



# SB XX LEGAL PERMANENT RESIDENT CHILDREN'S HEALTH CARE AMENDMENTS (SEN. ROBLES) COST: \$XXX

A Utah Health Policy Project Fact Sheet

January 13, 2009

## SUMMARY

A provision of the Children's Health Insurance Program Reauthorization Act of 2009 (signed into law on February 4, 2009), the **Immigrant Children's Health Improvement Act (ICHIA)** gives states the option to lift the 5-year waiting period on Medicaid and CHIP eligibility for legal permanent resident children. SB XX (Sen. Robles) implements the new option in Utah.

## BACKGROUND

As part of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (welfare reform) a 5-year waiting period was established preventing legal permanent resident children from accessing Medicaid or CHIP. Currently more than 22 states use state funds to cover these children without making them wait 5 years. ICHIA will minimize the significant cost shifting that occurs for these children while maximizing the economic impact of Federal Medicaid matching funds. By implementing ICHIA, Utah can get a 'jump start' on health reforms.

### States Using State Funds to Cover Legal Immigrants



Source: Center on Budget and Policy Priorities (2007). Reducing Disparities in Coverage for Legal Immigrant Children.

## FREQUENTLY ASKED QUESTIONS

### Will this cover unauthorized immigrants?

**No.** Only legal permanent residents (green card holders) can be covered under the new ICHIA option.

### How many children will be covered under Medicaid or CHIP by ICHIA?

According to last year's Department of Health estimate, approximately 800 legal permanent resident (LPR) children would qualify under the ICHIA option.

### How much will ICHIA cost the taxpayer?

The fiscal note has not yet been prepared for this year's bill. Last year's fiscal note came in at \$390,680. The breakdown of expenses was as follows:

- \$10,000 (1-time set up fee, DWS)
- \$31,680 (1.5 FTEs, DWS eligibility workers)
- \$349,000 (Medicaid and CHIP premiums for the 800 children)

Total: \$390,680

The state budget crisis makes this a difficult year for any budget requests, no matter how worthy the purpose. However, considering the generous 4-to-1 match on this new state option, ICHIA is still a bargain for the state of Utah.

## FEDERAL CHIP PROVISIONS: USE IT OR LOST IT

Under the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009, the formula for allocating and re-allocating CHIP funds to states will change in important ways. States will now be rewarded for covering *more* uninsured children. As in the past, federal funds will be allocated to support CHIP at the state level. Under the new CHIPRA guidelines, states must use up this money to cover their uninsured children (including legal permanent residents) or else lose it.

There are several financial and public health advantages to covering legal permanent resident children. Instead of visiting a primary care provider when they first become ill, uninsured people delay care until medical conditions take them to the emergency room, the most expensive option(2). This adds to the already substantial costs of uncompensated care, some of which are paid for by the taxpayer or reflected in higher insurance premiums.

Lastly, childhood health is a general predictor of adult health. The children that would be covered under this plan will one day be contributing members of society. Good childhood health starts with timely access to health care. Both are linked to better academic performance because learning, vision, and hearing disabilities, and other impediments to learning, can be identified and treated at an early age.

## CONCLUSION

In these tough economic times, some investments may actually reduce the overall financial strain on the health care system. Supporting ICHIA is not merely an investment in the well-being of children legally present in this country; it is also a proven means of reducing the strain of uncompensated care on the entire health care system and increasing the productivity of future workers.

**THESE KIDS ARE HERE TO STAY...VOTE YES ON SB XX & ALLOCATE \$390,680.**

## ENDNOTES

1. Ku, L. (2007), Reducing Disparities in Health Coverage for Legal Immigrant Children and Pregnant Women, Center on Budget and Policy Priorities, Washington D.C. <http://www.cbpp.org/4-20-07health2.htm>
2. Dafny, L. G., Jonathan. (2000) in *NBER Working Papers*, National Bureau of Economic Research, Inc
3. Lu, M. C., Lin, Y. G., Prietto, N. M., and Garite, T. J. (2000) *Am J Obstet Gynecol* 182, 233-239.