Column Editor: Kathryn Smith, RN, MN

The Federal Deficit Reduction Act and Its Impact on Children

Laurie Soman, MSW
Kathryn Smith, RN, MN
Juno Duenas

The Deficit Reduction Act of 2005 makes changes in the Medicaid program that may have a significant effect on children's health. Nurses and other health care professionals should be aware of these changes in order to monitor the impact of the legislation, guide families in the process of accessing needed services, and advocating on behalf of children and families.
© 2008 Elsevier Inc. All rights reserved.

Key words: Medicaid; Health care financing; Advocacy; Children's health

IN FEBRUARY 2006, Congress passed the final version of the Federal Deficit Reduction Act, or DRA, that made changes to the Medicaid program aimed at reducing federal Medicaid spending by as much as $4.7 billion by 2010 (Congressional Budget Office, 2006). These changes may have significant impact on children and families who are Medicaid beneficiaries. This policy brief describes the relevant components of the DRA as they relate to children's health and discusses areas in which nurses can advocate on behalf of children and families to assure adequate access to, and utilization of, Medicaid-funded services. In brief, the DRA includes the following elements that may affect children's health:

> A requirement that individuals present satisfactory documentary evidence of citizenship to be determined eligible for Medicaid,
> Permission for states to impose premiums and cost sharing for Medicaid services and to substitute "benchmark plans" in place of standard Medicaid benefit packages,
> Passage of the Family Opportunity Act that allows families of children with disabilities to purchase Medicaid coverage for their children, and
> Development and support of family-to-family health information centers.

FEDERAL DEFICIT REDUCTION ACT MANDATES MAJOR CHANGES IN MEDICAID

Federal Deficit Reduction Act Requires Documentation of Citizenship

Prior to the DRA, states had the option to allow U.S. citizens who were applying for Medicaid to "self-declare" in writing, under penalty of perjury, that they were citizens, whereas legal residents were required to provide written proof of their legal status at the time of application. Nearly all states (n= 47) took advantage of this self-declaration option for citizens (Guyer, Mann, & Alker, 2006). The DRA includes a new requirement that all states must obtain written documentation (such as birth certificates or passports) proving citizenship status from all new applicants for Medicaid as well as during eligibility recertification. (The documentation requirements for legal residents remain the same as pre-DRA.)

From the Lucile Packard Children's Hospital, Palo Alto, CA; University of Southern California, University Center of Excellence in Developmental Disabilities Children's Hospital, Los Angeles, CA; Family Voices of California, Support for Families of Children with Disabilities, San Francisco, CA.

Corresponding author: Kathryn Smith, RN, MN, University of Southern California, University Center of Excellence in Developmental Disabilities Children's Hospital, P.O. Box 27980, Mailstop #53, Los Angeles, CA 90027.

E-mail: kasmith@chla.usc.edu

0882-5963/$-see front matter

© 2008 Elsevier Inc. All rights reserved.

doi:10.1016/j.pedn.2008.04.008

As of July 1, 2006, two types of documentation are required for all adults and children who are applying or being recertified for Medicaid: (a) documents establishing applicants' U.S. citizenship and (b) documents establishing applicants' identity. The federal Centers for Medicare and Medicaid Services (CMS) has released several guidance documents for states on how to implement this provision. A June 2006 guidance (CMS, 2006a, 2006b, 2006c) specified the following provisions concerning acceptable documentation, including document requirements for children under the age of 16:

> Acceptable documents to prove citizenship status include passports, certificates of naturalization, birth certificates, adoption decrees, hospital records, or other medical records.
>
> Acceptable proof of identity such as a driver's license or other official photo identification must accompany any documentation of citizenship other than a passport or naturalization certificate. For children under the age of 16, school records, including nursery or day care records, may be submitted as proof of identify. An affidavit signed by the parent or guardian indicating the child's date and place of birth may also be submitted if no other records are available.

All documents submitted as proof of citizenship or identity must be originals or copies certified by the issuing agency, and states must maintain copies of the documents.

A subsequent CMS document exempted people with Medicare coverage and recipients of Supplemental Security Income (SSI) who live in states that provide Medicaid automatically to SSI recipients from having to provide citizenship documents because these recipients already have had to prove citizenship (CMS, 2007a, 2007b).

An area of particular confusion in the implementation of the DRA has been the access of infants born in the United States to immigrant mothers to automatic Medicaid coverage, with news reports implying that the DRA required proof of documentation for babies born to immigrant mothers who were receiving emergency Medicaid at the time of birth. (See, for example, Robert Pear, New York Times, "Medicaid Wants Citizenship Proof for Infant Care," November, 3, 2006.) Despite confusing language in the preamble to federal interim regulations for the DRA (issued July 12, 2006), Medicaid eligibility for these newborns has not changed, and babies born to mothers on Medicaid —whether emergency or full scope—are automatically eligible for Medicaid coverage for their first year of life and are not required to prove citizenship first (CMS, 2007a, 2007b). In addition, it is important to clarify that the DRA does not change the access of undocumented immigrants to emergency Medicaid and that these immigrants cannot be compelled to produce information on their citizenship status.

Federal Deficit Reduction Act Permits Premiums and Cost Sharing

Table 1. Federal Cost Sharing Standards for Children in the DRA

	"Mandatory" Children*	Other Children with Family Income up to 150% FPL	Other Children with Family Income Above 150% FPL
Most services	No charges allowed	Up to 10% of the cost of the service	Up to 20% of the cost of service
Prescription drugs***	Up to $3 for nonpreferred/ $0 for preferred	Up to $3 for a nonpreferred/ may charge less for preferred	Up to 20% of cost for nonpreferred/ may charge less for preferred
Nonemergency use of an emergency room	Up to $6	Up to $6	Any amount
Preventive services	No charges allowed	No charges allowed	No charges allowed
Aggregate cap on charges	No aggregate cap	5% of monthly or quarterly income	5% of monthly or quarterly income
Premiums	Not allowed	Not allowed	Allowed (no upper limit except 5% aggregate cap)

Reprinted with permission from Guyer et al.

"Mandatory children" include children under the age of 6 with family income below 133% of the federal poverty level (FPL) and children aged 6 to 17 years with family income below 100% of the FPL. For purposes of the cost sharing and premium provisions of the DRA, 18-year-olds are treated as adults. The rules that apply to mandatory children also apply to children (without regard to age) for whom Title IV or foster care or adoption assistance is being provided (Table 1).

The DRA makes significant changes to the ability of states to impose premiums and other cost sharing on Medicaid recipients, including low-income children. Before the DRA, federal rules prohibited states from requiring low-income children or their

Download English Version:

https://daneshyari.com/en/article/2665260

Download Persian Version:

https://daneshyari.com/article/2665260

Daneshyari.com