Federal healthcare reform has made an unprecedented effort to extend affordable healthcare coverage to millions of Americans. The Patient Protection and Affordable Care Act (ACA) impressively aims to expand private insurance, Medicaid and Medicare, invest in preventive services and the medical workforce, protect patients against unfair insurance practices, and establish a transparent insurance market, known as the Insurance Exchange. While many Americans will benefit significantly from the new reform efforts, there still remain a percentage of those who will not, specifically the undocumented.

Under reform, undocumented immigrants will not be eligible to purchase insurance through federal or state Exchanges, will remain ineligible for public subsidies, or will not be held accountable under the individual mandate to be insured. This will affect the undocumented in California who represent one-fifth of the overall uninsured population in the state\(^1\) and whose regular source of care will likely remain with safety net providers. This paper aims to describe the undocumented population, dispel rumors and myths about their health care utilization, and provide policymakers with recommendations in light of health care reform.

In 2008, the foreign born population in the United States accounted for 37.2 million individuals. Of these, 22.2 million people were non-citizens, including lawful permanent residents (immigrants), temporary migrants (such as foreign students), humanitarian migrants (such as refugees), and persons illegally present in the US.\(^2\) The Pew Hispanic Center estimated that 11.9 million undocumented persons, with 76 percent being Latino, were living in the United States during this same year.\(^3\) When considering the average age of immigrants, undocumented individuals were reported to be twelve years younger than immigrant citizens, and eight years younger than legal permanent residents.\(^4\) It is important to note that in the past year, there are reports that immigration into the United States has slowed due to the growth of Mexico’s economy and immigrants returning home to find jobs.\(^5\) Regardless, the foreign-born population in the United States, specifically non-citizens, still remains of lingering concern, particularly in California where 20 percent of the uninsured are undocumented workers who contribute greatly to the state’s agricultural, construction and restaurant industries.\(^6\) In 2004, there was an estimated 6.3 million undocumented immigrant workers in the U.S., with California ranking amongst the highest at just over 1.5 million workers.\(^7\) As this population continues to work within our country, their need to access healthcare will not disappear.

Undocumented immigrants, however, have rarely been eligible for many of the health services in the US, and in the midst of implementation efforts, this trend continues. The collection of reliable data surrounding the undocumented is challenging due to their transient nature and barriers associated with immigration status. Regardless, it was estimated in 2009 that 17 percent of the projected 46 million Americans lacking health insurance were undocumented persons.\(^8\) This is an understandable reality seeing that a large number of undocumented persons

---

2. U.S. Census Bureau
5. Tyler, Jeff. Mexico’s job industry is growing [Radio series episode on January 5, 2011.] at, Marketplace. NPR.
work low-wage jobs that do not offer healthcare coverage. According to a 2009 U.S. Census Bureau report on Income, Poverty, and Health Insurance Coverage, the average household income for non-citizens totaled $36,089, while their native counterparts earned an average of $50,503. Between 2008 and 2009 non-citizens experienced a 4.5 percent drop in average household income while citizens only endured a 0.7 percent change. These numbers clearly demonstrate the increasing difficulty many undocumented individuals experience when trying to afford healthcare coverage when earning such a limited income.

For new legal immigrants, federal restrictions like the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) render one eligible for very limited publicly funded programs. Specifically, legal immigrants are restricted to emergency care during the first five years of residency. It is estimated that six-in-ten (60 percent) non-citizen, or non-legal permanent resident (LPR) Hispanics lack health insurance. Under federal and state Medicaid laws, undocumented workers are only eligible for emergency services. Thirty-seven percent of undocumented adult Latinos have no usual health care provider. Twenty-eight percent of Hispanic citizens and LPRs lack health insurance.

Safety net providers often act as the most significant source of care for individuals lacking healthcare coverage. These hospitals, clinics, and health centers provide a large amount of care to the uninsured, underinsured, and other vulnerable populations, including many undocumented persons. Forty-one percent of Hispanics, who are not citizens or legal permanent residents, utilize safety nets as their usual source of care, while another 15 percent use private doctors, hospital outpatient facilities, or health maintenance organizations and 45 percent have no usual source of care.

In emergency situations, undocumented persons can utilize emergency medical services as a source of care, and if otherwise eligible, Medi-Cal will pay for their care. A few public programs in California provide services to state residents regardless of documentation status. These programs include Child Health & Disability Prevention (CHDP), California Children’s Services (CCS), Family Planning Access Care & Treatment (Family PACT), Disproportionate Share Hospitals (DSH) and Healthy Kids. Emergency Medi-Cal (Medicaid) is available only for the designated Medicaid eligible populations: children, pregnant women, families with dependent children, and elderly/disabled people that meet specific income and residency requirements. It pays for care in genuine emergencies and for perinatal services. This coverage option for the undocumented has significant impacts for this population, about two thirds of the care they receive is for emergencies and childbirth.

---

9 Ibid
11 Ibid
13 Ibid
15 Ibid
16 Ibid
17 Ibid
18 Insure the Uninsured Project Chart: California Public Program Breakdown. Accessed at www.itup.org
Undocumented persons receive limited medical services and their healthcare providers must be reimbursed in some fashion. With limited and declining state and local funding and limited state and county programs, payment and funding issues for care to undocumented workers are often a source of heightened political conflict.

It is often assumed that foreign-born immigrants, particularly undocumented individuals, account for high healthcare cost and medical spending. However, in Los Angeles County in 2000, where undocumented individuals constituted 12 percent of the non-elderly adult population, undocumented immigrants only consumed 6 percent of medical spending. When these same figures were extrapolated to the nation, spending by the undocumented totaled $6.4 billion with 17 percent ($1.1 billion) paid for by public sources. Simply stated, in 2000, the undocumented population accounted only for about 1.5 percent to national medical costs. In terms of publicly funded health spending, undocumented individuals had proportionally lower public health per capita expenditures, totaling $200 annually, when compared to their native and naturalized citizen counterparts, whose spending totaled up to $1,100.

Thus, undocumented immigrants use disproportionately fewer medical services and contribute much less to state, local and national healthcare cost. The undocumented population although low income is generally healthier than US born citizens, but their lack of health insurance coverage and pervasively low access to care will certainly lead to poorer health outcomes in the future.

Although undocumented immigrants contribute significantly less to national medical spending, the fear of uncompensated care remains a reality. For hospitals, clinics, and health centers alike, the issue of uncompensated care for undocumented immigrants is of great concern. Over an eight-year period from 1999-2006, healthcare providers were somewhat less likely to receive compensation for their medical services to non-citizens. In 2006, it was reported that about 13 percent of non-citizens had one or more uncompensated visits to a healthcare provider in comparison to the 11 percent for US natives and naturalized citizens. Since immigrants are more likely to have a lower socioeconomic status, they are less able to pay for care, and more likely to receive uncompensated care, either as unpaid care or charity care provided free of charge. Although the political intention is to restrict the undocumented from qualifying for public programs via legal residency requirements, and thus to reduce public healthcare costs, these costs are often transferred to privately insured customers who pay hidden subsidies through the cost shift for hospitals and physicians’ uncompensated care.

The barriers that undocumented immigrants face in receiving care undoubtedly affects their overall health status. With time and increasing acculturation in the United States, the state of immigrant health deteriorates, as health status indicators approach that of the native-born population. Factors contributing to this include the adoption of unhealthy eating habits, living in unhealthy environments, and lacking timely access to care. Disparities between undocumented and documented immigrants can also be linked to socioeconomic and demographic factors, such as education, poverty status, health coverage, and English

---

22 Ibid
26 Ibid
28 Ibid
proficiency. Access to care and low utilization of care are significant risk factors for the declining health status of undocumented individuals. There are intrinsic deterents that often dissuade undocumented individuals from utilizing the healthcare services available to them, including the fear of deportation or the lack of familiarity with the US healthcare system. As undocumented adults, these deterents may be significant enough to forgo care all together. It is also particularly important to note the high prevalence of mixed residential status homes, where one or both parents may be undocumented and the children legal citizens. The children of immigrant parents, those under the age of eighteen, represent about 24 percent of the total number of children in the U.S. An observed growth of this population occurred between the years of 2002 and 2008. At the end of 2008, the total number of children with immigrant parents was estimated at 16.2 million, with 39 percent of these children having parents from Mexico. In 2002, more than one in five citizen children in low-income mixed-status families remained uninsured, a 74 percent higher rate than that of children with citizen parents. Therefore it becomes increasingly important to be conscious of situations where some family members qualify for governmental health services and other children and one or more parents do not, this produces barriers to coverage and care for the undocumented and US citizens.

Policymakers need to understand the very real barriers that the undocumented face in accessing quality care, as opposed to the common myth of overuse and abuse of services. Ongoing federal and state policy decisions have profound implications for the healthcare of the undocumented living in the United States. Seemingly, now could be the time to begin to shape the new direction in conjunction with the implementation of reform.

**Recommendations**

The undocumented population is, on average, younger, uses fewer services and is far less costly than the general population.

1) Supporting preventive and primary care, at a low cost, can generate savings to the system while lowering the cost and use of emergency care. Health centers especially can play an integral role in connecting the undocumented to a regular source of primary care.

2) The undocumented come to the United States for employment opportunities. Since undocumented workers comprise a large portion of the agricultural and construction workforce, a viable option would be building coverage through the workplace. Assisting/encouraging employers who are willing to provide insurance for low wage workforces is a viable strategy, and ACA’s refundable tax credits to low wage employers ought to be maintained and extended. If more employers offer coverage as occurred in Massachusetts and appears to be occurring among small employers in response to the ACA tax credit, more employees will be covered in the workplace.

---


30 Ibid

31 In Los Angeles County, during the year 2000, 37 percent of undocumented individuals were married, 13 percent were separated, widowed or divorced, and 49 had never been married. (Goldman, D. P., Smith, J.P., Sood, N. *Immigrants And The Cost Of Medical Care* *Health Affairs*, 25, no.6 (2006):1700-1711. doi: 10.1377/hlthaff.25.6.1700)


33 Ibid


3) Most undocumented immigrants receive their health care through safety net providers. As ACA covers US citizens and legal permanent residents, it is imperative that policy makers re-target funding for Disproportionate Share Hospitals (DSH), and Federally Qualified Health Centers (FQHC) to support their ongoing care for the residually uninsured.

4) Local efforts, such as Healthy San Francisco and the Children’s Health Initiatives are important building blocks for a system of care for the undocumented. This is an opportunity for clinics, hospitals, local employers, undocumented individuals and local health plans to pool their resources and collaborate their efforts towards a coverage or access model for the residually uninsured that produces better health outcomes. These efforts need flexibility from state and federal regulators so that program funding, such as Emergency Medi-Cal, DSH and §330 funds can be pooled with philanthropic contributions and premiums from the patients/subscribers.

Local programs like Healthy San Francisco have experienced great success and high participant satisfaction. In a survey of participants conducted by the Kaiser Family Foundation, 86 percent of individuals reported having a usual source of care, understanding that they have a medical home. This is a concept that would not have otherwise been realized without the city’s efforts. By creating a more transparent system, transforming the delivery of care, and most notably, expanding access to care for all uninsured residents, Healthy San Francisco has taken great strides in fostering a healthy community for citizens and non-citizens alike.

In a similar vein, Children Health Initiatives have also successfully rallied their communities to ensure the eligibility of all children, regardless of documentation status, demonstrating that coverage expansion is not only possible, but also necessary and salutary.

5) Immigration reform could regularize the status of long time immigrants with deep roots in this country. The prospects for immigration reform are receding. In addition, agribusiness and farm labor unions are seeking to regularize the flow of immigrant farm workers; this could be accompanied with reforms that make it easier and less costly and less cumbersome for larger farm employers to purchase coverage cooperatively.

---