

GAO Study: New Documentation Requirement Rules Led to Medicaid Decline

By KEVIN FREKING, Associated Press Writer
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WASHINGTON, (AP) -- Medicaid rolls declined in many states after Congress imposed new documentation requirements, but most of the drop-off appears to be among people eligible for coverage – not illegal immigrants.

A law that took effect July 1, 2006, requires states to obtain evidence of citizenship and nationality when determining whether people are eligible for Medicaid.

The Government Accountability Office surveyed states on the impact of the new rules. Twenty-two of 44 states reported enrollment declines, the GAO said Tuesday, and most of those states said the decline was due to delays in coverage or a loss of coverage for eligible citizens.

Meanwhile, 12 states said the requirement had no effect on enrollment. Ten others didn't know.

Medicaid is the state and federal program that provides health coverage to the poor.

In responding to the report, the federal agency that oversees Medicaid raised concerns that states did not provide data to document their conclusions.

The GAO acknowledged that its review basically represents the perspective of state Medicaid officials.

"(They) stated the requirement has resulted in enrollment declines and has posed administrative burdens to states and individuals," the report said. "Further, our survey results indicate that the effects states experienced in the first year may continue at least to some extent in the future.

But Leslie Norwalk, the former acting administrator for the Centers for Medicare and Medicaid Services, challenged the GAO's conclusions in June. She left the agency last week as a permanent administrator was expected to come on board.

"These conclusions are largely based on anecdotal statements or vague feelings by some states that all declines in enrollment must be based on the new requirements," Norwalk said. "In fact, enrollment generally ebbs and flows across states such that at any given time one would expect declines in some states, increases in other states and unchanging levels in others."

Medicaid serves more than 50 million people. Beginning in 1986, Congress required that beneficiaries attest that they are citizens or legal immigrants eligible to participate. But, Congress took the proof of eligibility a step further last year by requiring documentary evidence.

The Centers for Medicare and Medicaid Services projected that the new documentation requirements would save the federal government and the states about \$90 million this year.

But the GAO also disputed that estimate, saying Medicaid officials "did not account for the increased administrative expenditures reported by the states, and the agency's estimated savings from ineligible, noncitizens no longer receiving benefits may be less than anticipated."

Overall, 35 states reported increases in the time spent processing enrollment applications. Looking at one unidentified state, GAO noted that the state processed an average of more than 150,000 applications a month in the eight months following the new documentation requirements. In that state, assuming an extra 16 minutes per application, that would have added at least 40,000 hours of staff time per month.

Rep. Henry Waxman, D-Calif., requested the GAO's analysis. He said the report should lead to changes concerning documentation requirements.

"States should be able to decide for themselves whether the costs of the current one-size-fits-all documentation policy are in the best interests of their citizens," Waxman said.