

REPORT OF THE COUNCIL ON MEDICAL SERVICE

CMS Report 8 - A-01
(June 2001)

Subject: Uninsured Immigrants

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1 An analysis of data from the March 2000 Current Population Survey indicates that immigrants
2 accounted for only 10% of the total population in 1999, but represented 22% of the uninsured
3 population. There has been a high degree of concern about uninsured immigrants following the
4 public benefit eligibility cutbacks contained in provisions of the Personal Responsibility and Work
5 Opportunity Reconciliation Act of 1996 (P.L. 104-193, the "Welfare Reform Act"). In addition,
6 as the country has grown increasingly concerned about the uninsured in general, the lack of
7 coverage among immigrants has come into focus because of their significant representation among
8 the uninsured.

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10 The Council on Medical Service presents this report on uninsured immigrants for the information
11 of the House of Delegates, as part of the Council's ongoing effort to address the high number of
12 uninsured individuals in the United States. A separate report on expanding coverage to the
13 uninsured is before the House at this meeting (CMS Report 6, A-01). The high number of
14 uninsured immigrants raises particular concern about the health of the immigrant workforce, upon
15 whose labor the United States relies heavily. The following report discusses the number of
16 uninsured immigrants; describes the barriers to health insurance and access to care as experienced
17 by immigrants; summarizes state responses to the Welfare Reform Act; and identifies AMA policy
18 related to uninsured immigrants.

19 20 BACKGROUND

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22 In discussing the problems faced by uninsured immigrants, it is useful to keep in mind the various
23 designations of immigrant status. Prior to the enactment of the Welfare Reform Act, immigrants
24 admitted to the U.S. legally were eligible for benefits under the Medicaid program on the same
25 terms as U.S. citizens. Following enactment of the Welfare Reform Act, most immigrants fell into
26 two new classifications: qualified immigrants or unqualified immigrants. Qualified immigrants
27 include lawful permanent residents, refugees/asylees, persons paroled into the U.S. for at least one
28 year, and battered spouses and children. Immigrants admitted to the U.S. on or before August 22,
29 1996, the date the Welfare Reform Act was enacted, are often termed "pre-enactment immigrants"
30 and are considered qualified.

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32 Unqualified immigrants include undocumented immigrants, applicants for asylum, many
33 immigrants formerly considered "permanently residing under color of law," and those in the
34 country on temporary visas, such as students and tourists. "Post-enactment immigrants," those
35 admitted to the U.S. after the enactment of federal welfare reform on August 22, 1996, are
36 considered unqualified for purposes of federally funded Medicaid benefits for a period of five years
37 following their admission to the U.S.

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39 According to a Census Bureau analysis of its March 2000 Current Population Survey, the 1999
40 health insurance coverage rate for the foreign-born population was 66.6% compared to 86.5% for

1 the native population. In 1999, the proportion of the immigrant population lacking health
2 insurance (33.4%) was more than twice that of the native citizen population (13.5%). Furthermore,
3 the rate of being without health insurance among noncitizen immigrants (42.6%) was more than
4 double that of naturalized citizens (17.9%). Part of this high rate of noncoverage may be due to
5 illegal immigrants being ineligible for Medicaid and the State Children's Health Insurance Program
6 (CHIP), although such immigrants are highly likely to be undercounted by any Census
7 enumeration. The high rate of noncoverage for immigrants of all statuses results primarily from
8 their being less likely than nonimmigrants to have employment-based insurance.
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10 BARRIERS TO ACCESS AND INSURANCE COVERAGE

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12 Income and employment are not the only predictors of whether an individual immigrant will be
13 insured. Even immigrants with incomes that are too high to qualify for public programs, such as
14 Medicaid or CHIP, are more likely to be uninsured than U.S. citizens at similar income levels. In
15 June 2000, the Urban Institute issued a report entitled "Immigrants' Access to Health Care and
16 Insurance on the Cusp of Welfare Reform." Using data from its 1997 National Survey of
17 America's Families, the Urban Institute analysis found a multitude of problems facing immigrants
18 in addition to those problems related to eligibility. For example, Hispanic parents listed language
19 as the top barrier to receiving care for their children and reported a high degree of misdiagnosis and
20 inappropriate care that resulted from language differences. The Urban Institute analysis notes that
21 immigrants have high employment rates, but tend to work in jobs with few benefits.
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23 The Urban Institute report contains anecdotal information indicating that some immigrants
24 incorrectly fear their acceptance of public assistance will adversely affect their efforts to gain
25 citizenship. The erroneous interpretation and implementation of the Welfare Reform Act could
26 only have exacerbated such fears, with many families having been inappropriately stripped of their
27 Medicaid eligibility. In addition, immediately following enactment of the Welfare Reform Act,
28 some immigrants were assessed the cost of benefits they had received. Others were prevented from
29 re-entering the U.S. once they left.
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31 The Urban Institute report also states that many families felt confused and intimidated by their own
32 mix of legal statuses, with some family members being eligible for coverage under public
33 programs, and others being ineligible. In particular, parents who are ineligible may have children
34 born in the U.S. who, as citizens, are fully eligible. However, such immigrant parents, due to their
35 own ineligibility, may incorrectly assume their children are also ineligible, or they may feel
36 rebuffed in their own efforts to seek coverage and unwilling to attempt the seemingly futile effort
37 of seeking coverage for their children.
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39 In August 2000, the Kaiser Family Foundation (KFF) issued a report entitled "Immigrants' Health
40 Care: Coverage and Access." Consistent with the Urban Institute investigation, KFF concluded
41 that the Welfare Reform Act accounts for only a portion of the high number of immigrants who
42 lack health insurance coverage. KFF specifically cites language, poverty, country of origin,
43 discrimination and type of employment as contributing factors to immigrant lack of coverage.
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45 STATE RESPONSES TO THE WELFARE REFORM ACT

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47 The Council previously addressed the ramifications of welfare reform for immigrants in CMS
48 Report 2 (A-99), which reported that the 1996 Welfare Reform Act curtailed Medicaid and CHIP

1 benefits to legal immigrants who entered the country after August 22, 1996, for five years, after
2 which time immigrant access is a state option. Despite proposals in both the House of
3 Representatives and the Senate, Congress has yet to provide a national legislative remedy.
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5 A 1999 Urban Institute analysis using various sources of 1996 and 1997 population and economic
6 data indicates that at least 14 states exercised their option to provide non-emergency Medicaid to
7 qualified immigrants during the Welfare Reform Act's five-year bar. Another 34 states planned to
8 provide such services following the five-year bar. Therefore, a majority of state Medicaid
9 programs are unwilling or unable to provide non-emergency coverage to new immigrants for a
10 period of five years. Sixteen states indicated they would not provide non-emergency coverage
11 even after a post-enactment immigrant has been in the U.S. for five years. The 1999 Urban
12 Institute analysis also indicates that although the Welfare Reform Law barred unqualified
13 immigrants from non-emergency Medicaid services, at least 19 states exercised their option to
14 provide coverage to unqualified immigrants using state funds.
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16 The Welfare Reform Act barred unqualified immigrants from non-emergency coverage, but
17 specifically required that emergency Medicaid be available to all immigrants, regardless of
18 immigration status, so long as individual immigrants meet all of the eligibility requirements for
19 Medicaid other than those related to the declaration of satisfactory immigration status and
20 verification of that status.
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22 Emergency Medicaid coverage is limited to emergency medical conditions, which is defined in the
23 Medicaid statute as a medical condition (including all labor and delivery) manifesting itself by
24 acute symptoms of sufficient severity (including severe pain) such that the absence of immediate
25 medical attention could reasonably be expected to result in placing the patient's health in serious
26 jeopardy, serious impairment to bodily functions, or serious dysfunction of any bodily organ or
27 part. The National Health Law Program (NHeLP) notes that federal Medicaid regulations and the
28 State Medicaid Manual stipulate that an emergency condition must result from the "sudden onset"
29 of an illness or injury, while the law is silent on this matter. Courts have interpreted the sudden
30 onset requirement to mean that the condition occurred suddenly, such as a stroke, heart attack or an
31 auto accident. However, treatment does not necessarily need to occur immediately after the onset
32 of the illness or injury in order for the treatment to be covered under emergency Medicaid.
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34 AMA POLICY ON UNINSURED IMMIGRANTS

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36 AMA policy concerning immigrant coverage favors restoring Medicaid benefits to legal
37 immigrants and ensuring coverage for immigrants in emergency situations:
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- 39 • Policy H-290.983 (AMA Policy Database) opposes federal and state legislation denying or
40 restricting legal immigrants Medicaid and immunizations.
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- 42 • Policy H-440.903 calls for the AMA to actively lobby the federal and state governments to
43 restore and maintain funding for public health care benefits for all legal immigrants.
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- 45 • Policy H-160.956 calls for the AMA to lobby Congress to adequately appropriate and dispense
46 funds for the current programs that provide reimbursement for the health care of undocumented
47 aliens.
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- 1 • Policy H-130.967 supports the legislative and regulatory changes that would require the federal
2 government to provide reasonable payment for federally mandated medical screening
3 examinations and further examination and treatment needed to stabilize a condition in patients
4 presenting to hospital emergency departments, when payment from other public or private
5 sources is not available.
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- 7 • Policy H-290.982[18] urges HCFA to ensure that Medicaid and CHIP outreach efforts are
8 appropriately sensitive to cultural and language diversities in state or localities with large
9 uninsured ethnic populations.

10 CONCLUSION

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13 Although a high proportion of immigrants are employed, a disproportionate number of them
14 remain uninsured. Accordingly, the Council has reservations about the ability of employment-
15 based coverage to adequately address the needs of the immigrant population. Similarly, the public
16 sector has been unreliable as a means of providing coverage to immigrants. The public safety net
17 needs to be improved because it has thus far proven to be inadequate. There is an opportunity for
18 the AMA proposal for health system reform to approach a seamless solution that fills the gaps in
19 coverage between public and private sectors. Accordingly, the Council reiterates its support for a
20 system of refundable tax credits for individuals, inversely related to income, as a means to address
21 the health insurance needs of the legal immigrant population. Absent any federal effort to restrain
22 immigrant eligibility to health insurance tax credits, legal immigrants should be fully eligible. It is
23 not likely, nor recommended, however, that illegal immigrants would be able to benefit from health
24 insurance tax credits. In addition, the Council believes the current AMA policy favoring the
25 reestablishment of benefits for legal immigrants is appropriate in the absence of health insurance
26 tax credits.