

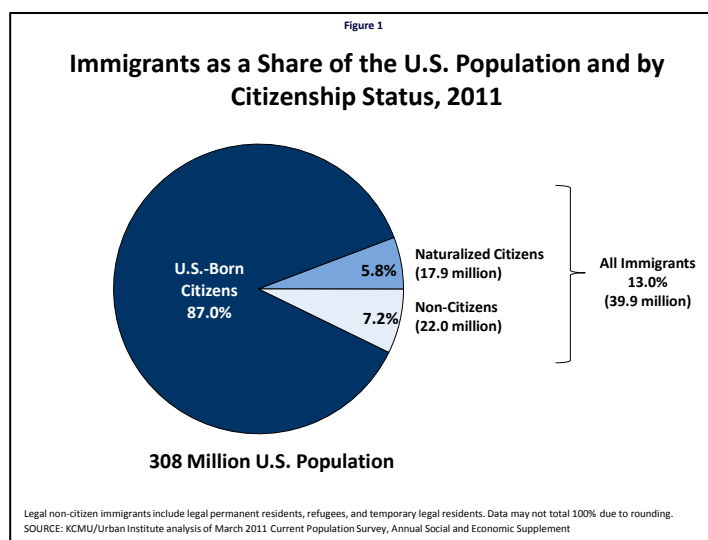
February 2013

## Immigration Reform and Access to Health Coverage: Key Issues to Consider

At the end of January, the Administration and a bipartisan group of Senators released blueprints for immigration reform proposals that include a roadmap to citizenship for the 11 million undocumented immigrants currently residing in the United States. Subject to meeting specified requirements, these individuals would be able to apply for a provisional lawful status. After completing an undefined number of years in this status, an individual would then be allowed to apply for lawful permanent residency and, eventually, United States citizenship. One key issue to consider as part of immigration reform is to what extent these aspiring citizens will be able to access affordable health coverage options at various stages on the roadway to citizenship.

### Immigrants Today

**As of 2011, there were almost 40 million immigrants in the United States, who accounted for 13% of the total population (Figure 1).** This includes nearly 18 million naturalized citizens as well as 22 million non-citizens, who include both lawfully present and undocumented immigrants (Text Box 1). Immigrants are a diverse group, hailing from every region of the world and ranging in race/ethnicity, language, length of time in the country, family status, and age. Non-citizens are just as likely as citizens to have at least one full-time worker in the family, but are often employed in jobs or industries that offer low wages and provide limited access to employer-sponsored insurance.<sup>1</sup>



### Text Box 1: Overview of Key Terms

**Immigrants** are foreign-born individuals living in the United States, regardless of their immigration status, including naturalized citizens, lawfully present non-citizens, and undocumented immigrants.

**Citizens** are individuals born in the United States and naturalized citizens.

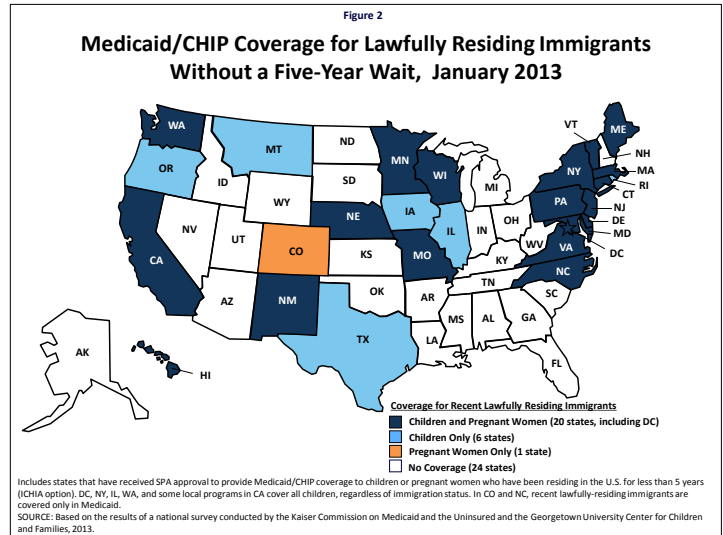
**Non-citizens** are foreign-born individuals living in the United States who have not obtained citizenship, including both:

- **Lawfully present immigrants** are on the road to citizenship or have otherwise been granted permission to remain in the United States, including lawful permanent residents, individuals with work authorization, refugees, and asylees; and
- **Undocumented immigrants** are individuals who entered the United States with permission and subsequently lost their lawful status and those who entered without permission.

**The Pew Hispanic Center estimates that there are about 11 million undocumented immigrants living in the United States as of 2011, including one million children.<sup>2</sup>** Many of these immigrants live in mixed immigration status families that include lawfully present or citizen family members. For example, as of 2010, there were an estimated 4.5 million U.S.-born children whose parents were undocumented.<sup>3</sup> Nearly two-thirds of undocumented immigrants have lived in the United States for at least a decade and nearly half are parents of children.<sup>4</sup>

**Health Coverage Options for Low-Income Immigrants Today and Under the Affordable Care Act**

**Non-citizens are likely to be uninsured because they often work in low-wage jobs that do not offer health insurance and are subject to Medicaid and CHIP eligibility restrictions.** Today, many lawfully present immigrants, including lawful permanent residents or “green card” holders, are subject to a five-year waiting period before they may enroll in Medicaid or CHIP.<sup>5</sup> While states have the option to eliminate this waiting period for children and pregnant women—which 25 states have taken up for children and 20 have done for pregnant women (Figure 2)—many lawfully present immigrants remain subject to the five year wait. In addition, some lawfully present immigrants remain ineligible for Medicaid regardless of their length of time in the country. Undocumented immigrants are ineligible for Medicaid and CHIP, although Medicaid payments for emergency services may be made on behalf of individuals who are otherwise eligible for Medicaid but for their immigration status.



**Non-citizens will continue to face eligibility restrictions for health coverage under the Affordable Care Act (ACA) coverage expansions.** The ACA seeks to reduce the number of uninsured through a Medicaid expansion and the creation of health insurance exchange marketplaces with advance premium tax credits to help moderate-income individuals pay for this coverage. As of 2011, 9.5 million or 22% of the nonelderly uninsured were non-citizens. Because many uninsured non-citizens are in low-income working families, most would be in the income range to qualify for the Medicaid expansion or premium tax credits. However, non-citizens will continue to face eligibility restrictions for these health coverage options (Table 1). For Medicaid, lawfully present immigrants will continue to face the five-year waiting period and exclusion of some categories. Lawfully present immigrants will be able to purchase coverage in the exchange and receive tax credits without a waiting period, including those who are not eligible for Medicaid based on immigration status. Undocumented immigrants will remain ineligible for Medicaid and be ineligible for the premium tax credits; they also will be prohibited from purchasing exchange coverage even at full cost.

**Table 1:**  
**Immigrant Eligibility for Medicaid and Exchange Coverage in 2014**

	Medicaid	Exchange Coverage
<b>U.S.-born and Naturalized Citizens</b>	Expands to individuals with incomes up to 138% of poverty in states that implement the expansion.	Individuals without affordable employer coverage can buy coverage through exchanges. Tax credits available to individuals with incomes between 100%-400% of poverty who are not eligible for Medicaid.
<b>Lawfully Present Immigrants</b>	Many remain subject to a five-year wait before they may enroll or are excluded from eligibility. States may <i>choose</i> to eliminate the five-year wait for otherwise eligible children and pregnant women, but not for other adults.	May purchase exchange coverage and receive tax credits without a waiting period. Individuals with incomes below 100% of poverty who are ineligible for Medicaid based on immigration status may purchase exchange coverage and receive tax credits.
<b>Undocumented Immigrants</b>	Remain ineligible for Medicaid.	Prohibited from purchasing exchange coverage and receiving tax credits.

## Health Coverage and Immigration Reform

***Access to affordable health coverage is a key issue to consider as part of immigration reform.*** Health coverage has important implications for further integrating individuals granted provisional lawful status into their communities by facilitating their ability to obtain timely, cost-effective care; providing financial stability; and supporting their ability to work and focus on caring for one's family.

***The current immigration reform proposals released by the Administration and bipartisan group of Senators suggest that individuals granted provisional lawful status may not be eligible for federal benefits, including health coverage.*** This exclusion is similar to recent policy implemented by the Administration to exclude individuals granted "Deferred Action for Childhood Arrivals" (DACA) from Medicaid and CHIP as well as the exchanges and premium tax credits that will become available in 2014.<sup>6</sup> In June 2012, the Administration announced that certain undocumented youth would be given temporary permission to stay in the United States, a program often referred to as DACA. The Department of Homeland Security considers these individuals to be lawfully present in the U.S. and is providing DACA grantees work authorization and social security numbers. However, in August 2012, the U.S. Department of Health and Human Services announced policies to exclude these youth from health coverage options that are available to other lawfully present immigrants. As such, individuals granted deferred action under DACA continue to face the same eligibility restrictions for health coverage as undocumented immigrants even though they are considered to be lawfully present.

***Excluding individuals granted provisional lawful status from affordable health coverage options leaves these individuals with limited options to access health coverage.*** Generally, their only potential sources of coverage are through an employer or the individual coverage market. However, as noted, low-income immigrants often work in jobs that do not offer coverage and are unable to afford coverage on the individual market without access to the premium tax credits. In addition, eight states (CA, DC, FL, IL, MA, NJ, NY, and WA) have fully state-funded programs that provide coverage to immigrants regardless of their immigration status.<sup>7</sup> However, these programs are often limited to specific groups (such as children or pregnant women) or provide a limited set of services.

***There are a range of policy options to increase access to affordable coverage for lawfully present immigrants that vary in scope and potential impacts, including the following:***

- Extending the option to eliminate the five-year waiting period in Medicaid for low-income lawfully present pregnant women and children to other lawfully present adults;
- Eliminating or reducing the length of the Medicaid and CHIP waiting period for lawfully present immigrants or selected groups of lawfully present immigrants;
- Considering immigrants who adjust to lawful permanent resident status from a provisional status to have fulfilled the five-year waiting period for Medicaid and CHIP; and
- Granting lawfully present immigrants, including those in provisional status, the same access as citizens to affordable health coverage options, including Medicaid, CHIP, and exchanges.

***While there are costs associated with expanding coverage to individuals granted provisional status, there also are potential offsetting savings to consider.*** First, reductions in the number of uninsured may contribute to savings in programs and services for the uninsured. Moreover, access to affordable health coverage helps increase individuals' access to needed care, enabling them to obtain care when needed, rather than delaying care and ultimately turning to the emergency room. Access to timely care, including

preventive care, can facilitate earlier diagnosis and treatment of conditions and improved care management, which may help prevent chronic illness and lead to less serious and costly health problems in the long run. In addition, because immigrants tend to be younger and healthier, they can help spread the risk in an insurance pool, which may help lower overall premium costs. Lastly, by helping individuals manage their health care, health coverage supports their ability to focus on other priorities, including employment and providing for their family, which has long-term economic benefits.

## Conclusion

Extending provisional lawful status to undocumented immigrants on a roadmap to citizenship will help provide immigrant families more job security and the opportunity for higher wages as well as improved education opportunities. Thus, there will be increased potential for them to obtain higher paying jobs that may be more likely to offer employer-sponsored insurance. Lawful status will also help these immigrants more fully integrate into and contribute to their communities. However, without access to Medicaid, CHIP, and new exchanges, low-income individuals granted provisional lawful status would have limited options for affordable health coverage, which is important for facilitating individuals' ability to obtain timely cost-effective care, providing financial protection from high medical costs, and supporting individuals' ability to focus on other priorities and goals, including family and work. Thus, as the immigration reform debate unfolds, it will be important to consider how proposals to provide a roadmap to citizenship address individuals' access to affordable health coverage options.

## ENDNOTES

<sup>1</sup> KCMU/Urban Institute analysis of March 2012 Current Population Survey, Annual Social and Economic Supplement.

<sup>2</sup> Passel, J. and D. Cohn, "Unauthorized Immigrants: 11.1 Million in 2011," PewResearch Hispanic Center, December 6, 2012, [www.pewhispanic.org/2012/12/06/unauthorized-immigrants-11-1-million-in-2011/](http://www.pewhispanic.org/2012/12/06/unauthorized-immigrants-11-1-million-in-2011/)

<sup>3</sup> "A Nation of Immigrants," PewResearch Hispanic Center, January 29, 2013, [www.pewhispanic.org/2012/01/29/a-nation-of-immigrants/](http://www.pewhispanic.org/2012/01/29/a-nation-of-immigrants/)

<sup>4</sup> Ibid.

<sup>5</sup> Some groups of lawfully present immigrants are ineligible for public programs, including Medicaid and CHIP, because they do not fall within the definition of "qualified" immigrants as defined by the 1996 Personal Responsibility and Work Opportunity Act, see <http://www.nilc.org/document.html?id=809>. Individuals granted a green card after August 1996 are considered a "qualified" immigrant subject to a five year waiting period. The five-year waiting period does not apply to some qualified immigrants such as individuals granted a green card before August 1996, asylees, refugees, victims of trafficking, and other humanitarian immigrants.

<sup>6</sup> See National Immigration Law Center, "Frequently Asked Questions, Exclusion of People Granted "Deferred Action for Childhood Arrivals" from Affordable Health Care," November 26, 2012, [www.nilc.org](http://www.nilc.org), for more details.

<sup>7</sup> National Immigration Law Center, "Medical Assistance Programs for Immigrants in Various States," July 2012, <http://www.nilc.org/document.html?id=159>.

This brief was prepared by Samantha Artiga of the Kaiser Family Foundation's Commission on Medicaid and the Uninsured. The author thanks Dinah Wiley with the Georgetown University Center for Children and Families, Sonal Ambegaokar and Jenny Rejeske with the National Immigration Law Center and Jennifer Ng'andu with the National Council of La Raza for their helpful review and comments.

This publication (#8420) is available on the Kaiser Family Foundation's website at [www.kff.org](http://www.kff.org).

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