees and Asylees
- *Aliens Granted Parole Status for at least one year (Persons allowed entry for humanitarian reasons or public benefit)
- Aliens Whose Deportation is Withheld
- Certain Cuban and Haitian Immigrants
- *Battered Aliens (Violence Against Women Act of 2000)
- Victims of Severe Trafficking

* Except for veterans, persons on active duty in the U.S. military and their immediate families, immigrants in these categories who entered the United States on or after August 22, 1996 are prohibited from receiving benefits for five years. This is commonly known as the five-year bar.

All persons must declare citizenship or alien-age status at the time of application for benefits. Persons claiming citizenship status must provide verification under the new provisions of the Deficit Reduction Act. Non-citizens must provide immigration status information (e.g. Green Card). This information is then verified through the Department of Homeland Security's Systematic Alien Verification of Eligibility system (SAVE). The SAVE inquiry returns information regarding the immigrant's date of entry and status.

Sixth Omnibus Reconciliation Act (SOBRA) Coverage for Emergency Care. State Medicaid programs are required to provide coverage of emergency services to individuals otherwise eligible for Medicaid except for the alien-age requirements. To qualify, the individual must have incurred a documented medical emergency.

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For pregnant women, labor and delivery is a qualifying emergency. However, there is no prenatal coverage under SOBRA. Persons in this group must meet the categorical, as well as financial, qualifications of other Medicaid applicants. About 30-50 persons are determined eligible for SOBRA coverage each month.

Refugee Medical Assistance (RMA). Refugees who meet Medicaid and SCHIP eligibility criteria are eligible as a qualified alien. A refugee is an individual fleeing religious or political persecution in their home country. Individuals who are not eligible for Medicaid may receive coverage through the Refugee Medical Assistance program (RMA) for their first 8 months in the United States. Medical Assistance under RMA is 100% federally funded. KHPA works with the Kansas Department of Social and Rehabilitation Services (SRS), the state agency authorized to receive funds from The Office of Refugee Resettlement (ORR), to administer RMA. About 50 refugees were covered under the special RMA program in calendar year 2006.

Limited English Proficiency (LEP). Public benefit programs receiving federal funds, including medical programs, are required under Title VI of the Civil Rights Act of 1964 to provide translation and interpreter services to persons who are not able to clearly speak, read or understand the English language. Language option services must be provided at no cost to both applicants and recipients of these programs and are made available at the individual's request. KHPA, as well as partner agency SRS, utilize private contractors for both translation and interpreter services. LEP requirements also extend to KHPA contractors, such as Maximus, EDS, and the managed care organizations.

Translation Services for Written Communication. Vital documents, such as application forms, must be translated and available in languages where 1000 persons or more are likely to be encountered. For other language groups, materials can be translated 'as-needed'. However, it is usually most cost effective to have materials routinely available in common languages. For example, the HealthWave application is available in 10 languages.

Interpretation Services for Oral Communication. KHPA relies heavily on bi-lingual staff in the HealthWave Clearinghouse and SRS Regional Offices for oral communication with the LEP population. Where staff are not available a professional, over-the-phone interpreter service is used. Minor children are never allowed to act as interpreters.

Impact of New Federal Citizenship Requirements for Medicaid Applicants

As I mentioned before, we work to provide medical benefits to low-income Kansans. In light of those who are eligible for benefits, there have been additional requirements added by the federal government to ensure those who qualify receive these benefits. I want to share with you the impact the implementation of these new requirements has had on Kansans seeking access to health care services.

New Federal Requirements. As of July 1, 2006, new federal requirements require that all Medicaid applicants provide adequate documentation of citizenship and identification.

The requirement of additional documentation for each and every applicant has significantly altered the application process for medical benefits. Each person applying for benefits is now required to submit either one primary document verifying citizenship and identity such as a passport or certificate of naturalization, or two secondary documents, one verifying citizenship, such as a birth certificate and one verifying identity, such as a drivers license or school I.D. card. For example, in the past, an applicant with two children would submit an application on their own behalf and on behalf of their two children, and the necessary income verification documentation. Now, the same family would submit all of the same documents plus they need to submit an

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additional six documents -- two citizenship/identity documents per person.

How Beneficiaries are Impacted

Affecting caseload projection. As a result of the impact on beneficiaries, the number of individuals enrolled in Kansas Medicaid or SCHIP has fallen significantly since the requirements went into effect. Caseload in the two programs combined was 308,994 in June 2006 and 285,134 in January 2007. We estimate that 18,000-20,000 of this decline is a direct result of the new verification requirements. Of this drop, 2,381 individuals are those whose applications or renewal cases have been closed because they could not provide the newly required documents in a timely fashion. Another 16,000 or more are waiting to enroll in the program, or have fallen off the program while waiting to be re-enrolled, as a result of the large backlog of cases the new requirements have created. Many of those waiting to be enrolled are eligible citizens. Recent experience indicates that the majority of children and families with pending applications will qualify for coverage under the new requirements when we are able to complete processing. Unfortunately for many Kansans, much of those that have dropped in caseload between June 2006 and January 2007 consist of eligible and correctly-identified citizens.

Affecting beneficiaries. This new mandate affects beneficiaries in many ways. Significantly increased time and other costs of applying for Medicaid benefits have created difficulties for beneficiaries. Although KHPA has made arrangements to electronically “match” with Kansas state birth certificate records, many applicants who were born out of state report the need to purchase and wait for their birth records to be sent. Those denied coverage or who are waiting for their applications to be reviewed may experience increased out-of-pocket health costs and reduced access to service.

Since the verification requirements took effect, individuals have had difficulties contacting state eligibility workers. Due to the marked increase in phone inquiries, the phone lines have been over-capacity, not allowing individuals to get to leave a voice message or talk to a customer service representative. This has resulted in a number of individuals not receiving necessary medical attention. For instance, a woman can have applied for HealthWave and not yet hear back from the Clearinghouse. She is pregnant and has doctor appointments. It is important for her to have coverage to keep her and her child healthy. But without HealthWave, she has to pay her own bills – which she is unable to afford – or forgo her doctor’s appointments. There are numerous examples of these situations that may ultimately wind up costing the health care system more in the long run.

How Enrollment Process is Impacted

Applicants are confused. As a result, more cases are being delayed and we receive many more customer service phone calls. Since June, the number of customer service calls to the Kansas Family Medical Clearinghouse per month has more than doubled from 23,000 to 49,000, the number of voicemails has increased by ten times from 1,200 to 11,000, and the number of faxes has doubled to 6,000.

These additional documents are required to be submitted in hard copy form. The sheer volume of physical documents that are routinely received by the Clearinghouse has more than doubled. Each of these documents must be verified, processed and stored for future reference. As a result, the application process has become much more lengthy, complex, and labor intensive. Our processes and systems are strained.

While the workload has increased significantly, staffing has not. And, our backlog of applications has risen dramatically.

Although we expect these problems to be ongoing, we also expect that the first year of this requirement will be the most difficult, because each month this year the Clearinghouse will be conducting verifications for not only the 3,500 new applicants, but also for the 5,000 current beneficiaries who are scheduled for their annual eligibility review. After the verification has been performed for all current beneficiaries, the information will be kept on file for future annual reviews, and the requirements will only affect new applicants.

Steps KHPA is Taking to Mitigate Problems

KHPA has taken measures to deal with some of these issues. We have reallocated resources within our existing contract with MAXIMUS. However, reallocation has not been sufficient to remedy the situation. As a result, KHPA has made a supplemental request to add 21 additional staff to the Clearinghouse for FY 2007 and FY 2008. The Clearinghouse is vital to our mission. Without additional funding, we will place an unfair burden on Kansans who need these services the most. We must continue to provide access to health care for low-income Kansans, and funding these 21 positions is a necessity as we move forward in the future.

We have also secured access to reliable interfaces that can provide some of the information required. The Kansas Department of Health and Environment has granted KHPA secured access to vital statistics information and to their immunization registry to avoid the need to obtain hard copies of birth certificates and identification records. We have also secured access to enrollment information with the Department of Education to serve as identification documentation for children.

These problems are not unique to Kansas. Iowa, Louisiana, Wisconsin and New Hampshire report similar experiences. For example, Virginia reports they have seen about 12,000 children who have been dropped from the state's Medicaid caseload since July 1, 2006.

Therefore, we will be calling on our Congressional delegation in February to assist us in mitigating these problems. On February 14, we will be leading a delegation of Board members and Legislators to Washington, D.C., where we will provide our delegation with an update on the impact of these new laws, suggest policy alternatives, and recommend a Congressional review of the legislation. The impact of these new federal requirements are not only affecting our employees and adding to their workload, but it is affecting Kansans, the very people you and I serve.

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. We concur with the statement of the Iowa Department of Human Services that "...There is no evidence that the decline is due to undocumented aliens leaving the program. Rather, we believe that these new requirements are keeping otherwise eligible citizens from receiving Medicaid because they cannot provide the documents required to prove their citizenship or identity...."

We are particularly concerned about the impact on unsuccessful or delayed applicants who may have difficulty accessing health care services, and the impact on safety net providers who will ultimately bear many of the costs for those who are uninsured.

Summary

The Kansas Health Policy Authority believes every Kansan should have access to care. That is why there are programs in place to provide qualified individuals—including qualified aliens—health care assistance. However, as we have demonstrated to you today, there are issues that threaten eligible Kansans from receiving accessible health care. We want to work with you and our Congressional delegation to mitigate the problems we have experienced under the new federal citizenship requirements for Medicaid. If interested, I also invite you to join me in D.C. on the 14th.

Thank you for your time, and I am available for questions.