



SB 41 HEALTH AMENDMENTS FOR LEGAL IMMIGRANT CHILDREN (SEN. LUZ ROBLES)

A Utah Health Policy Project Issue Brief

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SUMMARY

A provision of the Children's Health Insurance Program Reauthorization Act of 2009, the **Immigrant Children's Health Improvement Act (ICHIA)** gives states the option, along with financial incentives, to lift the 5-year waiting period on Medicaid and CHIP eligibility for legal permanent resident children. SB 41 (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

Of the 17 states that have exercised the new 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 matching funds far outweigh the cost. These are lawfully present children: no one can argue with the need to cover our children in the most expedient manner possible. Before ICHIA went into effect, 21 states were using state-only dollars to cover this group. Most 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 in the last year, 4 (NM, CO, OR, WI) have handled it as a separate expansion with a separate fiscal note. But others (IA, NC) prefer to minimize confusion among families about who is eligible and who is not by collapsing the new population into the regular eligibility groups. For their legislators, there was no fiscal note and, so far, no appreciable increase in caseload growth.

FREQUENTLY ASKED QUESTIONS

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 limited state funds, why do this now?

Considering the generous 4-to-1 match that is available for this option, ICHIA is a bargain for the state of Utah. **The federal government will cover 80% of the cost of SB41**, alleviating the pressure on Utah's health care safety net (2).

What factors should be considered in determining the fiscal note?

Utah is already covering some of the costs of health care for lawfully present children through emergency Medicaid – however inefficiently. Thus, a portion of emergency costs for legal non-citizen children should be subtracted from the cost estimate. Emergency Medicaid accounts for about 30% of total Medicaid costs (there is no comparable adjustment for CHIP kids).

Medical expenditures for recent immigrants are much lower than those for citizens, even after controlling for insurance status, health status, age, race, income, and so on. This, too, should be reflected in the fiscal note.

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 and economic reasons for implementing ICHIA, there are considerable advantages from a public health standpoint. Instead of visiting a primary care provider when they first become ill, uninsured children delay care until medical conditions take them to the emergency room, the most expensive setting (3). This adds to the already substantial cost of uncompensated care, some of which is paid by taxpayers or reflected in higher insurance premiums for all of us.

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, as well as 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 FAMILIES ARE PLAYING BY THE RULES: VOTE YES ON SB 41.

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.