

March 2013

## Key Facts on Health Coverage for Low-Income Immigrants Today and Under the Affordable Care Act

### EXECUTIVE SUMMARY

Beginning in 2014, the Affordable Care Act (ACA) will expand Medicaid and create new health insurance exchange marketplaces with advance tax credits to help purchase exchange coverage. These expansions will significantly increase coverage options for citizens and lawfully present immigrants. Further, as immigration reform proposals emerge, it will be important to consider to what extent aspiring citizens will have access to affordable health coverage. This brief provides an overview of health coverage for immigrants today, their coverage options under the ACA, and key issues to consider looking forward.

**As of 2011, nearly 40 million immigrants were residing in the United States, accounting for 13 percent of the total population.** Immigrants are a diverse group, hailing from every region of the world and ranging in race/ethnicity, language, immigration status, length of time in the country, family status, and age. The majority of immigrants work but generally are employed in jobs or industries that offer lower wages and provide limited access to employer sponsored insurance.

**Non-citizens are much more likely than citizens to be uninsured and have more limited access to care than citizens.** Due to limited access to employer sponsored coverage and eligibility restrictions for Medicaid and CHIP, non-citizens are three times as likely to be uninsured compared with U.S.-born citizens and are less likely to obtain needed care or preventive services. Yet, citizens make up the majority of the uninsured today with non-citizens comprising less than 20% of the nonelderly uninsured.

**Non-citizens are subject to Medicaid and CHIP eligibility restrictions.** Today, many lawfully present immigrants are subject to a five-year waiting period for Medicaid or CHIP coverage. States have the option to eliminate this waiting period for children and pregnant women, but not for other adults. In addition, some lawfully present immigrants remain ineligible 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 options under the ACA.** Because many uninsured non-citizens are in low-income working families, most are in the income range to qualify for the ACA Medicaid expansion or exchange premium tax credits. However, lawfully present immigrants will continue to face the five-year waiting period for Medicaid 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 will be ineligible for the premium tax credits; they also will be prohibited from purchasing exchange coverage at full cost.

The ACA coverage expansions could significantly increase coverage and access to care for lawfully present immigrants, but it will be important to address key enrollment and access barriers facing immigrant families. Moreover, providing aspiring citizens access to affordable health coverage as part of immigration reform will be important for helping individuals more fully integrate into their communities by facilitating their ability to obtain needed care; providing financial stability; and supporting their ability to work and focus on caring for their families. Even with increased coverage, safety-net providers, who provide trusted and culturally competent care, will remain a major source of care for both newly insured immigrants and those who remain uninsured.

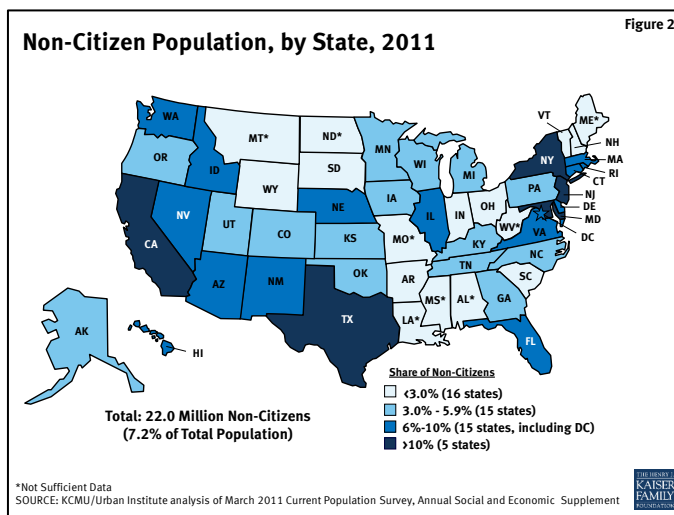
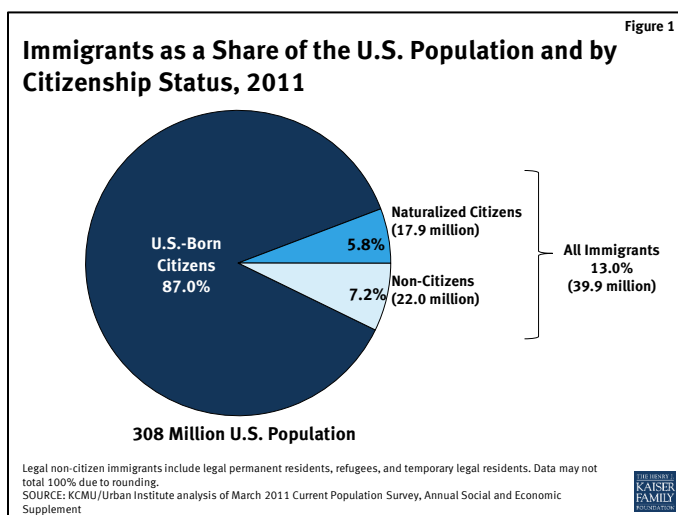
**INTRODUCTION**

Immigrants are a diverse group, hailing from every region of the world and ranging in race/ethnicity, language, immigration status, length of time in the country, family status, and age. The majority of immigrants work but generally are employed in jobs or industries that offer lower wages and provide limited access to employer sponsored insurance. Due to limited access to employer sponsored coverage and eligibility restrictions for Medicaid and CHIP, non-citizens are disproportionately uninsured compared with U.S.-born citizens (47% vs. 16%) and are less likely to obtain needed medical care or preventive services. Yet, citizens make up the majority of the uninsured today with non-citizens (lawfully present and undocumented) comprising approximately 20% of the nonelderly uninsured.

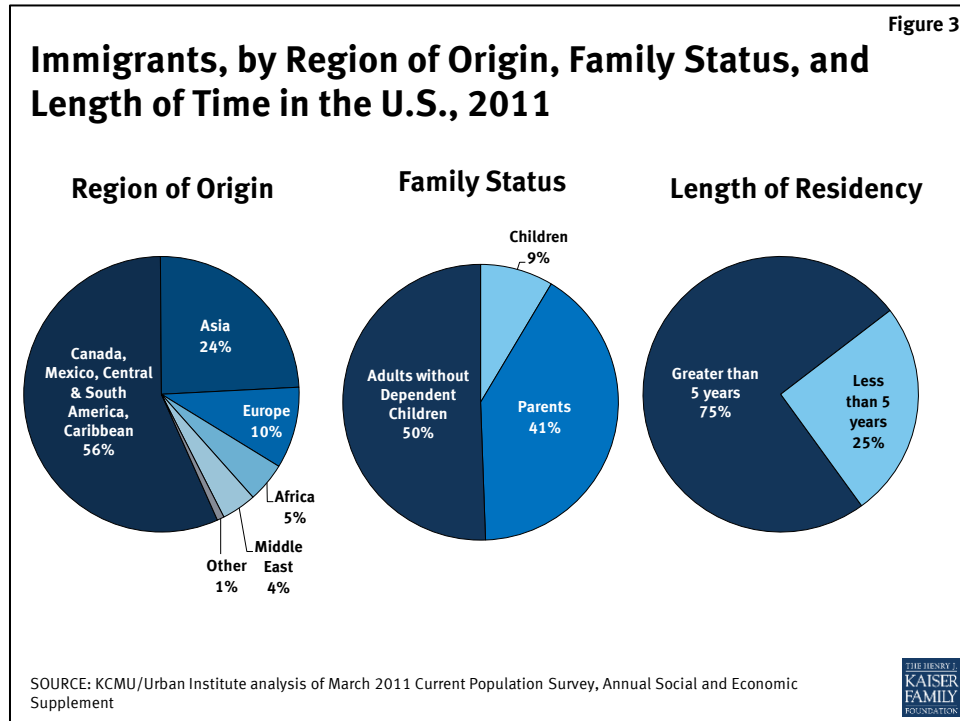
Beginning in 2014, the Affordable Care Act (ACA) will expand Medicaid and create new health insurance exchange marketplaces that will significantly increase coverage options for citizens and lawfully present immigrants. To ensure that these expansions translate into increased coverage and reduce health disparities, it will be important to reduce barriers to enrollment and care, which disproportionately impact low-income immigrant and mixed citizenship status families. Further, emerging immigration reform proposals include a roadmap to citizenship for undocumented immigrants, and one key issue to consider is to what extent these individuals will have access to affordable health coverage options. This brief provides an overview of health coverage for immigrants today, their coverage options under the ACA, and key issues to consider looking forward.

**OVERVIEW OF THE IMMIGRANT POPULATION**

As of 2011, there were 40 million immigrants residing in the United States, accounting for 13 percent of the total population (Figure 1). They include 17.9 million naturalized citizens and 22 million non-citizens, including both lawfully present and undocumented individuals. Non-citizens reside throughout the United States, but, in 5 states, they account for at least 10% of the population (Figure 2). The Pew Hispanic Center estimates that there were 11.1 million undocumented immigrants in the United States as of 2011.<sup>1</sup> Also, in 2011, more than 6 million citizen children were living in a “mixed citizenship status” family with at least one non-citizen parent.<sup>2</sup>



Immigrants are a diverse group, ranging in region of origin, family status, and length of time in the United States (Figure 3). As of 2011, over half of immigrants in the United States were from the Western Hemisphere, originating from Canada, Mexico, Central and South America, or the Caribbean. A quarter of immigrants were born in Asia or the Pacific Islands, and the remainder was of European, African, and Middle Eastern descent. Most immigrants are adults. In 2011, less than 1 in 10 immigrants was a child. Half were adults without dependent children and the rest (41%) were parents. Most immigrants have lived in the United States for more than 5 years.



#### Text Box 1: Overview of Key Terms

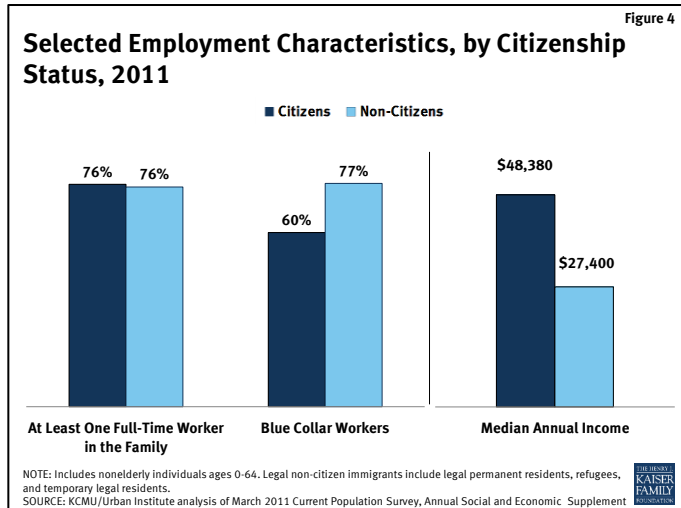
**Immigrants** are foreign-born individuals living in the United States, regardless of their immigration status, including naturalized citizens, lawfully present non-citizens, and undocumented immigrants.

**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:

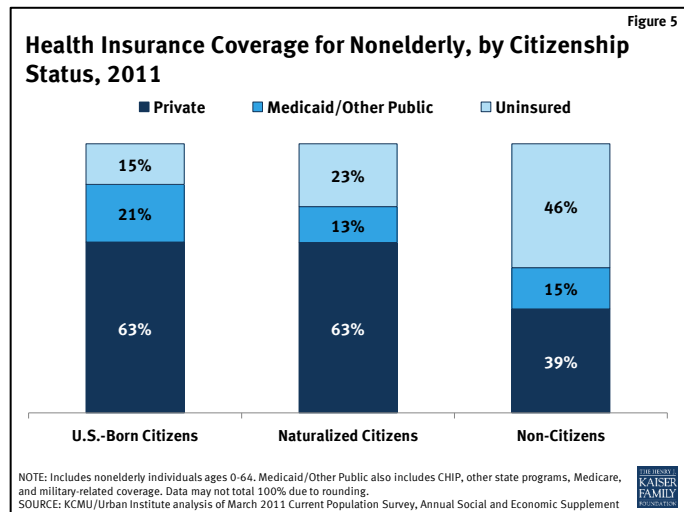
- **Lawfully present immigrants** are on the road to citizenship or otherwise have been granted permission to remain in the United States, such as lawful permanent residents, individuals with work authorization, refugees, and asylees; and
- **Undocumented immigrants** are individuals who entered the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

**Non-citizens are as likely as citizens to have a full-time worker in the family, but are much more likely to be low-income.** As of 2011, about three quarters of citizen and non-citizen families had at least one full-time worker (Figure 4). However, non-citizens were more likely than citizens to work in low-wage blue-collar jobs and industries and to have lower incomes compared to citizens. In 2011, the median annual household income for non-citizens was \$27,400, nearly half the amount for citizen households.

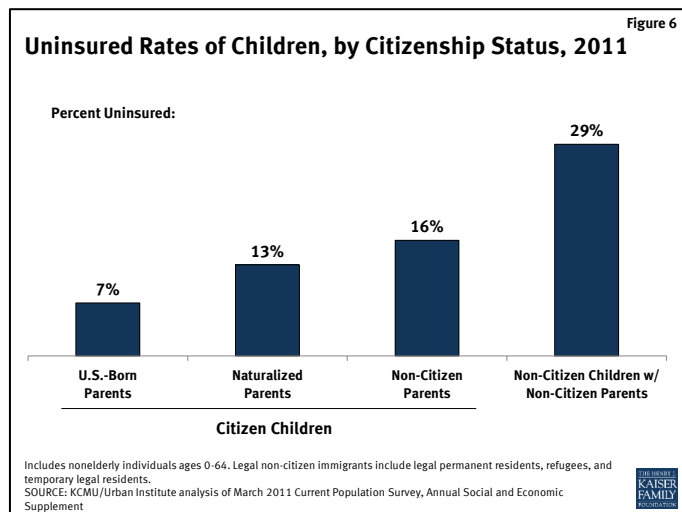


### COVERAGE AND CARE FOR NON-CITIZENS TODAY

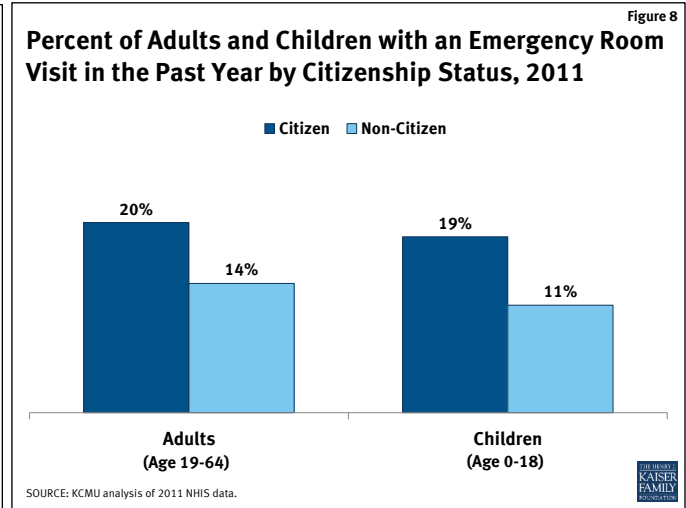
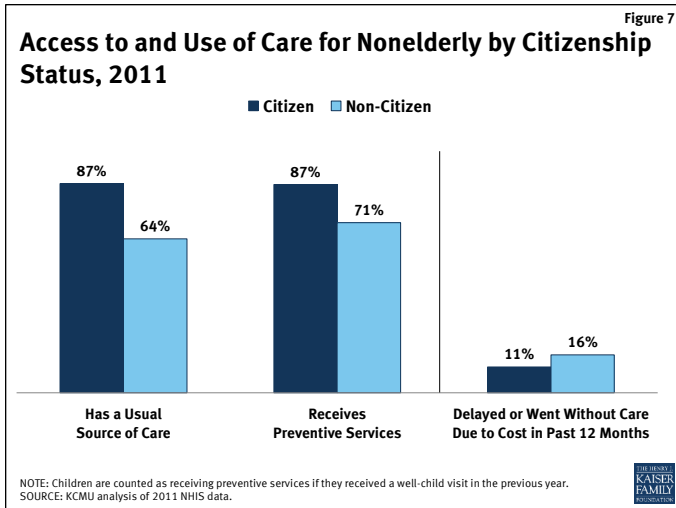
**Non-citizens are much more likely than citizens to be uninsured.** Health coverage for naturalized citizens is very similar to that of U.S.-born citizens, with the majority covered through employer-sponsored or other private coverage (Figure 5). However, non-citizens are three times as likely as U.S.-born citizens to be uninsured due to lower rates of both public and private coverage. Even though non-citizens have a higher uninsured rate than citizens, the majority of the uninsured are citizens, with non-citizens accounting for less than 20% of the nonelderly uninsured. This reflects that non-citizens make up a small share of the total population.



**Non-citizen children and citizen children in mixed citizenship status families are more likely than children of citizen parents to be uninsured.** Non-citizen children are significantly more likely than citizen children to be uninsured, with nearly one in three lacking health coverage. Moreover, citizen children in mixed citizenship status families also are at increased risk of being uninsured. Citizen children with non-citizen parents and citizen children with naturalized citizen parents both have higher uninsured rates relative to those with U.S.-born parents (Figure 6).



**Non-citizens receive significantly less health care than citizens.** Largely due to their higher uninsured rate, non-citizens are less likely than citizens to have a usual source of care or to receive preventive services, and are more likely to delay or go without needed care due to cost (Figure 7). However, even with their limited access to care, non-citizen adults and children are less likely than citizens to seek care from an emergency room (Figure 8). In 2011, non-citizens were nearly half as likely as citizens to have visited an emergency room for care in the previous year.



**COVERAGE OPTIONS FOR LOW-INCOME IMMIGRANTS TODAY**

**Although non-citizens are as likely as citizens to work, many are in jobs, firms, and industries that do not offer health coverage to workers.** Non-citizens are disproportionately likely to work in low-wage jobs as service workers, laborers, clerical workers, and technicians or in small firms; which are less likely to offer health coverage benefits.<sup>3</sup> As such, low-income non-citizens have limited access to employer-based coverage, and private coverage on the individual market is often unaffordable given their low incomes.

**Lawfully present non-citizens are subject to Medicaid and CHIP eligibility restrictions.** Since 1996, many lawfully present immigrants have been subject to a five-year waiting period for Medicaid and CHIP coverage, and some groups of lawfully present immigrants remain ineligible regardless of their length of time in the country. The Children’s Health Program Reauthorization Act of 2009 (CHIPRA) provided states an option to eliminate the five-year waiting period for lawfully present children and pregnant women who are otherwise eligible for Medicaid or CHIP.<sup>4</sup> As of January 2013, 25 states have elected the CHIPRA option for lawfully present immigrant children and 20 have elected the option for lawfully residing pregnant women. Yet, many lawfully present immigrants remain subject to the five-year waiting period or ineligible for Medicaid or CHIP coverage.

**Undocumented immigrants are ineligible for Medicaid and CHIP.** Medicaid payments for emergency services may be made on behalf of individuals who are otherwise eligible for Medicaid but for their immigration status. These payments cover costs for emergency care (including labor and delivery) for undocumented immigrants as well as lawfully present immigrants who are ineligible for Medicaid due to the five-year waiting period.<sup>5</sup> Since 2002, states have had the option to provide prenatal care to women regardless of immigration status by extending CHIP coverage to the unborn child. As of January 2013, 15 states have elected this option.

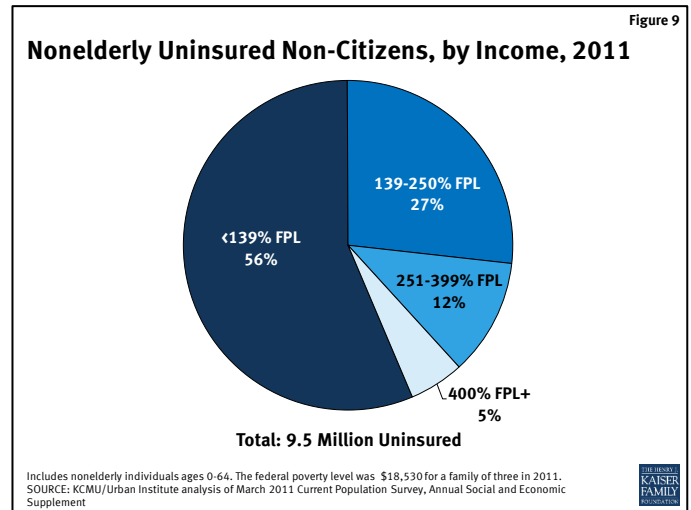
**Some states have state-funded health programs to fill the gaps in Medicaid and CHIP coverage.** As of March 2011, 15 states use state funds to provide health coverage to low-income, lawfully residing immigrants who are ineligible for federal Medicaid and CHIP funds.<sup>6</sup> Eight states (CA, DC, FL, IL, MA, NJ, NY, and WA) have fully state-funded programs that provide coverage to immigrants regardless of status, though these programs are often limited to specific groups (such as children or pregnant women) or provide a limited set of services.<sup>7</sup>

**COVERAGE OPTIONS FOR IMMIGRANTS UNDER THE ACA**

**The ACA significantly expands health coverage options in 2014.** Medicaid eligibility will expand to adults with incomes up to 138% of poverty (\$26,951 for family of three in 2013) in states that implement the Medicaid expansion. In addition, individuals without access to affordable employer coverage will be able to buy insurance through new health insurance exchange marketplaces with advance premium tax credits available to help moderate income individuals pay for exchange coverage.

**Almost all uninsured non-citizens have household incomes that would qualify for the Medicaid expansion or tax credits for exchange coverage, but many will continue to face eligibility restrictions.**

Because many uninsured immigrants are in low-income working families, most would be in the income range to qualify for the Medicaid expansion or premium tax credits (Figure 9). However, immigrants 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 exchanges and receive tax credits without a waiting period, including those who are ineligible for Medicaid due to immigration status. Undocumented immigrants will remain ineligible for Medicaid and will be ineligible for the premium tax credits. They also will be prohibited from purchasing coverage through an exchange 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 exchange marketplaces. 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 on the same basis as citizens. 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.

## LOOKING AHEAD

**The ACA coverage expansions could significantly increase coverage and access to care for low- and moderate-income lawfully present immigrants.** Reflecting their higher uninsured rate, non-citizens are less likely to have a usual source of care, less likely to receive preventive services, and more likely have problems affording needed care.<sup>8</sup> Expanding coverage for lawfully present immigrants will be a key first step in improving their access to care. However, lawfully present immigrants will continue to face eligibility restrictions under the ACA and coverage options do not improve for undocumented immigrants. As such, they will likely continue to experience higher uninsured rates and continue to face challenges obtaining care.

**Conducting outreach and addressing enrollment and access barriers will be key for achieving increased coverage and care for eligible immigrants.** Today, immigrant families face numerous barriers to enrolling in Medicaid and CHIP, including confusion regarding their eligibility, fear of immigration enforcement, concerns about harming their status or the status of their family members, concerns about their sponsors, difficulty completing the application process, and language and literacy challenges. Conducting outreach through trusted organizations and individuals with strong ties to the immigrant community will be important for making immigrant and mixed citizenship status families aware of their eligibility for new coverage options. Moreover, one-on-one application assistance, language services, and simplified enrollment processes that address the circumstances of immigrant and mixed citizenship status families will be key for reducing enrollment barriers.<sup>9</sup> Moreover, it will be important to address challenges immigrants face to accessing needed care, such as language and literacy barriers, lack of transportation, and fears and confusion related to navigating the health care system.

**Access to affordable health coverage is a key issue to consider as part of immigration reform.** As immigration reform proposals emerge that outline a roadmap to citizenship, one key issue to consider is to what extent aspiring citizens will be provided access to affordable health coverage options. Health coverage has important implications for helping individuals more fully integrate 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. If individuals are excluded from Medicaid, CHIP, and new exchanges, they will have limited coverage options available and likely go uninsured.

**Safety-net providers will remain a major source of care for immigrants.** Today, uninsured individuals, including many uninsured immigrants, often rely on community health centers and clinics for their care. Safety-net providers are seen as a trusted source for care, and are able to offer culturally and linguistically appropriate services that meet the needs of diverse populations. Under the ACA, these providers will likely remain a primary source of care for millions of newly insured individuals, including lawfully present immigrants, as well as citizens and non-citizens who remain uninsured after 2014.



**ENDNOTES**

<sup>1</sup> Passel, J. and D Cohn. "Unauthorized Immigrant Population: National and State Trends, 2010." Pew Hispanic Center.

<sup>2</sup> KCMU/Urban Institute analysis of March 2011 Current Population Survey data.

<sup>3</sup> Ibid.

<sup>4</sup> CHIPRA also expanded the groups of immigrants considered lawfully present who could qualify for coverage.

<sup>5</sup> These payments also cover costs for immigrants with permission to be in the U.S. who remain ineligible for coverage.

<sup>6</sup> Fortuny, K. and A. Chaudry, "A Comprehensive Review of Immigrant Access to Health and Human Services," Urban Institute, June 2011.

<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>.

<sup>8</sup> KCMU analysis of 2010 NHIS data.

<sup>9</sup> Gomez, D., Day, L., and S. Artiga, "Connecting Eligible Immigrant Families to Health Coverage and Care: Key Lessons from Outreach and Enrollment Workers," KCMU, October 2011.

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The Kaiser Commission on Medicaid and the Uninsured provides information and analysis on health care coverage and access for the low-income population, with a special focus on Medicaid's role and coverage of the uninsured. Begun in 1991 and based in the Kaiser Family Foundation's Washington, DC office, the Commission is the largest operating program of the Foundation. The Commission's work is conducted by Foundation staff under the guidance of a bipartisan group of national leaders and experts in health care and public policy.