

Lawfully Residing Immigrant Children and Health Care Coverage

Background/The Issue

In 1996, Under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), lawfully residing immigrant children and pregnant women were barred from Medicaid, the State Children's Health Insurance Program (SCHIP), *hawk-i* in Iowa, and other safety-net services for the first five years that they live in the U.S. as legal immigrants. This ban applies even if they meet all other requirements for the programs and have no other source for health care coverage. Similar to other uninsured children, uninsured immigrant children are more likely to lack access to even basic health care services, such as immunizations or treatment for ear infections or injuries, than children with health care coverage. Due to the restrictions set forth by PRWORA, lawfully residing immigrant children and pregnant women go without needed health care coverage. These are women and children that are in the U.S. legally and have followed all of the immigration rules to be lawfully residing immigrants.

*This issue brief is the 15th in a series developed by the Covering Kids and Families State Coalition. The issue briefs are designed to inform policymakers about important issues relating to Iowa's Medicaid and *hawk-i* programs in an effort to encourage well-informed policies for those programs.*

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Note: The views and opinions expressed here are not necessarily those of the organizations employing coalition members.



A Federal Perspective: The Immigrant Children's Health Improvement Act (ICHIA)

ICHIA is the Immigrant Children's Health Improvement Act that would restore eligibility for Medicaid and SCHIP to lawfully residing immigrant children and pregnant women who lost the ability to qualify for benefits due to the 1996 PRWORA legislation.

Benefits of Enacting ICHIA

According to a 2003 fact sheet from Families USA, extending health insurance to this population saves the health care system money:

- Covering uninsured children and pregnant women through Medicaid can reduce unnecessary hospitalizations by 22 percent, which produces substantial savings in uncompensated care.
- Women without access to prenatal care are four times more likely to deliver low-birthweight infants and seven times more likely to deliver prematurely than women who receive prenatal care. Avoiding these pregnancy complications would also produce substantial savings.

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Restoring Federal Benefits Through ICHIA Would Help State Budgets

If Congress restores federal eligibility for these benefits, states will be able to get federal help to cover immigrant children and pregnant women. In 2004, states received between \$1 and \$3.36 to match every dollar they spent on the health care needs of these women and children in Medicaid, and between \$1.86 and \$5.23 for every dollar they spent on SCHIP. This federal match would assist states in maintaining their Medicaid and SCHIP programs for all of their residents. In Iowa, for State Fiscal Year 2004, the Medicaid match rate was 66.77 percent and the SCHIP enhanced match rate was 74.75 percent.

For every dollar spent in SFY 04 for SCHIP, the federal government paid \$3.96, and for every dollar spent in SFY 04 for Medicaid, the federal government paid \$3.01.

While the enactment of the SCHIP program in 1999 has been able to greatly reduce the number of uninsured citizen children, this has not been the case for legally residing immigrant children. **From 1995 to 2005, four percent more immigrant children became uninsured.**

A State Perspective: What Other States Are Doing

Twenty-one states noted below currently provide health insurance to a portion of their legal immigrant populations, and they do so without any federal assistance. Both Minnesota and Nebraska, two of Iowa's neighboring states, have chosen to use state-only funds to cover lawfully residing immigrant children and pregnant women living in the U.S. less than five years.

States That Cover Legal Immigrant Children or Pregnant Women During the First-Year Bar Using State-Only Funds

California	Minnesota	Delaware
Connecticut	Nebraska	Oklahoma
Hawaii	New Jersey	Rhode Island
Illinois	New York	Texas
Maine	Pennsylvania	Florida
Maryland	Colorado	Virginia
Massachusetts	District of Columbia	Washington

Note: As of early 2007, several states, including Texas and Arkansas, provide coverage for prenatal care for immigrant women using federal SCHIP funds, under the SCHIP options to cover "unborn children."

Source: Center on Budget and Policy Priorities and National Immigration Law Center. Policies are as of late 2006.

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Benefits to Local and State Hospitals

Without health insurance programs, the cost of care is primarily borne by hospitals and, in particular, emergency rooms. In a 2002 National Association of Counties study, 86 percent of 150 counties surveyed reported increases in uncompensated care costs. Sixty-seven percent of these counties cited more immigrant patients as a factor. Emergency room (ER) patients, regardless of citizenship status, are a significant source of uncompensated care costs to hospitals.

According to the National Health Interview Survey, the greatest disparity in health care spending occurred among children aged 12 to 17, with immigrant children using 74 percent less than native-born children. However, ER expenditures were more than three times higher for immigrant children than for native-born children.

Summary

Public policy that fails to provide basic preventive care for lawfully residing immigrant children not only jeopardizes the health of those children, but it also creates a need for more expensive subsequent care. Similarly, failing to provide prenatal care risks the health of newborn U.S. citizens and increases the need for costly medical interventions after birth. Restoring these benefits has positive long-term financial rewards in addition to positive health implications for Iowa's future leaders.



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