



# SB 44 HEALTH AMENDMENTS FOR LEGAL IMMIGRANT CHILDREN (SEN. ROBLES)

**COST: \$468,600**

A Utah Health Policy Project Fact Sheet

Updated: February 1, 2010

## 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 44](#) (Sen. Robles) implements the new option in Utah, advancing a key goal of state health reform: optimizing public programs when they are the most cost-effective coverage option.

## ICHIA IN THE STATES

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. Of the states that have exercised the ICHIA option, none are turning back, and this is because the advantages in terms of minimizing the cost shifting that occurs for this population and maximizing the economic impact of Federal Medicaid matching funds far outweigh the cost.

Before ICHIA went into effect, 21 states were using state-only dollars to cover this population. These states have since submitted state plan amendments to receive 4-to-1 federal matching funds (1). Of the 6 states that have implemented the ICHIA option during the last year, 4 (NM, CO, OR, WI) have handled it as a separate expansion with a separate fiscal note, as currently proposed by the Utah Legislature's fiscal analyst. But others (IA, NC) prefer to minimize confusion among families and outreach workers about who is eligible and who is not by collapsing the new population into the regular children's eligibility groups. For their legislators, there was no fiscal note and, so far, no appreciable increase in caseload growth.

## FREQUENTLY ASKED QUESTIONS

### How did similar legislation fare last year?

The Senate passed SB225 (Sen. L. Robles) with 19 yes votes on 2<sup>nd</sup> reading and 15 yes votes on 3<sup>rd</sup>. An identical bill, HB171 (Rep. K. Holdaway) passed the House 50-23 on its only 2<sup>nd</sup> reading.

### Will this cover unauthorized immigrants?

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

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

About 800 legal permanent resident children would qualify under the ICHIA option.

### Given budget shortfalls, why do this now?

The state budget crisis makes this a difficult year for budget requests, no matter how worthy. However, considering the generous 4-to-1 match that is available for this option, ICHIA is still a bargain for the state of Utah. **The federal government will cover 81% of the cost of SB44**, alleviating the pressure on Utah's health care safety net (2).

## 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 changed in important ways. States are now 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 lawfully present immigrant children) or else lose it.

## THE PUBLIC HEALTH CASE FOR IMPLEMENTING ICHIA IN UTAH

Aside from the financial reasons for implementing ICHIA, there are considerable advantages to doing so from a public health and health disparities standpoint. 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(3). 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 (4).

## 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 lawfully 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 AND THEIR FAMILIES ARE PLAYING BY THE RULES...  
VOTE YES ON SB 44/ALLOCATE \$468,600.**

## ENDNOTES

1. Kaiser Family Foundation and Georgetown University Center for Children and Families (2009). New Federal Funding Available to Cover Immigrant Children and Pregnant Women. <http://ccf.georgetown.edu/index/cms-filesystem-action?file=ccf%20publications/federal%20schip%20policy/ichia%20chip%20tip.pdf>
  2. 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>
  3. Dafny, L. G., Jonathan. (2000) in *NBER Working Papers*, National Bureau of Economic Research, Inc.
  4. Lu, M. C., Lin, Y. G., Prietto, N. M., and Garite, T. J. (2000) *Am J Obstet Gynecol* 182, 233-239.
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