



October 25, 2007

Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

Dear Madam Speaker:

As you requested, I am providing additional information on CBO's estimate of the budgetary impact of section 211 of H.R. 3963, the Children's Health Insurance Program Reauthorization Act of 2007, as introduced on October 24, 2007.

Under current law, individuals who apply for Medicaid and claim to be U.S. citizens are required to provide certain documents (such as a passport or birth certificate, and, in certain circumstances, a driver's license or other documentation that establishes identity) to demonstrate that they are citizens. That provision was enacted in the Deficit Reduction Act of 2005 (DRA, Public Law 109-171), and has been effective since July 1, 2006. (Before the DRA provision took effect, those individuals were permitted to attest to their citizenship, under penalty of perjury.)

Section 211 would allow states the option to either use the requirements created in the DRA for citizenship documentation under Medicaid or instead verify an individual's name and Social Security number with the Social Security Administration. Some states have reported a drop in enrollment since implementation of the DRA because some Medicaid applicants have had difficulty satisfying the documentation requirement. Available evidence, based on state reports and other information provided by state officials, suggests that virtually all of those who have been unable to provide the required documentation are U.S. citizens.<sup>1</sup>

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1. See, for example, reports by the General Accountability Office (<http://www.gao.gov/new.items/d07889.pdf>) and the Virginia Health Care Foundation (<http://www.vhcf.org/uploads/resource/DRAStudyUnintendedConsequencesFINAL52407.pdf>).

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Under H.R. 3963, CBO expects that most states would use the option to rely on the Social Security Administration to verify eligibility. CBO estimates that change would result in an additional 500,000 enrollees in Medicaid in fiscal year 2008 and an additional 200,000 enrollees in subsequent years.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Matt Kapuscinski and Eric Rollins.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter R. Orszag". The signature is fluid and cursive, with the first name "Peter" being the most prominent.

Peter R. Orszag  
Director

Enclosure

cc: Honorable John D. Dingell  
Chairman  
House Committee on Energy and Commerce

Honorable Joe Barton  
Ranking Member