

The House Verification System:
A Delicate Balance between Affordable Coverage Access and Burdensome Bureaucracy

Central to philosophies around effective health care reform is that the affordability of health insurance must be improved for millions of Americans. To bridge the affordability gap, the House of Representatives passed the “Affordable Health Care for America Act of 2009” (H.R. 3962), which authorizes federal subsidies for U.S. citizens and many legal immigrants purchasing health plans in the new Health Insurance Exchange if their household incomes fall below 400% of the federal poverty level (FPL).

The House has included a series of measures in health care reform legislation to ensure that only authorized individuals and families are able to receive affordability credits to offset the cost of health coverage in the new Exchange. These verification procedures are designed to prevent unauthorized immigrants—expressly prohibited from receiving these subsidies—from gaining access to these credits. In practice, this means that anyone who is eligible for affordability credits for health coverage, including both citizens and legal immigrants, will be required to go through rigorous processes to verify their citizenship or lawful presence.

What could this mean for the typical person? While electronic data-matching programs may reduce the burden and delay for eligible individuals and families, there will be cases in which citizens and legal immigrants will have difficulty meeting the verification requirements within the allotted time periods and may be unable to claim credits, even if they are technically eligible. This fact sheet profiles the general verification processes imposed by the House bill that must be completed before subsidies are claimed, as well as the implications for uninsured U.S. citizens, legal immigrants, undocumented immigrants, and workers who are currently insured through their jobs who may be insured through the Exchange in the future.¹

WHAT TO EXPECT

Are you a U.S. citizen?

In 2008, more than 46 million people—including 28 million adult civilian workers—had no form of health insurance. Of the uninsured, nearly eight in ten (79.5%) were U.S. citizens—73.5% were U.S.-born and 6% were naturalized.² The vast majority of people entering the new Exchange will likely be citizens—and anyone who is eligible for an affordability credit must have their citizenship verified before he or she is able to claim it.

The “Affordable Health Care for America Act” imposes requirements to verify citizenship status as mandated by the Children’s Health Insurance Program Reauthorization Act (CHIPRA) of

¹ This fact sheet does not profile the verification process for Medicaid though it will be similar, if not more rigorous, in some cases. Legal immigrant eligibility for federal Medicaid is slightly different than for the new affordability credits provided in H.R. 3962; however, undocumented immigrants are ineligible for both programs.

² NCLR calculation using data for the U.S. Bureau of the Census, “2009 Annual Social and Economic Supplement,” *Current Population Survey*. Washington, DC, 2009, http://www.census.gov/hhes/www/cpstc/cps_table_creator.html (accessed January 2010).

2009 (P.L. 111-3) which apply to Medicaid and the Children’s Health Insurance Program (CHIP) as of January 1, 2010.

Step One: Data Match

The CHIPRA legislation allows states the option to set up a “data match” program where an individual’s name, social security number (SSN), and declaration of citizenship are verified by records maintained by the Social Security Administration (SSA).

If you live in a state that has developed this system, you will submit your name, SSN, and citizenship declaration (under penalty of perjury) to the state. To verify that you are eligible, the state will submit this data to the SSA, which maintains this data in its Numident database. The state may have an electronic system, or it may have reached an agreement on another method of submission with the Commission of Social Security and the Secretary of the Department of Health and Human Services. SSA will then determine whether the information submitted is consistent with its records.

Overcoming barriers:

There are errors associated with the SSA Numident database that is currently used in data match programs (such as the Basic Pilot work authorization verification program). In response to a request from the Subcommittee on Social Security for the Committee on Ways and Means in the House of Representatives, the Office of Inspector General of the SSA conducted an audit of the Numident database’s accuracy. Among its findings:

- Of the current SSA Numident database fields used for verification—name, date of birth, and citizenship status—an estimated 17.8 million of the 435 million Numident records contain data match errors, an overall error rate of 4.1%.³
- An estimated 12.7 million U.S.-born citizens’ records contain discrepancies in these relevant fields (an error rate of 3.3%).⁴
- Naturalized citizens experience even higher error rates when their SSA records have not been updated to reflect their U.S. citizenship. The Inspector General estimates that approximately 3.3 million records of 46.5 million noncitizen records in SSA’s Numident file (an error rate of about 7%) have out-of-date citizenship status codes.⁵

If SSA determines that the information that you submitted does not match its data, then the state will investigate the cause of the discrepancy, including any clerical errors, but if

³ Office of Inspector General, Social Security Administration, *Accuracy of the Social Security Administration’s Numident File*. Congressional Response Report A-08-06-26100. Report to Subcommittee on Social Security, Committee on Ways and Means, U.S. House of Representatives, December 2006.

⁴ Ibid.

⁵ Ibid.

it cannot, then you will have 90 days to either submit documentation of your citizenship (see step two) or resolve the issue directly with the SSA.

Step Two: Proof of Citizenship

If your information has been ruled inconsistent with SSA records, or if you live in a state that has not opted to use a data match program, then you will have to provide physical proof of your identity and citizenship by presenting one or more acceptable documents. This “citizenship documentation” requirement was first imposed on the Medicaid program by the Deficit Reduction Act (DRA) of 2005 (P.L. 109-171) and was implemented in 2007.

To meet this requirement, you must provide one or more documents that have been deemed acceptable proof of your identity and citizenship.⁶ This may be a “primary” document that meets both the identity and citizenship criteria, such as a U.S. passport or U.S. certification of naturalization. You may also submit a “secondary” document that is considered to be proof of citizenship—such as an original birth certificate—and an approved proof of identity, such as a state-issued driver’s license or U.S. military card or draft record. All documents must be either originals or certified copies. Photocopies, notarized copies, or documents that have expired are all invalid. You will have a limited time period under the law—currently 45 days, the same time period for processing a Medicaid application—to present all of your documentation.

Overcoming barriers:

Since the citizenship documentation requirement has been in force, analyses have found that many U.S. citizens are unable to submit either a primary document or both a secondary document and acceptable proof of identity within the allotted time period. One national survey estimates that 7% of all adult citizens (13 million people) do not have ready access to proof of citizenship, and 11% (21 million) do not have ready access to an acceptable identity document.⁷

You may have difficulty obtaining these documents if you are a woman, an older American, and/or a low wage earner. Minorities—particularly non-Hispanic Blacks—are also likely to have a more difficult time meeting the documentation burden. Estimates show that:

⁶ For a complete account of documents accepted as proof of citizenship and identity, please see the following: Dennis G. Smith, Center for Medicare and Medicaid Services, U.S. Department of Health and Human Services letter to state Medicaid directors, Washington, DC, June 9, 2006, <http://www.cms.hhs.gov/smdl/downloads/SMD06012.pdf> (accessed January 2010); Cindy Mann, Center for Medicare and Medicaid Services, U.S. Department of Health and Human Services letter to state Health Officials directors, Washington, DC, December 28, 2009, <http://www.cms.hhs.gov/smdl/downloads/SHO09016.pdf> (accessed January 2010).

⁷ Brennan Center for Justice at NYU School of Law, *Citizens without Proof: A Survey of Americans’ Possession of Documentary Proof of Citizenship and Photo Identification* (New York: Brennan Center for Justice, November 2006), http://www.brennancenter.org/page/-/d/download_file_39242.pdf (accessed January 2010).

- Only half (48%) of all women age 18 and older who are citizens have ready access to an original birth certificate that reflects their current legal name.⁸
- About one in seven (12%) citizens earning less than \$25,000 per year does not have access to a U.S. passport, naturalization document, or birth certificate.⁹
- Approximately one in six (18%) citizens age 65 and older has no form of government-issued photo identification.¹⁰
- One in four (25%) Blacks has no access to acceptable photo identification.¹¹

Additionally, assessments of the citizenship documentation requirement (step two in the House verification processes) as implemented in the Medicaid program indicate that children—particularly Black and White citizen children—have been harmed by the requirement.

- The Government Accountability Office (GAO) found that enrollment had declined in 22 of 44 states surveyed due to the implementation of the requirement, chiefly among eligible citizens; all 22 of these states reported that children were affected by declines.¹²
- Initial reports from states also showed that Black and White children were among the most likely to be disenrolled from Medicaid in the months following the implementation of the documentation requirement.¹³

If you are unable to provide the acceptable documentation of your citizenship and identity through either the SSA match process or manual documentation within the allotted time periods, then you will be ineligible for the affordability credit. See Figure 1 for an illustration of the U.S. citizenship verification process.

Are you a legal immigrant?

Although legal immigrants make up a smaller proportion of the uninsured population than U.S. citizens, they are more likely to be uninsured than their citizen peers. For example, one-quarter (25%) of legal permanent resident children and more than one-third (37%) of legal permanent

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² U.S. Government Accountability Office, *States Reported That Citizenship Documentation Requirement Resulted in Enrollment Declines for Eligible Citizens and Posed Administrative Burdens*, Washington, DC, June 2007, <http://www.gao.gov/new.items/d07889.pdf> (accessed January 2010).

¹³ Donna Cohen Ross, *Medicaid Documentation Requirement Disproportionately Harms Non-Hispanics, New State Data Show* (Washington, DC: Center for Budget and Policy Priorities, July 2007), <http://www.cbpp.org/cms/index.cfm?fa=view&id=471> (accessed January 2010).

resident working-age adults had no form of health coverage in 2007.¹⁴ Legal immigrants may be eligible for affordability credits for the Exchange if they are also income-eligible. Under the House “Affordable Health Care for America Act of 2009,” eligible noncitizens must first have their lawful presence in the U.S. verified by the U.S. Department of Homeland Security (DHS).

Under the legislation, the Systematic Alien Verification for Entitlements (SAVE) system, operated by DHS, would be used to validate the immigration status of eligible noncitizen applicants. Authorized by the Immigration Reform and Control Act of 1986 (P.L. 99-603), the system is already used in the Medicaid and CHIP programs and is constructed to ensure eligible noncitizens are properly screened and granted access to public coverage while at the same time identifying non-eligible individuals and preventing them from accessing these programs. Personnel using the SAVE program are highly trained and must comply with specific guidelines in order to protect applicants’ privacy.

If you are a lawfully present noncitizen—including nonimmigrants with K, T, U, V Visas—then your immigration status must be verified before you are able to receive an affordability credit in the Exchange.¹⁵

The SAVE system has long been used as a database to determine eligibility for federally funded Medicaid programs. In many cases, safeguards have been incorporated into this verification to prevent immediate denial of medical assistance to persons who face a discrepancy in their file but are eligible for coverage. However, while SAVE has been proven to be effective, it will need to be rapidly expanded for use on a much larger pool of Exchange applicants who wish to claim an affordability credit. More people will need to be verified through the SAVE system, meaning that even minor errors will have an impact on access to affordability credits for millions of eligible people and families.

Step One: SAVE Data Match

During the primary request for identification, a health insurance applicant must first submit their nine-digit alien identification number (A-number) to the state. If the person processing the health insurance application enters the applicant information correctly and it is also up-to-date in the DHS system, then the applicant will be deemed eligible for an affordability credit.

Overcoming barriers:

¹⁴ Randy Capps, Mark R. Rosenblum, and Michael Fix, *Immigrants and Health Care Reform: What’s Really at Stake?* (Washington, DC: Migration Policy Institute, 2009), <http://www.migrationpolicy.org/pubs/healthcare-Oct09.pdf> (accessed January 2010). These estimates are based upon the number of uninsured legal permanent resident (LPR) children and adults only; there many more categories of lawfully present immigrants in the U.S. who are not LPRs.

¹⁵ Nonimmigrants are noncitizens who are legally admitted to the U.S. on a temporary basis, such as tourists, students, or diplomats and their dependents. With the exception of K-, U-, T-, and V-Visa holders, nonimmigrants are not eligible for affordability credits. All other lawfully present immigrants who are residing in the U.S. may be eligible for these credits if they meet the income requirements.

There are several reasons why SAVE may be unable to correctly verify an individual with legal status in the initial step. Some examples include:

- There is a typographical error—such as a misspelling or transposition of letters or numbers—resulting from the state agency, the DHS records, or the applicant’s incorrect provision of information.
- There is out-of-date information in the DHS system.
- The applicant provided the correct alien identification number but there is discrepancy in their record within the SAVE system.
- The applicant does not have an alien identification number (for example, an immigration document with an admission number is used rather than the A-number, which is the only identification number accepted by the initial SAVE request).

Under such a scenario, an applicant may be prompted to provide additional information.

Step Two: Providing Information to DHS

If SAVE has flagged an applicant as needing additional information, then the state must complete a secondary information request form using an applicant’s immigration document that proves legal status.

- The applicant will sign an authorization for the state to provide U.S. Citizenship and Immigration Services (USCIS) within DHS.
- The state submits the applicant’s information electronically, and the agency generally responds to the secondary request within three to five federal working days of the submission.
- If the applicant’s legal status has been confirmed, then the Health Commissioner will approve their eligibility for an affordability credit.

Step Three: Providing Additional Documentation to DHS

If the applicant’s status is still unconfirmed at this stage, then they must submit paper documentation of their immigration status to DHS. The applicant must complete USCIS form G-855S and submit it with copies of their immigrant document and any other requested information. DHS will generally respond to the request within ten to 20 federal working days.

If USCIS is unable to confirm the applicant’s lawful presence after this final step, then they will be identified as ineligible for an affordability credit. See Figure 2 for an illustration of the noncitizen verification process.

Are you undocumented?

House legislation explicitly states that undocumented immigrants will not be eligible to receive federal affordability credits. Studies have shown that verifications measures actually serve to erect barriers for U.S. citizens, while there is yet to be any proof that unauthorized immigrants are accessing programs for which they are ineligible.

The passage of the DRA provides the clearest evidence of these outcomes. The law mandated the additional verification of the status of U.S. citizens applying for or renewing Medicaid coverage. As a result, additional federal spending was used to implement citizen documentation systems. In 2007, the GAO reported that six states spent \$8.3 million implementing the new system and found only eight ineligible applicants out of 3.65 million people who applied—yielding a savings of \$11,048.¹⁶ Yet, states reported that eligible U.S. citizens fell from the Medicaid rolls in droves. Of the 44 states GAO surveyed, half (22) reported a decline in Medicaid coverage as a result of the documentation requirements. For example, one state reported that after only seven months of implementation, 18,000 individuals believed to be eligible U.S. citizens were denied or lost Medicaid coverage due to their inability to provide proper documentation.¹⁷

On the other hand, the House legislation does encourage undocumented people to purchase health coverage with their own money. This could provide continued coverage to the approximately 362,000 unauthorized immigrants who purchase coverage on their own without further inhibiting access for other Americans to the insurance marketplace through needless verification.¹⁸

Implications for the Insured Workforce

The majority of workers in the United States are insured through the workplace. The House legislation attempts to build upon the current employer-based system by requiring most firms to “pay or play” into health care system. That means employers must either “play” by offering health insurance to their workers or “pay” by choosing instead to contribute a penalty to the Exchange where its employees will be expected to buy coverage.

Under the new law, while some employers that do not currently offer health coverage to their workers may choose to offer job-based coverage, others will prefer to “pay” into the Exchange rather than sponsor coverage themselves. In addition, as health care reform is implemented, other employers that currently offer health coverage may decide that they would prefer to “pay” and cease offering coverage to workers.

¹⁶ Note that the eight immigrants were determined to be ineligible for the program—not to be unauthorized immigrants. *Medicaid Citizenship Documentation Requirements Deny Coverage to Citizens and Cost Taxpayers Millions*. Committee on Oversight and Government Reform (July 24, 2007).

¹⁷ *Citizenship Documentation Requirement Resulted in Enrollment Declines for Eligible Citizens*.

¹⁸ *Immigrants and Health Care Reform*.

If you are one of the workers whose employer has decided it will pay rather than play, and you do not qualify for public health coverage such as Medicaid or Medicare, you will have to purchase health coverage yourself in the Exchange. Your employer's payment will not go directly toward your insurance premiums. Instead, you will be responsible for purchasing health coverage at full freight or you must apply for the affordability credits offered to offset the costs of insurance. Even though your status has been verified as a term of employment, you will still need to verify citizenship or legal immigration status for yourself and any other applicant in your family before you receive an affordability credit.¹⁹

There are far-reaching consequences for workers whose employer is incentivized to “pay” into the Exchange rather than offer health insurance to its workers. Many more individuals will be subject to verification in a new health care system, thus creating more time burdens and increasing the potential for unjust denial of access. However, this issue is even more potent for workers who live in mixed immigration status households—where one or more family members is undocumented—who are purchasing coverage through the Exchange. They will not be able to purchase subsidized coverage for any undocumented person in their family.

CONCLUSION

In order to maximize coverage for the uninsured, it is important that any health care reform proposal streamlines access to affordable insurance for all Americans. While the House health care reform legislation provides a strong foundation to meet this goal, much of the bill's success depends on its ability to minimize the harm that is inevitable when imposing new verification measures. The House has struck a balance by adopting stringent verification requirements while incorporating protections that ensure that those who are eligible for affordability credits are not unfairly denied coverage. However, all systems have their limitations, and those imposed by the House are no exception. Even with the more thoughtful approach taken by H.R. 3962, there will be more paperwork and red tape for all Americans who apply for affordability credits for health plans purchased in the Exchange. Furthermore, workers who lose existing employer-based coverage may find themselves without any affordable options for unauthorized members of their families. Congress and the White House have set out to ensure that affordable health coverage is within reach of nearly all Americans. Without careful verification systems, many families who need new access channels will find them obstructed or closed altogether.

¹⁹ As a worker, you will have to provide documentation of your citizenship or legal status and work authorization, which is then verified by your employer.

Figure 1: Verification Process for U.S. Citizens Who Are Eligible for Affordability Credits

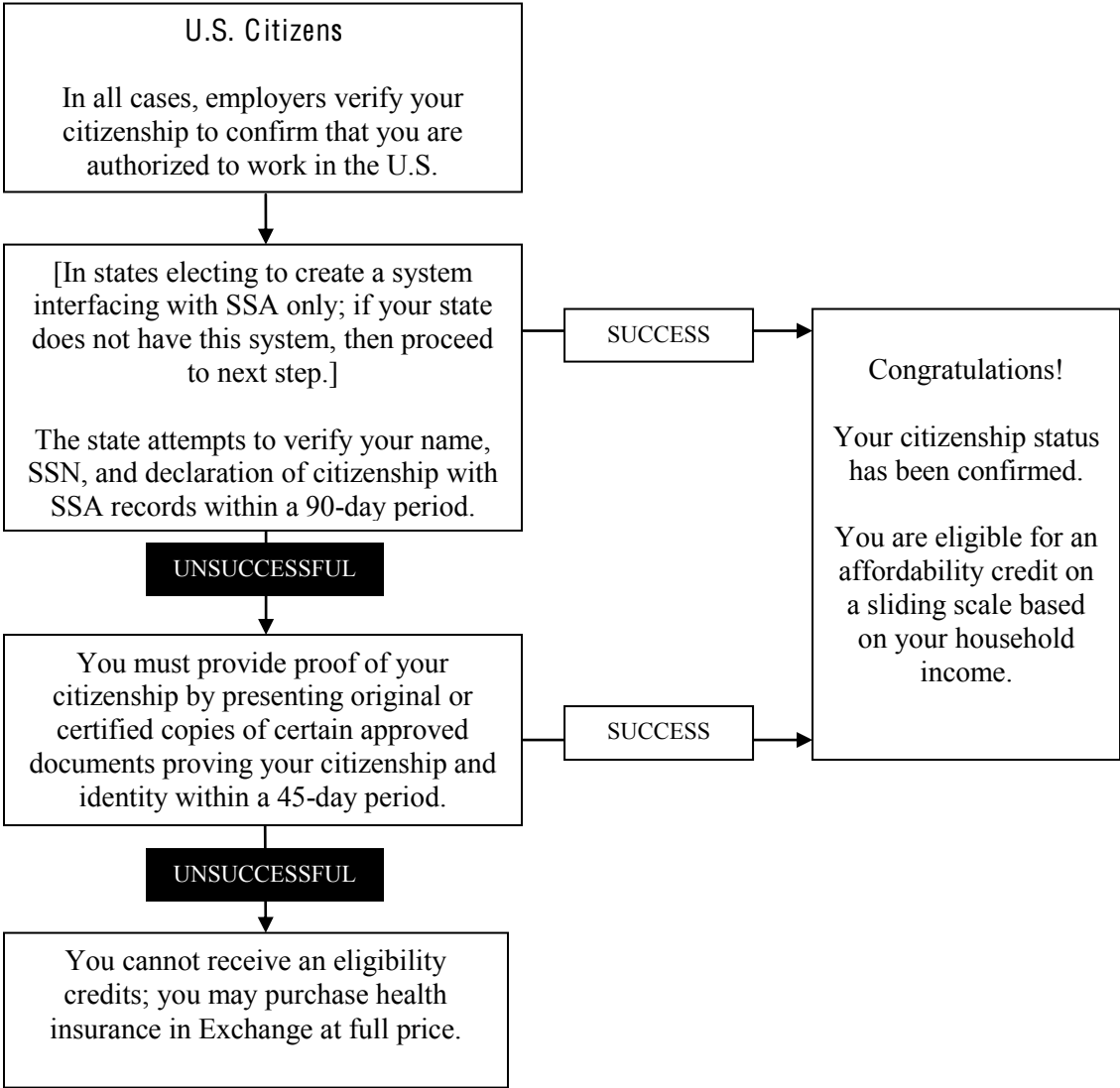


Figure 2: Verification Process for Legal Immigrants Who Are Eligible for Affordability Credits

