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## Immigrants' Health Coverage and Health Reform: Key Questions and Answers

### SUMMARY

As health reform discussions continue, there has been some focus on health care for immigrants and how they will be treated under health care reform. As of 2008, there were 39 million immigrants in the U.S., accounting for 13% of the population. According to the Pew Hispanic Center, about seven in ten immigrants are naturalized citizens and legal non-citizens, who together account for 9% of the population. The estimated 11.9 million undocumented immigrants make up 4% of the population and 5.4% of the workforce. This document provides an overview of key questions related to immigrant health care and health reform, including:

**How do immigrants receive health coverage?** Similar to native citizens, the majority of naturalized citizens have employer or other private coverage. Some 40% of non-citizen immigrants (legal and undocumented) also have private insurance, but they are significantly more likely to be uninsured than citizens with 46% lacking coverage. This higher uninsured rate reflects their more limited access to private and public coverage. Although non-citizens are as likely as citizens to work, they are often in jobs and industries that do not offer health coverage. Further, undocumented immigrants are prohibited from enrolling in Medicaid and CHIP and, since 1996, legal non-citizens have been barred from Medicaid and CHIP during their first five years in the U.S., although states were recently provided the option to eliminate this “five-year bar” for pregnant women and children.

**How many of the uninsured are non-citizen immigrants?** Although non-citizen immigrants (legal and undocumented) have a relatively high uninsured rate, the majority of the uninsured are citizens (80%). The Pew Hispanic Center estimates there were about 6.8 million uninsured undocumented immigrants in 2007 who accounted for 15% of the uninsured.

**How do non-citizen immigrants obtain health care?** Non-citizen immigrants (legal and undocumented) face greater barriers to accessing needed care and obtain less care than citizens. When they do receive care, they often rely on safety-net providers, such as clinics and health centers. Even though they face increased barriers to care, non-citizens, particularly undocumented immigrants, are less likely than citizens to use the emergency room.

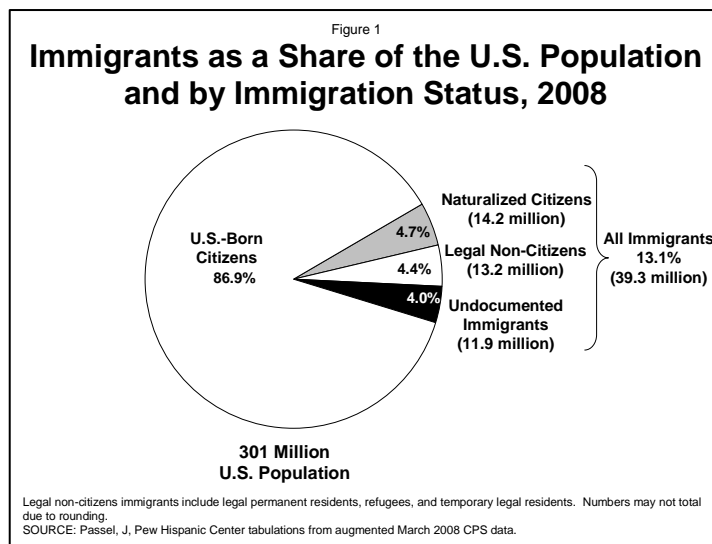
**How is coverage for non-citizen immigrants addressed under current health reform proposals?** Current leading health reform bills include a number of provisions to expand coverage options for low- and moderate-income individuals, including an expansion in Medicaid eligibility and federal subsidies for some individuals to purchase coverage through new health insurance exchanges, but there are restrictions on coverage for undocumented and legal non-citizen immigrants. In all current reform bills, undocumented immigrants would be prohibited from receiving federal subsidies to purchase coverage and would continue to be barred from enrolling in Medicaid. However, citizenship verification requirements and restrictions regarding their ability to purchase coverage through the exchange differ between the House and Senate proposals. Low- and moderate-income uninsured legal non-citizen immigrants without access to employer coverage would be eligible for federal subsidies on the same basis as citizens in all of the proposals. Further, as under current law, legal immigrants who meet eligibility requirements would be eligible to enroll in Medicaid. However, Medicaid would continue to be restricted for legal non-citizens during their first five years in the U.S. (though states now have the option through CHIPRA of eliminating this five-year bar for children and pregnant women).

**INTRODUCTION**

As health reform discussions continue, there has been some focus on health care for immigrants and how they will be treated under health care reform. This document provides an overview of key questions related to immigrants and health care and how the current major health reform proposals would affect immigrants.

**WHO ARE IMMIGRANTS?**

- Immigrants are a diverse group ranging in immigration status, length of time in the country, country of origin, race/ethnicity, family status, language, and age. As of 2008, there were 39 million immigrants in the U.S., accounting for 13% of the population (Figure 1). Until 2007, U.S. immigration was increasing and immigrants were dispersing throughout the country. However, since 2007, immigration has slowed reflecting the impact of the recession.<sup>1</sup>
- According to the Pew Hispanic Center, about seven in ten immigrants are naturalized citizens and legal non-citizens, who together account for about 9% of the total population. It is estimated that undocumented immigrants make up about 4% of the population and 5.4% of the workforce.<sup>2</sup>



**A Note on Terminology**

When discussing issues related to immigrants, it is important to understand the exact meaning of terms used to describe groups of immigrants based on their immigration status. In this brief:

**Immigrants** refers to foreign-born individuals residing in the U.S., including naturalized citizens and non-citizens (both legal and undocumented) who fall into a number of different immigration categories.

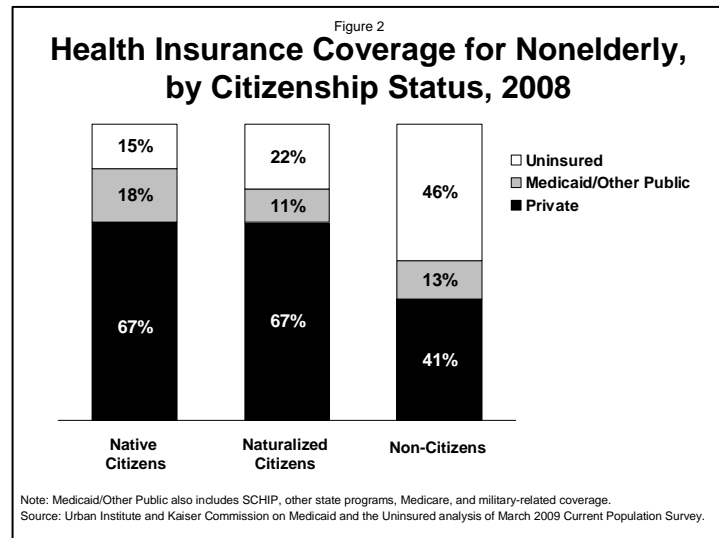
**Citizens** refers to individuals born in the U.S. and naturalized citizens, who are foreign-born individuals who have lawfully become U.S. citizens.

**Non-citizens** refers to foreign-born individuals residing in the U.S. who have not obtained citizenship, including:

- **Legal non-citizens** who are foreign-born individuals who have not become U.S. citizens but are legally residing in the U.S., including legal permanent residents (LPRs, i.e., individuals with “green cards”), refugees, asylees, other humanitarian immigrants, and other lawfully present temporary immigrants.
- **Undocumented immigrants** who are foreign-born individuals residing in the U.S. who are not legal residents, including individuals who entered the U.S. without authorization; individuals who were legally admitted temporarily and stayed after their visa expired; and “quasi-legal” individuals, such as people with temporary protective status or those who have applied for asylum but whose claims have not yet been resolved.

## HOW DO IMMIGRANTS RECEIVE HEALTH COVERAGE?

- Health coverage patterns for naturalized citizens are very similar to native citizens, with the majority covered through employer-sponsored or other private coverage.
- About 40% of non-citizens (legal and undocumented) have private coverage (Figure 2).<sup>3</sup> However, their rates of private coverage are lower than citizens, and they are far more likely to be uninsured. For adult non-citizens who are undocumented immigrants, it is estimated that about 59% lack coverage while 45% of undocumented immigrant children are uninsured.<sup>4</sup>
- Although non-citizens are as likely as citizens to have a full-time worker in the family, they are more likely to be low-income and tend to work in low-wage jobs and in firms and industries that often do not offer coverage to workers.<sup>5</sup> Further, eligibility for public coverage is restricted for non-citizens (legal and undocumented).



## WHAT ARE THE CURRENT RESTRICTIONS ON MEDICAID ELIGIBILITY FOR IMMIGRANTS?

- Under federal law, undocumented immigrants are prohibited from receiving Medicaid and CHIP. Medicaid payments for emergency services may be made on behalf of undocumented immigrants who would otherwise qualify for Medicaid. Further, since 1996, legal non-citizen immigrants have been barred from Medicaid and CHIP during their first five years in the U.S.
  - Under the Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA) states were given the option to eliminate this “five-year bar” for recent legal immigrants who are pregnant women or children. However, states are not required to take up the option and other recent legal immigrants remain barred from the programs.
  - Since 2002, states have had the option to use federal CHIP funds to cover prenatal care for pregnant women without regard to their immigration status. Under this option, states essentially extend eligibility to the unborn child, which is not considered to have an immigration status.
- The Deficit Reduction Act of 2005 (DRA) newly required states to document the citizenship status of individuals applying for or renewing Medicaid. (Prior to the DRA, many states accepted applicants’ written declaration of citizenship under penalty of perjury.) The requirement led to delays or denials of Medicaid coverage for many eligible American children and families.<sup>6</sup> However, states detected very few undocumented immigrants applying for benefits.<sup>7</sup>

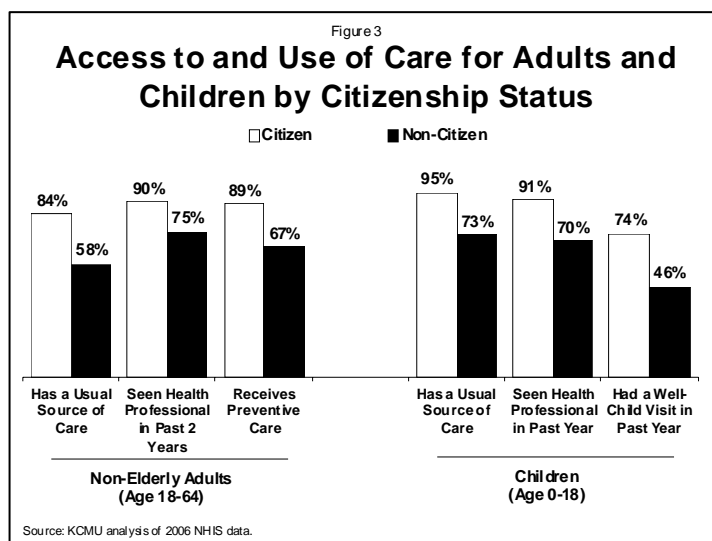
- In a GAO survey of state Medicaid offices, conducted in 2007, more than 20 states reported declines in Medicaid coverage due to the citizenship documentation requirements. According to most of these states, the individuals losing coverage appeared to be eligible U.S. citizens. In addition, all states in the survey reported new administrative burdens and costs because of the requirement. For fiscal year 2007, 10 states that had compiled this information reported that they appropriated a total of \$28 million to cover the additional administrative costs. Further, six states reported spending an estimated \$8 million in federal funds to identify eight undocumented immigrants in their programs.<sup>8</sup>
- CHIPRA made several changes to the citizenship documentation requirement, including requiring states to take steps to prevent delays or denials of coverage, providing states a new option to document citizenship through a data exchange with the Social Security Administration, and extending the requirement to CHIP.<sup>9</sup>

**HOW MANY OF THE UNINSURED ARE NON-CITIZEN IMMIGRANTS?**

- Although non-citizen immigrants have a relatively high uninsured rate, they are not the primary cause of the nation’s uninsured problem. The majority of the uninsured are citizens with non-citizens (legal and undocumented) accounting for 20% of the uninsured.
- According to analysis by the Pew Hispanic Center, of the estimated 11.9 undocumented immigrants, about 6.8 million were uninsured in 2007, and they accounted for about 15% of the total uninsured.<sup>10</sup>

**HOW DO NON-CITIZEN IMMIGRANTS OBTAIN HEALTH CARE?**

- Largely as a result of their higher uninsured rate, non-citizens face greater barriers to accessing care and obtain less health care than citizens (Figure 3). Undocumented immigrants are particularly less likely to receive care.<sup>11</sup>
- Even though they face greater barriers to care and receive less primary care, non-citizens, particularly undocumented immigrants, are less likely than citizens to use the emergency room for care.<sup>12</sup>
- When non-citizen immigrants do receive health care, they tend to rely on safety-net providers, such as community clinics and health centers (including migrant health centers).



## HOW MUCH IS SPENT ON HEALTH CARE FOR NON-CITIZEN IMMIGRANTS?

- As a result of their lower use of care, overall, non-citizens (legal and undocumented) have significantly lower per capita health care expenditures than citizens. Average annual per capita health expenditures for non-citizens were \$1,797 versus \$3,702 for citizens in 2005.<sup>13</sup>
- Further, although recent data specific to undocumented immigrants are not available, analysis finds that adult immigrants in the U.S. for less than ten years have even lower per capita spending than more established immigrants, and it is estimated that about two-thirds of undocumented immigrants have been in the U.S. for less than ten years.<sup>14</sup> Overall, adult immigrants in the U.S. for less than ten years are responsible for a disproportionately small share of spending relative to their share of the population. They make up 5.1% of adults but only incur 2.3% of total medical expenditures and 1.4% of public medical expenditures.<sup>15</sup>
- Relative to U.S.-born citizens, immigrants, particularly undocumented immigrants, have a smaller share of their medical spending paid through public sources and pay a greater share out-of-pocket, even though they are more likely to be low-income.<sup>16</sup>

## HOW IS COVERAGE FOR NON-CITIZEN IMMIGRANTS ADDRESSED UNDER CURRENT REFORM PROPOSALS?

The three leading health reform bills in Congress—the House Tri-Committee bill and Senate HELP and Senate Finance Committee bills—include a number of provisions to expand coverage options for low- and moderate-income individuals. The proposals would expand Medicaid eligibility to 133% (House and Finance) and 150% (HELP) of the poverty level. They would also create new health insurance exchanges and would provide federal subsidies for the purchase of coverage through the exchanges for those with incomes up to 400% FPL who do not have access to other coverage. However, there are restrictions on coverage for undocumented and legal non-citizen immigrants:

- ***Undocumented immigrants would not receive subsidies and would continue to be prohibited from Medicaid.*** In all three health reform bills, uninsured undocumented immigrants would not be eligible for federal subsidies through the newly created exchange(s) regardless of their incomes and they would remain ineligible for Medicaid and CHIP, except for emergency services for those who would otherwise qualify for Medicaid. Under provisions in the House Tri-Committee and Senate HELP bills, undocumented immigrants would be permitted to purchase coverage through the exchange(s) with their own funds. In contrast, the Senate Finance bill would prohibit these immigrants from purchasing coverage in the exchanges. The House and Senate HELP proposals do not specify how legal status would be verified for the federal subsidies; however, processes to enforce the exclusion of undocumented immigrants could be determined through regulations and/or by the Commissioner overseeing the exchange(s). In response to calls for more specific verification requirements in the legislation, the Senate Finance bill would require verification of citizenship/immigration status as well as income when applying for subsidies.
- ***Recent legal non-citizens would continue to face Medicaid eligibility restrictions.*** All three health reform bills would expand Medicaid to cover more low-income adults, including eligible legal non-citizens. However, Medicaid would continue to be restricted for legal non-citizens during their first five years in the U.S. (though states now have the option through CHIPRA of eliminating this five-year bar for children and pregnant women). During the five-year bar, uninsured legal non-citizens without access to employer-based insurance could

obtain coverage through the exchange(s) and access federal subsidies to make that coverage more affordable if they meet income eligibility requirements.

- ***Some legal non-citizens without offers of employer coverage would be eligible to receive subsidies to purchase coverage through the health insurance exchange(s).*** In all three bills, uninsured legal non-citizens who do not have an offer of employer sponsored coverage and meet income eligibility requirements would be eligible for federal subsidies to purchase coverage through the new health insurance exchange(s). These sliding scale subsidies would be available to legal non-citizen immigrants with incomes up to 400% of the federal poverty level (FPL) on the same basis as citizens. Under current proposals, if they have an offer of employer-sponsored coverage, the employee contribution must exceed a certain threshold of income (12% in the House bill, 12.5% in the HELP bill, and 13% in the Senate Finance bill) to receive subsidies and purchase coverage through the exchange(s). Non-lawfully residing immigrants are not eligible for the subsidies regardless of income or access to coverage.

This issue brief was prepared by Samantha Artiga and Jennifer Tolbert with the Kaiser Commission on Medicaid and the Uninsured, Kaiser Family Foundation.

**ENDNOTES**

<sup>1</sup> Capps, R., "Health-Care Access for US Immigrants," National Center on Immigrant Integration Policy, Migration Policy Institute, presentation at Grantmakers in Health Conference, New Orleans, March 19, 2009.

<sup>2</sup> Passel, J. and D. Cohn, "A Portrait of Unauthorized Immigrants in the United States," Pew Hispanic Center, April 14, 2009.

<sup>3</sup> Urban Institute and Kaiser Commission on Medicaid and the Uninsured analysis of March 2007 Current Population Survey data.

<sup>4</sup> Passel, J., op cit.

<sup>5</sup> Schwartz, K. and S. Artiga, "Health Insurance Coverage and Access to Care for Low-Income Non-Citizen Adults," Kaiser Commission on Medicaid and the Uninsured, June 2007 and Artiga, S. and K. Schwartz, "Health Insurance Coverage and Access to Care for Low-Income Non-Citizen Children," May 2007.

<sup>6</sup> "Citizen Documentation Changes," *CHIP TIPS*, Kaiser Commission on Medicaid and the Uninsured, Kaiser Family Foundation and Georgetown University Health Policy Institute Center for Children and Families, May 2009.

<sup>7</sup> Ibid.

<sup>8</sup> U.S. Government Accountability Office, "Medicaid: States Reported Citizenship Documentation Requirement Resulted in Enrollment Declines for Eligible Citizens and Posed Administrative Burdens" (July 2007) (GAO/07-889).

<sup>9</sup> "Citizen Documentation Changes," op cit.

<sup>10</sup> This share of the uninsured is based on the Pew Hispanic Center's estimate of the total uninsured which is calculated off of March 2008 CPS data and estimated to be 46.3 million in 2007. This figure includes an adjustment to reflect an undercount for immigrants.

<sup>11</sup> Goldman, D.P., Smith, J.P. and N. Sood, "Immigrants and the Cost of Medical Care," Health Affairs, November/December 2006.

<sup>12</sup> Kaiser Commission and the Uninsured analysis of 2006 NHIS data and Ortega, A., et al, "Health Care Access, Use of Services, and Experiences Among Undocumented Mexicans and Other Latinos," Archives of Internal Medicine, Vol. 167 (No.21), November 23, 2007.

<sup>13</sup> Kaiser Commission on Medicaid and the Uninsured analysis of 2005 MEPS data.

<sup>14</sup> Ku, L., "Health Insurance Coverage and Medical Expenditures of Immigrants and Native-Born Citizens in the United States," American Journal of Public Health, July 2009, Vol. 99, No. 7, pp. 1322-1327.

<sup>15</sup> Ibid.

<sup>16</sup> Mohanty, S., et al, "Health Care Expenditures of Immigrants in the United States: A Nationally Representative Analysis," *American Journal of Public Health*, Vol. 95, No. 8, August 2005.

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