

Fact Sheet: Undocumented Immigrants and Federal Health Care Benefits

This fact sheet describes the health care benefits and programs undocumented individuals are (and are not) eligible for. It also attempts to provide context on healthcare costs accrued by the undocumented population, including providing data on federal health expenditures and tax contributions made by undocumented immigrants. The data show that undocumented immigrants — who have limited access to the U.S. healthcare system — consume only a small fraction of total health expenditures, contributing far more through federal, state, and local taxes.

Are undocumented immigrants eligible for federal health care programs and benefits?

In general, no. Undocumented immigrants are largely ineligible for federal healthcare programs like Medicaid and Medicare and are ineligible for most federal health care benefits, aside from emergency care.

Due to the <u>Personal Responsibility and Work Opportunity Act of 1996</u> (PRWORA), undocumented immigrants (and immigrants without permanent status like DACA recipients, TPS holders, or nonimmigrant visa holders) are barred from access to most federal benefits, including federal health care programs and assistance, including Medicaid and the Children's Health Insurance Program (CHIP).

Under the law, undocumented immigrants <u>may only access</u> federal benefits that are deemed necessary to protect life or guarantee safety in dire situations, such as emergency Medicaid, access to treatment in hospital emergency rooms, or access to healthcare and nutrition programs under the Special Supplemental Nutrition Program for <u>Women, Infants, and Children (WIC)</u>. order to be eligible for these emergency services, undocumented immigrants need to meet all of Medicaid's other nonfinancial and financial eligibility requirements.

The Emergency Medical Treatment and Labor Act (EMTALA) ensures that all patients regardless of citizenship or immigration status have access to emergency medical treatment. The purpose of EMTALA is to ensure all Medicare-participating hospitals do not to turn away individuals who need lifesaving care. Undocumented immigrants use of EMTALA-related services is often covered via emergency Medicaid.

How do undocumented immigrants access healthcare coverage?

Undocumented immigrants have very limited access to healthcare coverage.

Most undocumented immigrants do not have any health coverage apart from emergency care provided under emergency Medicaid, as well as emergency room access under EMTALA. In certain states, some are eligible for some state-specific benefits. In addition, those with sufficient income can purchase private healthcare insurance (without the benefit of federal subsidies).

Undocumented immigrants compose the largest group of uninsured individuals in the country. With an estimated 45% to 71% of them lacking health coverage.

Undocumented immigrants are <u>ineligible</u> for federal health coverage or access to the Federal Health Insurance Marketplace under the Affordable Care Act. However, they are able to purchase private health coverage or — in some cases — access insurance through their employers. Undocumented immigrants can also access limited primary care and prescription drugs through 1,400 or so Federally Qualified Health Centers (FQHCs) around the country.

Some states offer <u>additional coverage</u> to certain undocumented immigrant populations. For example, eight states <u>offer</u> limited health coverage for uninsured children regardless of status. regardless of status, including California, New York, and Illinois. In addition, eighteen states <u>guarantee</u> prenatal care to all persons regardless of immigration status.

How much does the government spend on emergency health services for undocumented immigrants?

Undocumented immigrants receive only a small fraction of total Medicaid and health spending from the federal government related to emergency services.

According to recent <u>Medicaid data</u>, in 2016 the federal government spent \$974 million in total on emergency and lifesaving services for undocumented immigrants, representing 0.2% of Medicaid expenditures (approximately \$565 billion in 2016) and 0.03% of total national health expenditures that year (approximately \$3.3 trillion in 2016). This expenditure includes payments to hospitals, physicians, and ambulance providers for a proportion of their unreimbursed costs associated with providing emergency services under EMTALA to undocumented immigrants.

Just as with federal expenditures, undocumented immigrants only receive a small fraction of overall state-level health spending. However, state spending varies widely based on size of the undocumented population and the types of emergency coverage supported in each state.

According to recent Medicaid data on <u>state-level spending</u>, in 2016 states spent a range of \$0 (18 states) to over \$150 million (California, Illinois, Texas) on emergency medical services for undocumented individuals. Taking California as an example of the upper end of this range, the \$174 million spent on emergency services for undocumented individuals represented .6% of California Medicaid expenditures that year, which totaled <u>approximately</u> \$28 billion.

How much do undocumented immigrants pay in taxes?

Undocumented immigrants contribute tens of billions of dollars in federal, state and local taxes each year.

Discussions of immigrants and public benefits often overlook the significant tax contributions made by undocumented immigrants. According to research conducted by New American Economy, in 2018 undocumented immigrants contributed \$20.1 billion in federal taxes and \$11.8 billion in state and local taxes.

The tax contributions of undocumented immigrants are critical to the viability of public health programs like Medicare and Medicaid. Between 2000 and 2011, undocumented immigrants

generated a \$35.1 billion surplus in the Medicare Trust Fund. States that expend the most in emergency medical care for undocumented immigrants (California, Texas, and New York) all also receive over \$1 billion in state and local tax contributions from undocumented immigrants each year.

<u>Individual Taxpayer Identification Numbers</u> (ITINs) allow those without social security numbers — including the undocumented — to pay taxes. According to the Taxpayer Advocacy Service (an internal IRS accountability office), in 2015 ITIN filers <u>paid</u> an estimated \$23.6 billion in total taxes.

The National Immigration Forum would like to think Jane Changyue Yin, Policy Intern, for her extensive contributions to this fact sheet.