



**REALITY CHECK:**  
**A VIEW FROM THE**  
**FRONT LINES OF**  
**PUBLIC HEALTH**  
**INSURANCE**  
**ENROLLMENT**



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# REALITY CHECK: A VIEW FROM THE FRONT LINES OF PUBLIC HEALTH INSURANCE ENROLLMENT

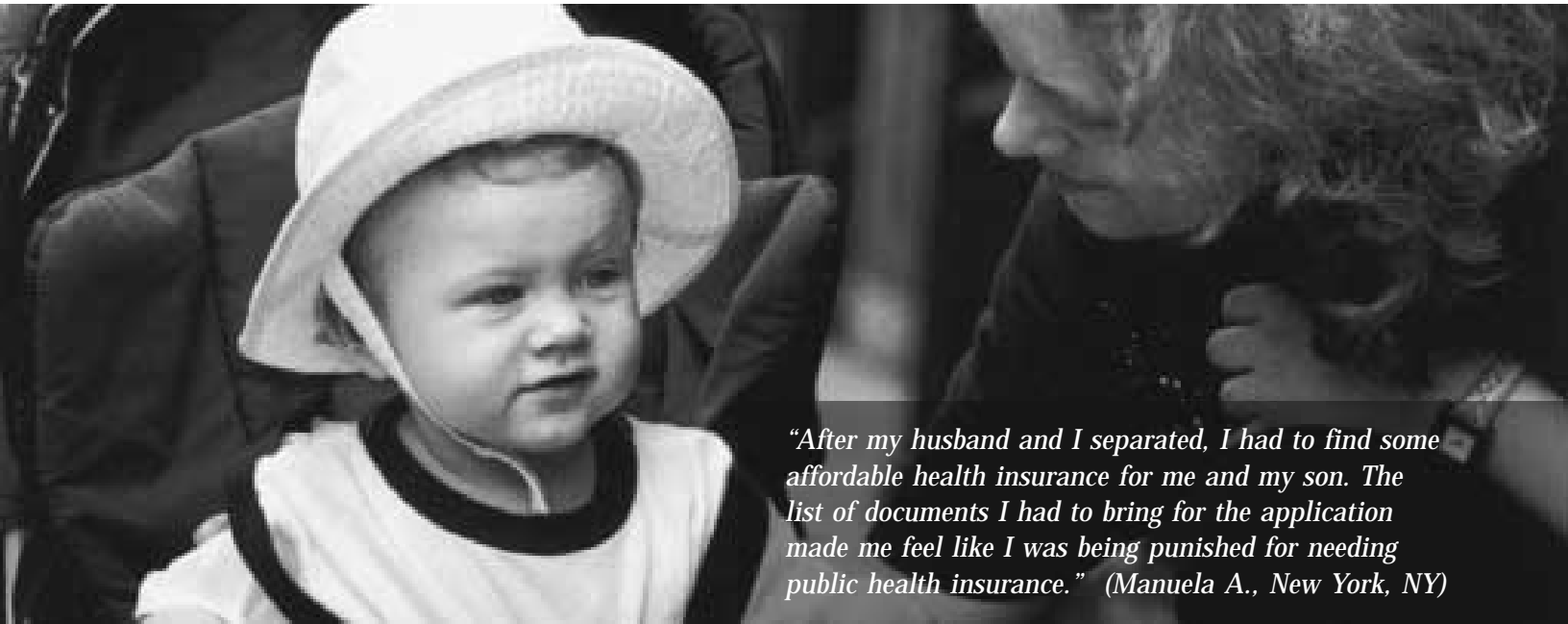
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## EXECUTIVE SUMMARY

In recent years, New York State has been one of the country's leaders in creating and expanding affordable public health insurance options for its low-income residents. New York's public health insurance programs, Medicaid, Child Health Plus A and B, and Family Health Plus together hold the potential to cover the majority of the state's uninsured children and teens, and approximately one-third of its uninsured low-income adults.<sup>1</sup>

*The very life circumstances that create the need for public health insurance often keep people from getting the documentation needed to prove their eligibility.*



*“After my husband and I separated, I had to find some affordable health insurance for me and my son. The list of documents I had to bring for the application made me feel like I was being punished for needing public health insurance.” (Manuela A., New York, NY)*

### **The Importance of Public Health Insurance**

The opportunity for public health insurance coverage that these programs offer is essential, both to the public's health as well as to the individuals and families who otherwise cannot afford the health services they need. Over the past five years, The Children's Aid Society has connected thousands of families and individuals to New York's public health insurance programs. The stories of these people provide living testimonial to the importance of these programs. For some people, government-sponsored health insurance provides stop-gap coverage while they are between jobs or experiencing a loss of insurance due to a divorce or separation. For others, it offers the only affordable health coverage option available because their jobs do not provide health

insurance or because they are unable to work due to a serious illness or disability. For all, whether sick or healthy, public health insurance keeps people from having to delay or forego needed medical attention because they are unable to afford it.

### **Stumbling Blocks to Enrollment**

While the importance of these programs in the lives of low-income New Yorkers is undeniable, the process of accessing the programs can be difficult, and in some cases impossible to navigate. As a result, many low-income New Yorkers who are eligible for public coverage remain uninsured.

This publication examines the application process for New York's public health insurance programs from the

points of view of the families and individuals who are eligible for them. In particular, the report focuses on the one stumbling block that presents the most significant barrier to applicants – onerous documentation requirements.

In order to complete a health insurance application, applicants must submit documentation of address, social security number, income, age, identity, and citizenship or immigration status.<sup>2</sup> In some cases, they must also prove that they have pursued potential sources of income, such as unemployment or social security benefits, and that they do not have other insurance. The intent of documentation requirements is to prevent applicant fraud by requiring applicants to prove that they are telling the truth upfront. However, in our experience, documentation requirements impede the health coverage of eligible New Yorkers more than they deter ineligible people from fraudulently accessing benefits.

### **Real-Life Reasons that Documents Are Tough to Gather**


Through this report, we intend to open a window onto the everyday realities of low-income, uninsured New Yorkers. Their real-life situations make it difficult, and sometimes impossible, to gather the required documentation. We will demonstrate that the very life circumstances that create the need for public health insurance often keep people from getting the documentation needed to prove their eligibility.

**Life Transitions:** A life transition such as the loss of a job, birth of a child, separation or divorce is often at the root of a family's need for public health insurance. At the same time, these changing circumstances are difficult to document.

**Informal and Episodic Work:** The types of work that do not offer health insurance can be difficult to document because they are often not compensated with a regular paycheck. Cab drivers, actors, self-employed hairdressers, and shop owners can be left out of these programs because they cannot easily prove their current income.

### **Vulnerable Work and Housing Arrangements:**

Documentation requirements reach into many areas of an applicant's life where vulnerability or instability may lie. Proving income can be difficult for a low-wage worker who is not paid by check and is afraid to ask the boss for an employer letter. Providing proof of residency can be a daunting task for people who do not receive mail because they are living in unauthorized sublets or temporarily staying with friends or relatives. Replacing social security cards and birth certificates can require long distance phone calls, fees, transportation, and lost wages – costs that many low-income New Yorkers simply cannot afford.



*"In the 30 years I've lived in New York, I never needed to have my social security card in hand until I went to apply for health insurance. It was always enough that I knew the number. When I went to the social security office to apply, I waited in line for three hours." (Yau W., New York, NY)*

*“Being without health insurance can lead to a vicious cycle. In my case, my health problem keeps me from working. Since I can’t work, I don’t get health insurance. My husband’s job does not offer insurance. We can’t afford the health care that will make me better. If I had health insurance, I would be able to get treatment and then I would be able to work again.” (Sandra C., New York, NY)*



### **Complexity Remains Despite Enrollment Assistance**

Onerous documentation requirements have remained a constant in the initial application process despite other efforts to remove enrollment barriers. A state facilitated enrollment program funds community-based organizations to find eligible applicants and walk them through the application process. Facilitated enrollment staff work in multiple languages and at convenient locations and hours. At the same time, the complexity of the underlying enrollment process has not changed. Enrollment agencies dedicate significant staff resources to assisting applicants to gather the necessary documentation. They coach applicants on how to apply for a new birth certificate, send applicants home to look for more recent pay stubs or utility bills and wade through piles of tax forms to calculate self-employed applicants’ countable income.

### **Documentation Requirements Can Be Eliminated**

Many opportunities exist in New York to tailor the application process for our public health insurance programs to the realities of those who are eligible for them. Most of the documentation requirements are state-created. The only federally mandated documentation requirement is that non-citizens must document their immigration status. The federal government has encouraged states to rely on government databases and other methods to verify eligibility rather than requiring applicants to provide documentation at the time of application.<sup>3</sup>

### **Disaster Relief Medicaid: A Taste of a New Approach**

New York City had a taste of a new approach to public health insurance following September 11, 2001, when Disaster Relief Medicaid (DRM) temporarily suspended the complex application procedures and onerous documentation requirements that usually encumber the enrollment process.<sup>4</sup> Through the DRM “experiment,” New York City bore witness to the magnitude of its residents’ need for accessible, affordable health coverage. In just four months, over 340,000 people applied for the program.

For those of us working on the front lines of New York City’s public health insurance system, DRM was nothing short of revolutionary. After years of scrutinizing

*With documentation requirements temporarily suspended, we were finally able to speak clearly and simply about when and where they could access health care.*

applicants' pay stubs to see if they were consecutive, and studying their utility bills to make sure they were recent, we were finally able to speak with applicants clearly and simply about how immediately they would have coverage and where they would get care. Through DRM, thousands of New York City residents who had lived without insurance for years received check-ups, medications, diagnoses, and treatment for conditions and illnesses that had long gone unattended.<sup>5</sup>

## Recommendations

The Children's Aid Society emphasizes the urgent need to eliminate documentation requirements that impede access to public health insurance, not only during times of crisis, but in the everyday lives of low-income New Yorkers. This report in no way minimizes the need for government programs to maintain program integrity and prevent fraud. However, new approaches to these goals must be found that do not impede access to health care. Specifically, New York State should:

- Eliminate all documentation requirements that are not required by federal law.
- Allow applicants to self-attest to U.S. citizenship, social security number, income, and New York State residency. As a start, design pilot projects that test the reliability of applicant self-attestation.

*"For me, it's about peace of mind. Thank God, my wife, infant son and I are all healthy and we rarely need to go to the doctor. I am a self-employed furniture maker and would not be able to afford my own insurance. Having this insurance just keeps us from worrying about what we would do if one of us got sick." (Anthony P, Queens, NY)*



- Shift the burden of proof from the shoulders of applicants to modern technology and program audits.

## History of The Children's Aid Society's Health Care Access Program (HCAP)

Imagine a New York City public school playground buzzing with 1,000 children. Approximately 200 of those kids, or 20%, are likely to be uninsured, despite the fact that virtually all of them are eligible for free or low-cost health coverage. Five years ago, these statistics and the individual stories behind them compelled The Children's Aid Society to venture into the then-uncharted territory of reaching and enrolling uninsured kids and their parents right at school. From this "incubator" in an elementary school in Washington Heights, P.S. 8, one of The Children's Aid Society's full-service community schools, has blossomed the agency's Health Care Access Program (HCAP) that operates in over five languages and at 25 schools and community centers throughout Manhattan.

In the spring of 2000, after two years of piloting its own community-based enrollment program, The Children's Aid Society received a facilitated enrollment contract from the New York State Department of Health (NYSDOH) to expand this model. Through NYSDOH's facilitated enrollment program, The Children's Aid Society has had the opportunity to lead a coalition of Manhattan-based organizations including the Mount Sinai Adolescent Health Center, Asian Americans for Equality (AAFE), the Chinese American Planning Council (CPC), the Henry Street Settlement, and Korean Community Services of Metropolitan New York (KCS), each with its own strategy for enrolling the population it serves. Together we have enrolled nearly 15,000 individuals into Medicaid, Child Health Plus A and B, Family Health Plus and, for a brief period during 2001-2002, Disaster Relief Medicaid.

## Overview of New York's Public Health Insurance Programs

**Medicaid** is a federal health insurance program created in 1965. It is administered by states. In New York, eligibility is based on income, state residency, resources (for adults) and immigration status. New York's Medicaid income limits for adults are at or below the poverty line: 100% of the Federal Poverty Level (FPL) for parents (\$11,400 for a family of four) and approximately 65% FPL (\$4,224) for a non-disabled, childless adult. Most categories of legal immigrants, regardless of their length of time in the U.S., are eligible for Medicaid in New York.<sup>6</sup> Low-income pregnant women, regardless of their immigration status, can receive Medicaid through the Prenatal Care Assistance Program (PCAP). Medicaid offers an extensive benefits package, including most services that can be defined as medically necessary.

**Child Health Plus** is a New York State health insurance program for children up to age 19. The program consists of two components: Child Health Plus A and Child Health Plus B.

**Child Health Plus A** is the renamed children's Medicaid program. Medicaid limits are currently 200% FPL for children below age 1 (\$36,900 for a family of 4) and 133% FPL for children ages 1-18 (\$24,540 for a family of 4).<sup>7</sup>

**Child Health Plus B** is for uninsured children and teens who are not eligible for Child Health Plus A due to income or immigration status. It is free for children in families below 160% FPL (\$29,508 for a family of four) and costs \$9-\$15 per month per child for incomes between 160% and 250% FPL (\$46,128 for a family of four). Children in families with incomes above 250% FPL can participate in the program by paying the full premium, approximately \$100-\$120 per child per month. There are no limits on assets. Most immigrant children are eligible, except those in the U.S. on a short-term visa. Child Health Plus B is delivered exclusively through managed care plans. The Child Health Plus B benefits package is more limited than Medicaid coverage.

**Family Health Plus** is a New York State expansion of the Medicaid program for uninsured adults aged 19-64 whose income or resources render them ineligible for Medicaid. The Family Health Plus income limits are: 100% FPL for childless adults (\$9,036 for a single adult) and 150% FPL for parents (\$27,684 for a family of four).<sup>8</sup> Family Health Plus sets no limit on assets. The same categories of immigrants that are eligible for Medicaid are eligible for Family Health Plus. Family Health Plus and Child Health Plus B are similar in the scope of their benefits packages. Enrollment in Family Health Plus began in February 2002 in New York City and a few months earlier in other parts of the state.

## BACKGROUND

In many states, including New York, the process of applying for public health insurance differs dramatically from the way people secure private health coverage through an employer. To obtain employer-sponsored coverage, most people simply complete a one-page form. In contrast, families and individuals applying for public coverage often must submit to a process that feels more like the infamous welfare system than health insurance enrollment. Among the most notorious requirements are: multi-page forms, a "face-to-face" interview, demanding documentation requirements, and invasive questions about absent parents and spouses, the use of alcohol and drugs, the type of fuel that heats the home, and how applicants manage their household finances. The process of applying for public health insurance in New York includes all of these elements, at least for some categories of applicants.<sup>9</sup>

Most of these requirements are not mandated by the federal government, which pays half the cost of these public health insurance programs. States have tremendous flexibility to make the process of applying for public health insurance as simple

*“There is no evidence that program simplification strategies designed to make accessing and retaining benefits easier for individuals and families impact proper eligibility determinations.”<sup>10</sup>*

— Centers for Medicare and Medicaid Services

## New York Has Cut Some Red Tape

or as complicated as they want. Guidance from the federal government and the experiences of many states offer hope that health insurance programs can be tailored to the realities of the families and individuals who need them without exposing the public funding that supports these programs to applicant fraud and abuse.

With regard to documentation requirements – the focus of this report – the only federally mandated requirement is that non-U.S. citizens document their immigration status. Any state that requires applicants to provide documentation of other eligibility factors does so of its own choosing, and in many instances, against the guidance of the federal government.

Many states have successfully lifted the burden of proof from applicants and shifted it to government databases and other eligibility verification strategies. The greatest progress in the elimination of documentation requirements has been made in children's health insurance programs. At least 13 states allow parents simply to state their income without bringing paperwork to prove it when applying for health insurance for their kids.<sup>11</sup> While states may fear that the elimination of documentation requirements will lead to an increase in fraudulent applications, states that allow self-declaration of income have not found this to be the case. Generally, these policies have led to accurate eligibility determinations. Simplifying documentation requirements has also resulted in an increase in productivity among eligibility workers who are able to process more applications in less time.<sup>12</sup>

The benefit that applicants derive from the simplification of documentation requirements is unquestionable. One national study found that 70% of families enrolling their children into Medicaid had difficulty gathering the necessary documentation.<sup>13</sup> As the vignettes in this report illustrate, many of the life circumstances that create the need for public health insurance also make it difficult to obtain the required documentation.

In the past year, New York State has made some notable progress in simplifying the documentation requirements for its public health insurance programs:

**No Documentation of Resources:** State legislation passed in January 2002 eliminated the requirement for adult Medicaid applicants to document their resources (e.g. bank accounts, life insurance coverage) if they will not be using long-term care services.<sup>14</sup>

**Self-declaration of Social Security Number:** In early 2003, the New York State Medicaid program announced its intention to eliminate the requirement that Child Health Plus A, Medicaid and Family Health Plus applicants document their social security numbers. While at the time of this report's printing, the state had not yet issued a directive on this issue to Local Districts of Social Services, New York City's Medicaid program has formalized this policy.<sup>15</sup>

**Mail-in Renewal:** State legislation in January 2002 eliminated the face-to-face interview requirement for Child Health Plus A and Medicaid renewals.<sup>16</sup> In advance of the legislation's implementation deadline of April 2003, New York City is piloting a Medicaid and Family Health Plus mail-in renewal process that only requires renewing beneficiaries to document their income and any eligibility factors that have changed since their initial application. Therefore, they do not need to document address, identity or immigration status information that has not changed.

**New York City Model Office Initiative:** New York City has launched a Model Office Initiative aimed at transforming the city's Medicaid offices into more consumer-friendly environments. One component of the initiative is an Automated Listing Eligibility Requirements Tracking System (ALERTS) that connects the eligibility worker to data sources that include employment, vital statistics, credit, and housing information. This system holds the potential to reduce the amount of documentation applicants need to submit.



## LIFE TRANSITIONS

The front-line experience of The Children's Aid Society's facilitated enrollment program mirrors the national finding that life transitions often disrupt people's health insurance coverage.<sup>17</sup> Over the past five years we have observed that applicants often turn to public health insurance programs at a time of change in their lives. Life transitions such as the birth of a child, the loss of a job, a divorce or separation are often at the root of a person's need for public health insurance. At the same time, those changing circumstances can make documentation collection difficult.

■ **At the time of birth or adoption,** a child often does not yet have the proof of identity a parent needs to complete an application. During a time of intense emotion and competing demands on a family's time, documentation may not be readily available.

■ **During the course of a divorce or separation,** some family member's health insurance arrangement may be disrupted. The person applying for public health insurance often does not have possession of the family's birth certificates, immigration papers, and other documentation. In addition, income and housing arrangements may still be in flux. For example, sometimes a separated or divorced woman has not yet applied for child support, thinking that she may reunite with her husband. Her husband is still contributing to household expenses but may not be willing to provide any of his pay stubs or other documentation for the application.

■ **Following the loss of a job,** a person often has an immediate need for health insurance but the instability of becoming unemployed can make it difficult to complete the application process. For example, the person has a few job prospects and is trying to delay applying for unemployment in hopes that one of them will come through. Applicants also often seek public health insurance during the lag time between applying for unemployment and when those benefits begin. Their most recent proof of income is their last paycheck, but that no longer reflects their current income.

### Family Loses Health Insurance Through Illness and Parents' Separation: Eve Z., Staten Island, NY

*My family has been through a lot of transition this past year. My husband fell ill and became unable to work around the same time that our marriage was coming apart. He lost his job and our family's insurance that came with it. Once we separated, I had to figure out how I would manage to pay the mortgage and other household expenses on my own. I have two kids to raise and suddenly we were all without health insurance. Having experienced firsthand how suddenly illness can turn a family's life upside-down, I was not about to go without health insurance for myself and my children.*

*I am an artist and I am currently fulfilling a lifelong dream of finishing my college degree. My hope is that once I finish, I will be able to get a job that has health insurance and pay enough to support my family without the struggle we go through now. Right now, I piece together income from three part-time jobs. I do not work enough hours at any of them to get health insurance. Despite how low my income feels, it was still too high for me to qualify for public health insurance. I was thrilled though that my kids could get coverage.*



### **Father's Injury Leaves Family Without Health Coverage: Carmen and Alexander F., Bronx, NY**

*My husband has been a paramedic for fifteen years. We have always had a stable income and health insurance situation. All of that changed about nine months ago when my husband was injured while playing basketball. He was able to take vacation and sick time during the surgery and recovery period. However, those benefits soon ran out and he was still not able to work. We had to begin relying on relatives to help us out with our expenses. He has applied for disability benefits.*

*I have severe, chronic asthma and I depend on my medications to keep me breathing. One day about seven months after my husband's injury, I went to the pharmacy to get my prescriptions filled. They said that my insurance policy had been cancelled. As it turns out, my husband's union cancelled the health insurance policy because we were no longer paying into it. Suddenly, my husband, our children, and I were uninsured.*

*Being in this situation, we applied for public health insurance. The first time we applied, we got a notice saying that we had not brought in all the documents. We could not imagine what we had missed because we brought in just about every piece of paper in the house. Since we couldn't afford my medications, I stopped taking them. Within weeks I was hospitalized. Eventually we got an advocate involved and after several phone calls and visits to the Medicaid office, it finally got straightened out. I now have my medications that will hopefully keep me out of the hospital. The doctors are going to try again to operate on my husband. Our hope is that he will eventually be able to return to the work that he loved for so many years and our life will stabilize once again.*

**Actor Makes Ends Meet with  
Episodic Work Between Acting Jobs:  
Bill B., New York, NY**

*I am 40 years old and I'm an actor. I also have high blood pressure. My family is very worried when I don't have health insurance because it means that I can't go to the doctor or get my medication.*

*When I went to apply for health insurance, it was hard to prove my income. When I get acting jobs, they might last for a few weeks at most. In between jobs, I make ends meet by handing out flyers for a promotional company that advertises shows. That work is very sporadic, it depends a lot on the season and the weather. Therefore, for me it was not as easy as bringing in my last four weeks of pay stubs. In any given two week period, I might have an acting job for three days, then a week without work, a promotional job for two days, and then an acting job for two night performances.*



## **DOCUMENTING INCOME: NOT AS EASY AS IT SEEMS**

It is not surprising that policy-makers are often puzzled why applicants for public health insurance programs have difficulty documenting their income. Given that income is one of the central eligibility criteria for a means-tested program, it seems perfectly reasonable to require applicants to prove how much they earn. While most applicants agree that it is reasonable, it is not an easy requirement to fulfill within the reality of their work lives. In order to qualify for Medicaid or Family Health Plus in New York, an adult must have income close to the federal poverty line. Many people working at these income levels do not receive a regular paycheck. They are often piecing together multiple jobs or depending on informal and episodic work arrangements. Given the instability and short-term nature of many of these arrangements, a person's previous year's tax return often does not reflect their current situation.

### **Vulnerable Work Arrangements**

At the same time, workers often do not feel comfortable asking the employer for documentation of their income. In the workplace hierarchy, applicants are often many levels below a management person who can issue such a letter. The vulnerability that comes from being in an entry-level position often makes people resist calling attention to themselves. They do not want to bother or anger "the boss." While their need for health insurance is pressing, keeping their job is a matter of survival. Therefore, the stock boy at a grocery store who does not get pay stubs will probably go without insurance rather than request a letter from the store manager who does not even know his name.

*Income that does not come with health insurance is often difficult to document. Cab drivers, day laborers, hair-dressers and musicians usually do not get a regular paycheck.*

### **Tailoring Enrollment to Fit Work Realities**

In recent years, New York has made its public health insurance programs increasingly accessible to applicants with non-traditional employment arrangements. The state's facilitated enrollment program has concentrated on "hard-to-reach" populations. In New York City these include many immigrants who do not receive regular paychecks: for example, taxi cab drivers, restaurant workers, and small business owners. The facilitated enrollment program's focus on these communities has helped to tailor the application process to their needs. For example, the New York State Department of Health has developed internal expertise and extensive trainings and desk aids for enrollment staff on how to use the tax forms of self-employed individuals to calculate their countable income for eligibility purposes.

In addition, a self-declaration of income form serves as a last resort for people who have no other way to document their income. The stories presented in this section illustrate the real-life situations that make this option essential for many applicants in non-traditional work arrangements.



### **Requesting Employer Letter Costs Cook His Job**

*"My client was working as a cook in a Chinese restaurant. He was working 14-16 hours 6 days a week and had chronic back pain as a result. He was very happy to learn that he could apply for health insurance so he could go to the doctor. I told him the documents he would need to bring in for the application. I asked him to try to get a letter from his employer to prove his income. We only use a self-declaration as a last resort. When my client returned he said that he had asked the boss for a letter to verify his employment. The day after he asked for the letter, the boss told him that he would not need him anymore. My client was not aware that he was in danger of losing his job before he asked for the letter. It will be easy for the boss to find a new cook but it will be very difficult for my client to find a new job".*

*– Kim Koo, Enrollment Counselor,  
Henry Street Settlement*

**No Regular  
Paycheck for  
Self-Employed  
Massage Therapist:  
Deborah K.  
New York, NY**

*I am a self-employed massage therapist. My income fluctuates throughout the year. For example, in August business is very slow because people are off on vacation and relaxing in other ways. December is busy because there's a lot of stress around the holidays.*

*When I came to apply for health insurance for my daughter, I needed to bring proof of our family's income. We didn't have a problem getting proof of my husband's income but documenting my income was more complicated. Since I work for myself, I don't get a regular paycheck. Clients pay me by check and then I report my income on my taxes. Business was better last year so last year's tax return shows a much higher income than I have now. It is not easy to provide a snapshot of my income because it is always changing.*



## The Very Types of Employment That Do Not Offer Health Insurance Are Often the Most Difficult to Document:

- Employers who do not offer health insurance often refuse to document the work arrangement.
- Workers who are piecing together temporary job assignments often have difficulty obtaining proof of their income.
- Seasonal workers have fluctuations in income that are difficult to document. The previous year's tax return often does not reflect their current situation.
- Self-employed individuals often have irregular income generated from multiple sources. While they may report their income quarterly, their most recent tax return often does not reflect their current situation.

## Policy Options For Shifting the Burden of Proof

Many options exist for New York to address the difficulty that applicants have providing documentation of their income. The federal Medicaid program gives states considerable flexibility in how they verify applicant income eligibility.

### **Federal Law Does Not Require Income Documentation**

Federal Medicaid law does not require applicants to submit income documentation. States are required to have an Income Eligibility Verification System (IEVS) in place that conducts data matches with other federal and state agencies, such as the Internal Revenue Service (IRS), the Social Security Administration (SSA), and State Wage and Unemployment Insurance Benefit files.<sup>18</sup> The Centers for Medicare and Medicaid Services (CMS), the federal agency that oversees the Medicaid program, has also encouraged states to verify self-declared income and resources through employers, banks, and other collateral contacts in order to alleviate the burden from applicants.<sup>19</sup> A limitation of some of these data sources is the lag time between when income is earned and when it appears in the system.

### **Pilot Studies Can Test Reliability of Self-Declared Income**

The federal government provides states with the flexibility to conduct pilot studies that hold the state's error rate harmless while the state tests a new

approach to maintaining program integrity.<sup>20</sup> New York could design a pilot study that tests the reliability of self-reported income. For example, it could compare income self-declared on applications to income that appears in wage reporting databases 3–5 months later or follow-up with a sample of applicants for documentation of their income. Such a pilot could be implemented statewide or in a limited geographic area. If errors are found to be at an unacceptable level, the approach can be retracted with no penalty to the state.

### **States Allowing Income Self-Declaration Have Not Found Increased Fraud**

By January 2002, 13 states had eliminated the income documentation requirement for their children's health insurance programs.<sup>21</sup> States that have conducted post-eligibility audits generally have not found applicant misreporting of income to be a problem.<sup>22</sup> For example, Michigan contacts a sample of beneficiaries after they have been enrolled to provide documentation of the income that they self-declared on the application. They have found the error rate on these cases to be less than 3%.<sup>23</sup>

The experience of other states provides hope that New York can make the application process for public health insurance better suited to the employment reality of uninsured New Yorkers without compromising program integrity.



### **Doubling Up to Afford the Rent: Altagracia S., New York, NY**

*My son and I live in an apartment where the lease, utilities and phone are in someone else's name. When I went to apply for health insurance, I didn't have any mail to prove my address. A lot of other people are in the same situation. In New York City, having your own apartment with your own lease is very expensive. That's why people often divide the apartment up and share the rent. Sometimes the landlord doesn't even know about it.*

## **PROOF OF ADDRESS: TOUGH TO DOCUMENT PRECARIOUS HOUSING**

Applicants for public health insurance in New York must prove that they are New York State residents by providing proof of their address, for example a utility bill, lease, or postmarked envelope. To someone who has a formal lease or mortgage and has lived in a stable housing situation for an extended period of time, this requirement seems reasonable and easy to fulfill. However, the working poor often depend on informal and precarious housing arrangements that are difficult to document and likely to change frequently. For this reason, many applicants live with relatives for temporary periods or are doubled and tripled up in apartments without the landlord's knowledge. These applicants often have difficulty providing proof of address. Utility bills, leases, and rent receipts usually are not in their name.

*Many immigrant families and individuals in New York City depend on informal networks for their work and housing. The fragility of these arrangements makes documenting income and address very frightening.*

## Immigrant Fears

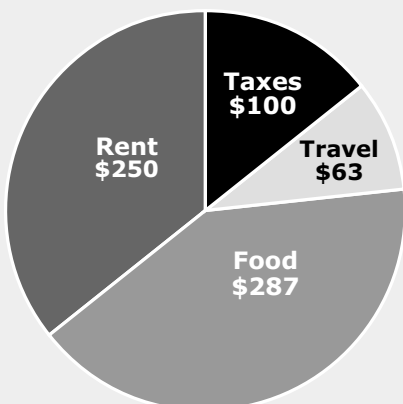
Proving an address can be particularly challenging for immigrant applicants in New York City, who often must share expenses and pool resources with family, friends, and even acquaintances, as a matter of survival. The vulnerability that underlies these survival strategies creates fear among applicants that another person in this interdependent living arrangement might be harmed by information they reveal on the application. Within an immigrant household, some members may be undocumented while others are here with a legal status. Immigrant families often fear that an undocumented family member may become exposed in the process of applying for health insurance for other family members. For example, if an undocumented uncle lives with the family and contributes money toward the rent, the family may not be able to explain how they can afford the rent without revealing that the uncle lives in the household and contributes to the living expenses.

## Low Income and Unstable Housing: Two Sides of a Coin

Particularly in NYC where the lack of affordable housing is a chronic problem, an adult surviving on an income low enough to qualify for Medicaid or Family Health Plus is likely to have an unstable housing situation. For example, a single person with no children cannot earn more than \$753 a month in order to qualify for Family Health Plus. Medicaid limits are even lower.

This chart illustrates a hypothetical budget of a NYC resident who earns \$700 per month. After taxes, food and transportation, there is little left for housing. Living with family or doubled or tripled up with others is often the only option.

Monthly income = \$700



*New York is one of only seven states that require documentation of address on children's Medicaid applications.*<sup>24</sup>

## New York Can Eliminate Proof of Address Requirement

Neither federal nor state law requires public health insurance applicants to document their address. This requirement is a New York State administrative policy that verifies an eligibility factor that is unquestionable in the vast majority of cases – that the applicant is a New York state resident. Therefore, the thousands of New Yorkers who have difficulty proving their addresses are required to do so in order to prevent a relatively small number of people from other states from accessing benefits in New York. Given that beneficiaries will not get their insurance cards unless they can receive mail at the address listed on the application, it is not likely that large numbers of out-of-state residents would view this as a viable way to secure health coverage.

Beyond verifying eligibility, counties also want to ensure that applicants who apply in their county actually reside there because, unlike most states in the country, New York requires localities to cover 25% of the Medicaid program's cost. Given the difficulty that so many low-income New Yorkers have with proving their address, the state and its localities should seriously consider whether their concern over people crossing state and county lines warrants impeding the access of eligible New Yorkers to these programs.

## Proving Your Address is Not Easy When You:

- Live in an unauthorized sublet
- Use a P.O. Box because your street address is not secure
- Are temporarily staying with friends or relatives
- Are homeless



## THE LOGISTICAL HURDLES OF PROVING U.S. CITIZENSHIP

Applicants for Medicaid, Family Health Plus and Child Health Plus A must document their citizenship or immigration status as part of the application process. For example, U.S. citizens must provide a document such as a birth certificate, naturalization certificate, or passport. Immigrant applicants must show a residency card, stamp in the passport, or other documentation from the Immigration and Naturalization Service (INS) that proves their current immigration status.

Of all the documentation requirements discussed in this report, the one requirement that is mandated by federal law is that non-U.S. citizens document their immigration status. However, the requirement that U.S. citizens prove their citizenship could easily be eliminated through a state policy directive.

When a U.S. citizen does not have documentation proving his or her citizenship, it often takes several phone calls and/or visits to government offices in order to obtain it. Many applicants are unable to afford the fees or long distance phone charges. Others cannot take time out of the workday to take care of these personal matters.

### Ordering Birth Certificate From Missouri Delays Enrollment: Mark T., New York, NY

*When I became unemployed a few months ago, I was faced with the challenge of finding affordable health insurance for myself, my wife and our three children. When I went to apply, I was told that I needed to bring proof that I am a U.S. citizen. The last time I saw my birth certificate was back home at my parents' house in Missouri where I was born. My parents have looked for it but since they've moved from the house where I grew up, it is probably in a box somewhere.*

*While we couldn't find my birth certificate, we did find the paperwork from when I registered for the draft. I thought this would prove that I am a U.S. citizen but I was told that it was not acceptable.*

*I finally decided it would be easier to apply for a new birth certificate. After a number of long distance phone calls, I got instructions on how to order a new birth certificate through the mail. Eventually, I will get a replacement copy of my birth certificate. However, between having my parents look for my birth certificate, trying to use the draft papers, and ultimately ordering a new birth certificate by mail, I have lost several months when I could have had health coverage.*

**Long Distance Calls Keep  
18-Year Old From Getting  
His Birth Certificate:  
Pablo C.<sup>25</sup>**

*I moved to New York from Massachusetts a few years ago because I could no longer live with my mother. Things are starting to come together for me. I got a job delivering flowers. I want to finish my high school degree. Then I want to go to college.*

*I haven't been able to get health insurance in New York. I don't have a copy of my birth certificate. I made a few calls to the hospital in Boston where I was born. I kept leaving messages but no one called back. When I finally talked to someone she gave me another number. More busy signals and voicemail. I don't have a lot of money right now so it is hard to call long distance. I finally found out that I have to pay \$14. That's not that easy for me right now. I have to send a money order because I don't have a bank account or credit card. That's another fee and an extra trip to the bank.*

*Now that I am working, it is not that easy to figure all this out. Most of this stuff has to get done in the day when the offices are open. I really need this insurance. I don't go for check-ups. When I'm sick, I usually wait to see if it gets really bad. I've been to the emergency room 3 times since I moved to New York – twice when I had really bad chest pains and once for the flu. I didn't know where else to go without insurance. I also have a constant pain in my knee but that will have to wait. I can't really play sports because it hurts too much. Maybe once I get insurance I'll be able to get back on the ball court.*



**Certificate of Naturalization Misplaced in  
Apartment Move: Lan L., Queens, NY**

*I've been meaning to apply for health insurance for the longest time. One little thing is keeping me from getting it. I can't find my Certificate of Naturalization. I moved about 6 months ago and I still have not unpacked all the boxes. I am a full-time college student and I'm also working. I have many boxes filled with papers from school. I've gone through a lot of them but I just can't find that one piece of paper. I try to look when I have a chance but then an exam or a paper is due and I can't keep searching.*

*Since I don't have any insurance, I've had to go to the emergency room more than once. Each time I go, I end up with a \$300 or \$400 bill. A while back I had a cough that wouldn't go away for weeks. When I finally went to the emergency room they said I had bronchitis. A few weeks ago I got another bad cough and again I had to just wait because I don't want to end up with another bill. Luckily this time it went away on its own. I just can't keep playing this waiting game every time I get sick. I've really got to find that piece of paper. If I can't find it, I'm not sure how I would go about getting a new one or how long it would take.*

# CONCLUSION

In recent years, New York has made significant efforts to tailor its public health insurance enrollment process to fit the lives of uninsured New Yorkers. Facilitated enrollment meets applicants where they are by providing enrollment services in the places and languages in which they are most comfortable. Tens of thousands of New Yorkers have been able to secure health coverage and access care because they have had a trusted agency to walk them through the process from start to finish.

## Underlying Complexity Has Not Changed

At the same time, the underlying complexity of the application process has not changed. Applicants and the enrollment staff who assist them still spend hours and hours gathering, copying and scrutinizing pay stubs, utility bills and birth certificates. One could never count the number of people who never make it through the application maze because they do not have the one-on-one assistance that it often takes to get through the process.

## Time to Simplify the Application at the Front-End

The mail-in renewal process now underway in New York City provides an example of how public health insurance processes are becoming more aligned with the lives of those who enroll in them. Allowing people to attest to eligibility information that has not changed will enable thousands of New Yorkers to retain coverage instead of getting lost in the paper shuffle.

The time has come to focus attention on simplifying the application process at the front-end. The vignettes presented in this report attest to the importance of New York's public health insurance programs but also underline the urgency of eliminating requirements that prevent people from getting coverage.

## Recommendations

We conclude with the following specific recommendations on how documentation requirements should be simplified and eliminated:

- Eliminate the requirement that applicants document eligibility factors that do not change, such as social security number, U.S. citizenship, and dates of birth. Rely upon government databases to verify this information.
- Make self-declaration of income a central feature of the application process rather than a last resort. Rely on modern technology to shift the burden of proof from the shoulders of applicants to government databases and program audits. As a start, design pilot projects that test the reliability of self-declared income.
- Allow applicants to self-attest to their New York state residency. The ability of applicants to receive insurance cards and other information regarding their coverage at the address provided on the application should suffice as proof that they are New York residents.



# ENDNOTES

- <sup>1</sup> United Hospital Fund, *Health Insurance Coverage in New York, 2000*, September 2002.
- <sup>2</sup> New York State has announced its intention to eliminate the requirement that applicants document their social security number but at this printing it has not yet issued an official directive to the localities that will implement this change.
- <sup>3</sup> Centers for Medicare and Medicaid Services (CMS), *Continuing the Progress: Enrolling and Retaining Low-Income Families and Children in Health Care Coverage*, August 2001.
- <sup>4</sup> Kathryn Haslanger, "Radical Simplification: Disaster Relief Medicaid in New York City," *Health Affairs*, Volume 22, Number 1, January/February 2003.
- <sup>5</sup> Testimony of the William F. Ryan Community Health Center Before the General Welfare, Health and Oversight and Investigations Committees of The New York City Council, April 29, 2002.
- <sup>6</sup> A June 2001 New York Court of Appeals case "Aliessa v. Novello" restored Medicaid eligibility to certain immigrant groups who had lost eligibility through federal welfare reform.
- <sup>7</sup> In Governor Pataki's Executive Budget for 2003-4 released on January 29, 2003, he proposed to lower the Medicaid income limit for children ages 6-18 to 100% FPL. The children who would lose Medicaid eligibility through this change would be income eligible for Child Health Plus B.
- <sup>8</sup> In Governor Pataki's Executive Budget for 2003-4 released on January 29, 2003, he proposed to lower the Family Health Plus income limit for parents to 133% FPL.
- <sup>9</sup> Applicants for adult Medicaid face the most burdensome requirements, especially those without children. Many of these requirements do not exist for child-only and Family Health Plus applications.
- <sup>10</sup> *Supra* note 3, p. 35.
- <sup>11</sup> Cohen Ross, Donna and Laura Cox, *Enrolling Children and Families in Health Coverage: The Promise of Doing More*, prepared for the Kaiser Commission on Medicaid and the Uninsured, Henry J, Kaiser Family Foundation, June 2002, p. ii.
- <sup>12</sup> Laura Cox, *Allowing Families to Self-Report Income: A Promising Strategy for Simplifying Enrollment in Children's Health Coverage Programs*, The Center for Budget and Policy Priorities, December 2001, p. 2.
- <sup>13</sup> Perry M., et al., *Medicaid and Children: Overcoming Barriers to Enrollment*, prepared for the Kaiser Commission on Medicaid and the Uninsured, Henry J. Kaiser Family Foundation, January 2000.
- <sup>14</sup> The Health Care Reform Act of 2002 eliminated the resource documentation requirement with an implementation deadline of April 1, 2003. However, in Governor Pataki's Executive Budget for 2003-4 released on January 29, 2003, he proposed to delay implementation of this simplification measure.
- <sup>15</sup> Testimony of Iris R. Jimenez-Hernandez, Executive Deputy Commissioner, Medical Assistance Program, New York City Human Resources Administration Before the Assembly Committee on Health and the City Council Committees on Health, General Welfare, and Oversight and Investigations, January 10, 2003.
- <sup>16</sup> Health Care Reform Act of 2002.
- <sup>17</sup> Institute of Medicine of the National Academies, *Health Insurance is a Family Matter*, Chapter 3, 2002.
- <sup>18</sup> The Federal Income and Eligibility Verification System (IEVS) requirements are described in the Centers for Medicare and Medicaid Services' State Medicaid Manual, Part 15 available at <http://cms.hhs.gov/manuals>.
- <sup>19</sup> *Supra* note 3, p. 3.
- <sup>20</sup> The Federal Medicaid Eligibility Quality Control (MEQC) pilot program options are outlined in a letter from Timothy Westmoreland, Director, Health Care Financing Administration, to State Quality Control Directors, dated September 12, 2000.
- <sup>21</sup> *Supra* note 11, p. ii.
- <sup>22</sup> *Supra* note 12, p. 1.
- <sup>23</sup> Telephone interview with Bob Stampfly, Division Director, Division of Policy and Legislative Support, Michigan Department of Community Health, January 2003.
- <sup>24</sup> *Supra* note 11, p. 9.
- <sup>25</sup> Teen's name has been changed.



**SOCIAL SECURITY**

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BY PATIENT'S FULL NAME  
*Richard J. Smith*  
BY NAME OF ATTENDANT AT DRIVING  
*Christine M. Smith*

NO. 88-113

OR PLACE  
near Driving  
Center