

**The Burden of Proof:**  
**How Much is Too Much for Child Health Coverage?**

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# INTRODUCTION

When families apply for Medicaid coverage for their children, they are warned of fraud penalties and must attest to their knowledge of the consequences of making untruthful statements when they sign the Medicaid application. Families generally are required to provide documentation to prove certain statements made on their application. In bureaucratic terms, such documentation is called "verification."

From the family's perspective, this burden of proof can be problematic for many reasons. Obtaining required verification frequently involves third parties such as employers and noncustodial parents, who may not be cooperative. Complying with verification requirements can be particularly difficult for families with limited resources, especially those without transportation or child care. For parents who would lose wages if they take time off from work to collect the required documents, verification requirements present substantial application barriers. In addition to these practical concerns affecting access to coverage, a major problem is that the intrusive nature of the verification process adds considerably to the stigma associated with applying for government-sponsored child health coverage.

Medicaid application procedures and verification requirements evolved from welfare rules and are long overdue for an examination of their relevance to a health insurance program for children. Rules vary by state because states have considerable flexibility in deciding the extent to which verification is required.

States have been reluctant to reduce verification requirements due to concerns over quality control, particularly the federal Medicaid Eligibility Quality Control (MEQC) system. However, the pervasive and longstanding fear of the MEQC system is largely unfounded today. The federal Health Care Financing Administration (HCFA) is making special efforts to work cooperatively with states to make the eligibility process more family friendly.

In recent years, several states have demonstrated that it is possible to maintain eligibility quality control while alleviating some of the verification burdens placed on families. Among the southern states, Georgia has been a leader in reducing verification demands on families, and Georgia Medicaid officials testify that they have not experienced quality control problems as a result.

Given that there are approximately 4.5 million uninsured children who are eligible but not enrolled in Medicaid, it is clear that action is needed to improve access to Medicaid coverage. Actions are also needed to assure that eligible children do not lose Medicaid coverage due to procedural requirements at redetermination.

Efforts to simplify the eligibility process are also relevant to assuring access to the new state child health insurance (CHIP) programs. The same procedural requirements that have restricted access to Medicaid can become access barriers to CHIP. In addition, the federal statute specifies that children who are eligible for Medicaid are ineligible for CHIP. A letter from HCFA dated November 23, 1998, (see Appendix A) states that if a family fails to complete the application process for any reason, the child cannot be enrolled in CHIP. Thus stringent verification and other procedural requirements for Medicaid can hamper access to CHIP.

Because the issues are complicated, information and dialogue are essential to helping states ease the verification burden on families. To assist states, the Southern Institute on Children and Families on September 15-16, 1998, conducted a regional meeting to discuss child health coverage verification issues. Participating in the dialogue were Medicaid and/or CHIP officials from 15 southern states, as well as regional and central office HCFA representatives. (Participants are listed in Appendix B.) This report presents knowledge attained as a result of this discussion. The meeting and this report were made possible by a grant from The Robert Wood Johnson Foundation.

Prior to the Southern Institute meeting, a poll of 17 southern states and the District of Columbia was conducted to identify verification questions states wanted to pose to HCFA. These questions were compiled and sent to HCFA before the meeting. Some written responses were submitted at the meeting, and additional responses were developed after the meeting. This report includes the following information:

- Verification Requirements at Application
- Verification Requirements at Redetermination
- Additional Issues

Where the term CHIP appears in the HCFA response, it refers to a separate CHIP program. References to Medicaid include both regular Medicaid and CHIP Medicaid expansions.

The Southern Institute meeting provided an opportunity for “give and take” on the interpretation of federal rules related to verification of income, age, citizenship, resources and family composition both at application and at redetermination. The discussion vividly demonstrated the need for clarification on verification and other eligibility process issues. It also clearly demonstrated that states have substantial authority to take actions to reduce the verification burden on families while maintaining the integrity of the eligibility process.

The Southern Institute wishes to express appreciation to the Health Care Financing Administration and state Medicaid/CHIP representatives who participated in this important initiative. It is hoped that this report will assist states in their efforts to simplify the application and redetermination processes for families seeking health coverage for their children.

# VERIFICATION REQUIREMENTS

## AT APPLICATION

### State Questions and HCFA Responses

#### *Income*

##### **Question 1**

**What are the minimum requirements for verification according to federal regulations?**

For Medicaid, the only federal income verification requirement is the post-eligibility requirement in Section 1137 of the Social Security Act for the state to have an income and eligibility verification system (IEVS). Under IEVS, the state must request information from other federal and state agencies to verify the applicant's income and resources to the extent that it is useful. The applicant must be informed in writing, at the time of the application, that the agency will be requesting this information. The regulations implementing IEVS are at 42 CFR 435.940.965.

For CHIP, there are no income verification requirements.

##### **Question 2**

**Can a state accept self-declaration for CHIP? Medicaid?**

Yes. For both CHIP and Medicaid, the state can use self-declaration to establish eligibility.

For Medicaid, verification of self-declared income is required under the IEVS system. For income that cannot be verified under IEVS, HCFA encourages random post-eligibility verifications or the adoption of other procedures designed to assure program integrity is being maintained. (See HCFA letter dated September 10, 1998, in Appendix C.)

For CHIP, there are no federal income verification requirements. However, HCFA encourages random post-eligibility verification of self-declared income or the adoption of other procedures designed to assure program integrity is being maintained.

### **Question 3**

**Is self-declaration of income acceptable if a client is within a certain range of the income limit?**

Yes. Self-declaration of income, based on income limits, can be used to establish eligibility for both Medicaid and CHIP.

### **Question 4**

**Can verification for CHIP be limited to information required for only poverty-level children?**

For a separate CHIP program, the state may establish whatever income verification requirements it desires. Verification of income is not required under CHIP by current federal law.

### **Question 5**

**What about income earned in a family unit that is ultimately given to another family unit for child support, health insurance, day care, etc?**

For Medicaid, income earned by a member of the Medicaid family unit but either used to pay child support, health insurance, day care or withheld from the salary to pay for something is considered available to the family and counted as income.

(Exception: Day care expenses of up to \$200 per month for a child under 2 and \$150 per month for an older child must be excluded from income if the care is necessary for the adult to work.)

States do have the option under sections 1902(r)(2) and 1931 to exclude income that is used for a certain purpose because this would be a more liberal method of determining countable income than required.

For CHIP, there are no federal requirements on determining what income counts in the eligibility determination. The state, therefore, may follow Medicaid policy or adopt another policy.

### **Question 6**

**How can we predetermine eligibility with other programs that require income verifications, such as free and reduced school meal programs?**

For Medicaid, it is not likely that states can rely on the eligibility determinations of other programs because eligibility requirements vary among programs. However, the application processes can be integrated through use of joint application forms.



Under a separate CHIP program, the state would have the flexibility to deem eligible for CHIP a child who is eligible under another program. States do not have the flexibility, however, to deem CHIP eligibility for individuals who already are Medicaid eligible.

Verifications of income obtained by other programs can be used under Medicaid or CHIP if that information is disclosable by the program.

### **Question 7**

**Should the income of a live-in boyfriend or girlfriend be counted in the family's total income?**

Under Medicaid, the income of a live-in boyfriend or girlfriend would not be counted in determining the eligibility of the child, except to the extent that it is actually contributed (e.g., money actually changes hands). A boyfriend's income is not counted even if the child is pregnant and eligibility is being established under the group for poverty-level pregnant women. After the birth of the infant, if the live-in boyfriend is the father, his income would be considered in establishing the eligibility of the infant after the one-year period of deemed newborn eligibility ends.

Under CHIP, there are no federal requirements for determining what income counts in the eligibility determination. The state may, therefore, follow Medicaid policy or adopt another policy.

### **Question 8**

**For applicants who are paid in cash, will a statement from a credible third party to corroborate stated income be acceptable?**

That determination is within state discretion for both Medicaid and CHIP. (See HCFA letter dated September 10, 1998, in Appendix C.)

## ***Resources***

### **Question 1**

**What are the minimum requirements for verification according to federal regulations?**

For Medicaid, the only requirement to verify resources is the IEVS verification requirement that is discussed in the answer to the first question under income. (See HCFA letter dated September 10, 1998, in Appendix C.)

For CHIP, there are no verification requirements for resources.

## **Question 2**

### **Is self-declaration acceptable?**

Yes. For both Medicaid and CHIP, the state can use self-declaration to establish eligibility.

For Medicaid, verification of self-declared resources is required under the IEVS system. For resources that cannot be verified under IEVS, HCFA encourages states to conduct random post-eligibility verifications or the adoption of other procedures designed to assure program integrity is being maintained.

For CHIP, there are no federal resource verification requirements. However, HCFA encourages random post-eligibility verification of self-declared resources or the adoption of other procedures designed to ensure program integrity.

## **Question 3**

### **Is self-declaration of resources acceptable if a client is within a certain range of the resource limits?**

Yes. Self-declaration of resources, based on resource limits, can be used to establish eligibility for both Medicaid and CHIP.

## **Question 4**

### **Is it possible to eliminate resource tests, streamline resource rules and standardize resource limits for all family and children covered groups?**

Yes, for both Medicaid and CHIP.

Under Medicaid, this can be achieved through the use of the authority in Sections 1902(r)(2) and 1931 of the Social Security Act to adopt more liberal resource methodologies than those in effect under the state's AFDC plan in effect on July 16, 1996.

For CHIP, the state has complete discretion in terms of setting resource requirements, including no resource test at all.

## *Citizenship*

### **Question 1**

#### **What is the minimum standard?**

For Medicaid, as a condition of eligibility, citizens or nationals must declare in writing under penalty of perjury that they are U.S. citizens or nationals. Current Medicaid policy permits states to accept that declaration or to require further verification as a condition of eligibility.

Immigrants who are neither U.S. citizens nor nationals, as a condition of eligibility for Medicaid, must declare in writing, under penalty of perjury, whether they are a qualified alien and, if so, present reasonable evidence of satisfactory immigration status. [Qualified aliens are defined in section 431 of the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA)]. In addition, for Medicaid, states are required to verify with the Immigration and Naturalization Service (INS) the immigration status of qualified aliens. Current policy on Medicaid verification of immigration status is found at Section 3212.9 of the State Medicaid Manual.

The requirement to verify immigration status is a long-standing requirement of the Social Security Act, which applies to Medicaid. PRWORA also includes a requirement for verification of immigration status by federal public benefit programs, such as Medicaid and CHIP. It was amended to add a new requirement for federal public benefit programs to verify citizenship. Policy is under development by the Justice Department in consultation with the Department of Health and Human Services on the PRWORA requirements to verify citizenship or national status and immigration status.

For CHIP, there are no verification requirements in the CHIP law (Title XXI of the Social Security Act) or elsewhere in the Social Security Act. However, the requirements for verification of citizenship or national status under PRWORA apply to CHIP as do the PRWORA requirements for verification of immigration status of qualified aliens with INS.

Pending the issuance of final rules by the Department of Justice, for CHIP, states should establish procedures for verification of citizenship or national status and for verification of immigration status in accordance with the Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility under Title IV of PRWORA issued by the Justice Department on November 17, 1997, 62 Fed. Reg. 61344-61416. For citizenship or national status, these guides allow federal benefit programs to accept self-declaration or require further verification.

## **Question 2**

**Must the state verify alien status for Medicaid? For CHIP?**

See the response to Question 1 under *Citizenship* above. Verification is not required for those who are not qualified aliens. However, non-qualified aliens are eligible under Medicaid only for coverage of emergency services. Non-qualified aliens are not eligible for coverage under CHIP.

## **Question 3**

**Can the state accept self-declaration that the client is lawfully admitted for Medicaid? For CHIP?**

Yes. See the response to Question 1 under *Citizenship* above.

## **Question 4**

**Will the State Medicaid Manual be revised per the January 23, 1998, letter to state health officials from HCFA stating that there are no verification requirements under federal law other than those related to alien status of noncitizens?**

The State Medicaid Manual will be updated at some future date to incorporate the applicable requirements, including the requirement to verify citizenship or national status.

It should be noted that the January 23 letter also cited the post-eligibility IEVS requirement to verify income and resources under Medicaid. (See HCFA letter dated January 23, 1998, in Appendix D.)

## **Question 5**

**When verifying alien status via SAVE, should the alien's date of entry into the U.S. be part of the response?**

While it would be desirable, the alien's date of entry is not part of the response provided by INS under automated primary verification at this time. The date of entry can be obtained under the secondary verification process.

## ***Age of Child***

### **Question 1**

**What is the minimum requirement?**

There is no federal requirement for verification of the age of the child under either CHIP or Medicaid.

## **Question 2**

**Is self-declaration acceptable if the state does not do presumptive eligibility?**

Self-declaration is acceptable for both Medicaid and CHIP (whether or not the state has adopted presumptive eligibility). However, HCFA encourages a random post-eligibility verification of age or the adoption of some other process that assures program integrity is being maintained.

## **Question 3**

**If a female is pregnant and delivers after age 19, can CHIP coverage be extended?**

No. However, the state should determine whether the child is eligible as a poverty-level pregnant woman under Medicaid.

## **Question 4**

**If a child is involved in an accident at age 18 and turns age 19 while still needing treatment, can CHIP coverage be extended?**

No.

## ***Family Composition***

### **Question 1**

**Is self-declaration acceptable?**

Yes. Under both Medicaid and CHIP, self-declaration can be used to establish eligibility. However, HCFA encourages random post eligibility verifications or the adoption of other procedures to assure program integrity is being maintained.

### **Question 2**

**Should a live-in boyfriend or girlfriend be counted as a member of the family and part of the household size?**

For Medicaid, if the live-in boyfriend or girlfriend is a parent of the born child in the family, the live-in is counted as a member of the family of the child. For more detail, see the response to Question 7 under *Income* above.

For CHIP, there are no federal requirements. The state may, therefore, follow Medicaid policy or adopt another policy.

# VERIFICATION REQUIREMENTS AT REDETERMINATION

## State Questions and HCFA Responses

### *Income*

#### Question 1

**What are the minimum requirements for verification according to federal regulations?**

For Medicaid, federal regulations require verification of income at redetermination under the IEVS system. At redetermination, states may, with HCFA's approval, target the use of IEVS information in ways that are most cost-effective and beneficial. The beneficiary must be informed in writing at the time of the redetermination that the agency will be requesting this information.

For CHIP, there are no federal verification requirements.

#### Question 2

**Can the state accept the client's statement at redetermination without verifying income or changes in income for Medicaid? For CHIP?**

Yes. For both Medicaid and CHIP, the state can use self-declaration of income to establish eligibility at redetermination.

For Medicaid, verification of self-declared income at redetermination is required under the IEVS system. For income that cannot be verified under IEVS, HCFA encourages random post-eligibility verifications or the adoption of other procedures designed to assure program integrity is being maintained.

For CHIP, there are no federal income verification requirements. However, HCFA encourages random post-eligibility verification of self-declared income at redetermination or the adoption of other procedures designed to assure program integrity is being maintained.

### **Question 3**

**Can the state complete a redetermination for Medicaid without an interview? For CHIP?**

Yes in Medicaid. In CHIP, the state determines the rules, but an interview is not required in the law.

### **Question 4**

**In general, would verification requirements for redetermination remain the same or differ from verification requirements at application?**

Aside from compliance with federal requirements, it is up to the state to determine for both CHIP and Medicaid whether to use the same or different verification requirements.

## ***Resources***

### **Question 1**

**What are the minimum requirements for verification according to federal regulations?**

They are the same as minimum requirements for income. See response to Question 1 under *Income* above.

### **Question 2**

**Is self-declaration acceptable?**

Yes. For both Medicaid and CHIP, the state can use self-declaration to establish eligibility. The requirements are the same as those for income. See response to Question 2 under *Income* above.

## ***Citizenship***

### **Question**

**Is self-declaration acceptable?**

For both Medicaid and CHIP, there is no need to revisit citizenship or national or immigration status except where the beneficiary reports a change in circumstances or the state has reason to believe that a change in circumstance has occurred. In that event, states must follow the applicable requirements for CHIP and Medicaid outlined in the answer to Question 1 in the *Citizenship* section under “Verification Requirements At Application” in establishing the changed status.

## *Age of Child*

### **Question 1**

#### **Is self-declaration acceptable?**

Yes. Under both CHIP and Medicaid, the state can use self-declaration of age to redetermine eligibility. Because age is a circumstance that will not change, the state can rely on the age determination made at the time of the initial eligibility determination.

### **Question 2**

#### **What happens if a child turns 19 during the 12-month recertification period?**

Under Medicaid, it depends on whether the state covers children over 18. If it does not, eligibility would end unless the state determines that the child is eligible under Medicaid on some other basis, such as disabled.

Under CHIP, eligibility ends at age 19. (At the time of the last redetermination, the state will know that the child will turn age 19 before the end of the period.)

### **Question 3**

#### **Will a statement from a credible third party be acceptable?**

Whether to require a statement is up to the state to determine for both CHIP and Medicaid. As noted in the responses to question one, there is no need to redetermine age.

### **Question 4**

#### **Is there any need to redetermine since, once verified, age can be calculated?**

No, for both CHIP and Medicaid.



## *Family Composition*

### **Question 1**

#### **Is self-declaration acceptable?**

Yes. Under both CHIP and Medicaid, the state can use self-declaration of family composition to establish eligibility at recertification. HCFA encourages random post-eligibility verification of self-declared family composition or some other process to ensure program integrity where family composition is declared to have changed from the time of application.

### **Question 2**

#### **Would using the same definitions for family and family income for both CHIP and Medicaid help facilitate eligibility determination and recertification?**

Yes. Using the same definitions for both Medicaid and CHIP would simplify administration. It would facilitate the screening process required for separate CHIP programs and assure that all Medicaid-eligible children were identified. However, to do this, states would have to conform their CHIP policy to Medicaid because of the statutory restrictions on countable income and family composition that apply under Medicaid.

### **Question 3**

#### **Would a statement from a credible third party be acceptable?**

That is for the state to determine for both CHIP and Medicaid. If there has been no declared change in family composition from the time of application, verification may not be warranted.

# ADDITIONAL ISSUES

## State Questions and HCFA Responses

### *Medicaid Versus CHIP*

#### Question 1

**Are there any differences between federal Medicaid and CHIP verification requirements?**

Only one. Unlike Medicaid, there is no requirement under CHIP for income and resource verification under IEVS.

#### Question 2

**Does HCFA expect CHIP verification procedures to differ from the verification procedures for other Medicaid coverage groups?**

Outside of verification that is required under federal law and regulations, it is up to the state to establish verification requirements for CHIP and Medicaid. To the extent they can be made the same, it would facilitate the application process in situations where a joint application is being used.

### *Random Verification Checks*

#### Question

**Can eligibility be granted based on statements in the application with random checks used to verify? If so, what is the minimum standard for random checks?**

Yes. Self-declaration can be used for both CHIP and Medicaid with random checks. States must comply with the federal verification requirements that are discussed in response to earlier questions.

There is no minimum standard for random checks. It is up to the state to set a standard it considers reasonable.

## *Insurance Verification*

### Question

**What are the minimum requirements for verification of insurance status?**

For Medicaid, under IEVS the state is required to obtain information from various agencies, not only for purposes of verifying income and resources for Medicaid eligibility but also for verifying the correct amount of Medicaid payments. IEVS data matches may disclose potential legally liable third parties, which states must follow up on unless the eligibility case file includes information about the potential legally liable third party. HCFA also has issued guidelines (Section 3904 of the State Medicaid Manual) about obtaining health insurance information from the applicant that may be useful in identifying legally liable third party resources.

For CHIP, there are no verification requirements. However, states are expected to apply and monitor the crowd-out policies in their approved Title XXI plans.

## *Alien Status of CHIP Applicants*

### Question

**How can a CHIP program that is not Medicaid verify alien status?**

The state should use the same verification process it uses for Medicaid.

## *Continuous Eligibility*

### Question 1

**For continuous eligibility, is certification of any information (age, income, etc.) required during the period of continuous eligibility?**

No.

### Question 2

**Instead of annual reviews, why not allow reviews to be based on income of the family and extend it to 24-month or 36-month reviews? Why not allow extended Medicaid certification periods for categorically needy families?**

For Medicaid, this is not allowed because reviews at least annually are required by regulation (but not the law) with respect to circumstances that may change. Also, except for continuous eligibility, the regulations require

a prompt review when the Medicaid agency receives information about changes in a recipient's circumstances that may affect his/her eligibility.

For CHIP, the frequency of review is up to the state to determine.

### ***Regulation Clarification***

#### **Question**

**What is HCFA's position on simplified eligibility/verification in view of regulations at 42 CFR 431.17 (b), which require case records to contain information on facts essential to determination of initial and continuing eligibility, and 42 CFR 435.913, whereby the agency must include in each applicant's record facts supporting the agency's eligibility decision?**

HCFA's position is that these regulations do not impose an obligation to verify under Medicaid. Since the application is signed under penalty of perjury, unless independent documentation or verification is required by federal law, regulations or guidelines, the requirement to have facts to support the eligibility determination may be satisfied by information based on a self-declaration of the applicant.

These regulations do not apply to CHIP.

### ***Paternity Establishment/Assignment of Rights***

#### **Question**

**Does assignment of rights and cooperation with paternity establishment apply to children receiving coverage under CHIP? Under Medicaid?**

These requirements do not apply to CHIP. For Medicaid, they do apply, except that the requirement to cooperate in establishing paternity and in obtaining medical support and payments does not apply to poverty-level pregnant women and persons who the state determines have good cause to refuse to cooperate.

Also, for Medicaid, children (including infants) cannot be denied or terminated due to the refusal of a parent or another legally able person to assign rights or cooperate in establishing paternity or obtaining medical support and payments.

HCFA is giving states flexibility to obtain information on non-custodial parents at any time during the application process. This means that the information does not have to be collected in the *application* itself as long as it is obtained in the *application process*. The last step in the application process is the notification of the eligibility determination. HCFA will issue a letter on this requirement in the coming months.

## ***Social Security Number***

### **Question**

**If a parent fails to supply a valid Social Security number for himself, can the child be denied eligibility for Medicaid?**

Only applicants for and recipients of Medicaid benefits must supply this information. States are expressly prohibited from requiring the Social Security number of a parent or family member as a condition of a child's eligibility. A Social Security number is required only for the child applying for Medicaid benefits. And for non-Medicaid CHIP programs, the provision of a Social Security number is optional. However, *voluntary* disclosure by the parent may facilitate income verification and expedite determination of the child's eligibility.

## ***Immigration Status***

### **Question**

**Can a citizen child applying for Medicaid be denied because his or her parents are not citizens?**

The citizenship or immigration status of non-applicant parents or other household members is irrelevant to a child's Medicaid eligibility, and states may not require that parents provide this information about themselves. For children who are citizens applying for Medicaid or a separate state CHIP, states currently may establish citizenship on the basis of self-declaration. Children applying for either program and who are qualified aliens must present documentation of their immigration status, which states must verify using systems established for that purpose. (See HCFA letter dated September 10, 1998, in Appendix C.)

Under Medicaid, with the exception of obtaining documentation of immigration status for qualified alien applicants and the applicant's Social Security numbers, states can determine their own documentation requirements, including self-declaration of income and assets.

## ***Quality Control Concerns***

### **Question**

**Quality control errors remain a big concern for states. Does HCFA plan to ease or eliminate the threat of Medicaid Eligibility Quality Control (MEQC) errors in Family Medicaid?**

Medicaid eligibility quality control cannot be eliminated because it is a requirement of federal law. However, HCFA has given states considerable flexibility, within the parameters of the law, to implement the quality control process. In lieu of the traditional review of a case sample, states may carry out pilot projects designed to focus the state's quality control efforts on areas where there may be problems. States also have the option to conduct alternative MEQC projects as part of an approved section 1115 waiver. States with approved pilot projects or section 1115 waivers are assigned an error rate which is the rate for their last full year under the regular system.

HCFA is aware of quality control concerns as states seek to simplify their application and enrollment processes for enrolling children into Medicaid. It is worth noting though that the national quality control error rate has been below the 3% tolerance for over a decade. We believe that as long as states maintain prudent administrative control over their Medicaid programs, there is little likelihood that states will be held disallowance liable. However, HCFA will continue to review the quality control implications of Medicaid eligibility application and enrollment simplification and will issue additional guidance, if appropriate.

## ***Confidentiality***

### **Question**

**Is confidentiality a concern in coordinating verification across programs?**

Yes, it is a concern because confidentiality requirements vary from program to program. Some programs have strict disclosure requirements. For example, under Medicaid, disclosure of information about a Medicaid applicant or recipient must be for a purpose directly connected with the administration of the program.

## ***Remote Eligibility Determination***

### **Question**

**To facilitate more enrollment, why not allow remote eligibility determination sites for CHIP and Medicaid? What about letting entities other than the Department for Social Insurance and SSI determine eligibility?**

For Medicaid, the law requires the determination of Medicaid eligibility to be made by state merit system employees. (The law allows states to contract with the Social Security Administration to determine Medicaid eligibility for aged, blind or disabled individuals.) Except for Medicaid outstationing, federal Medicaid funds may not be used for non-public employees to take applications and perform other initial application processing activities that precede the determination of eligibility. Under Medicaid outstationing, non-public employees, such as provider employees and private contractor employees, are permitted to perform initial application processing activities at federally qualified health centers, disproportionate share hospitals and other outstation locations where individuals go to receive services. Therefore, private entities are not permitted to operate the Medicaid process from application and eligibility determination to enrollment. However, within the parameters of the law noted above, states have flexibility to allow remote eligibility determination sites for Medicaid.

For CHIP, who performs application, eligibility determination and enrollment activities and how they are done is left to the state to determine.

## ***Applying for Children***

### **Question**

**Is a parent the only person legally able to file a child's Medicaid application?**

No. According to Regulation 42CFR435.907, "the agency must require a written application (either) from the applicant, an authorized representative, or, if the applicant is incompetent or incapacitated, someone acting responsibly for the applicant." Therefore, someone other than a parent is permitted to initiate a Medicaid application on behalf of a child.

## **APPENDIX A**

**November 23, 1998  
Screening Letter from HCFA**



<b>HCFA</b>	<b>Beneficiaries</b>	<b>Plans &amp; Providers</b>	<b>States</b>	<b>Researchers</b>	<b>S</b>
<b>Medicare</b>	<b>Medicaid</b>	<b>CHIP</b>	<b>Customer Service</b>	<b>FAQs</b>	

November 23, 1998

Dear State Health Official:

The Department of Health and Human Services (DHHS) issued a letter on January 23, 1998 regarding outreach opportunities to improve enrollment of uninsured children in the State Children's Health Insurance Program (CHIP) or Medicaid. In that letter, DHHS described the requirement under CHIP to ensure that children found through screening to be eligible for Medicaid are enrolled in Medicaid. This letter provides additional guidance on the Medicaid "screen and enroll" requirement in the CHIP law under section 2102(b)(3)(B).

**"Screen and Enroll" statutory requirement**

The "screen and enroll" requirement is critical to ensuring that children are covered by the appropriate program. One of the principles of the CHIP legislation is that coverage should be extended to uninsured children and that CHIP programs should not supplant existing public or private coverage. To prevent substitution of CHIP for Medicaid, States establishing separate, non-Medicaid health insurance programs must screen all applicants for Medicaid eligibility and enroll them in Medicaid if they are eligible. This requirement ensures that any child applying for CHIP who is found through screening to be potentially eligible for either CHIP or Medicaid will be enrolled in the right program. States electing to expand only through Medicaid under CHIP are exempt from the CHIP screen and enroll requirement because eligibility for regular Medicaid will be determined as part of the eligibility process for the CHIP expansion.

The simplest way to meet the "screen and enroll" requirement is to use a joint application form. A State would review the joint application and determine Medicaid or CHIP eligibility consecutively, without requiring the family to submit additional information. Medicaid enrollment can be accomplished without referring the family to another office or completing another application. A number of States with separate CHIP programs are using or are planning to use a joint application form. (Note: A DHHS model joint application for CHIP and Medicaid can be found in the September 10, 1998 eligibility letter on the HCFA website at [www.hcfa.gov](http://www.hcfa.gov).)

The following are three examples of States using a joint application:

**Joint application / State agency determines eligibility:**

Oregon uses this approach. The State has developed a joint application for Medicaid and for its separate CHIP program, and State workers will determine eligibility for both programs. The State will conduct a full Medicaid eligibility determination to determine whether the child is Medicaid eligible. If the child is eligible for Medicaid, she or he is enrolled in that program. If the child does not meet the Medicaid eligibility criteria, the State further screens the application to see if the child meets CHIP criteria. If so, the child is enrolled in CHIP.

**Joint application / Private entity performs "initial processing":**

Connecticut uses this approach. The State has developed a two-page application for its "HUSKY" program, which is used to determine eligibility for both Medicaid and for its separate CHIP program. The State contracts with an independent entity to perform the initial Medicaid screen and make the final eligibility determination for the non-Medicaid program. When the contractor receives an application for HUSKY and the child appears to be Medicaid eligible,

















































