



PERCENTAGE OF IMMIGRANT CHILDREN WITHOUT HEALTH INSURANCE IS ON THE RISE
House and Senate Conferees on the Medicare Prescription Drug Bill Could Reverse This Trend by Helping Hundreds of Thousands of Children Obtain Health Coverage

By Emil Parker and Martha Teitelbaum
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A Children's Defense Fund analysis has found that the percentage of immigrant (i.e., noncitizen) children without health insurance coverage increased from 39.2 percent in 2000, to 41.6 percent in 2001, and 42.1 percent in 2002. The back-to-back increases suggest an upward trend that could continue unless action is taken. By contrast, the percentage of all children who are uninsured did not change between 2001 and 2002, remaining at 11.6 percent.¹

The Immigrant Children's Health Improvement Act (ICHIA), part of the Senate-passed Medicare prescription drug bill (S. 1), would reverse this troubling trend by helping hundreds of thousands of children, both legal immigrant children and citizen children with immigrant parents, obtain health insurance coverage.² This measure, which is vital to the health of children in immigrant families, has been overshadowed by some of the other issues in the Medicare conference.

Almost 30 percent of uninsured children in the United States are in immigrant families — families with at least one noncitizen parent.³ In order to make significant progress in reducing the total number of uninsured children, it is necessary to both extend eligibility to legal immigrant children and increase enrollment of currently eligible citizen children in immigrant families. By including ICHIA in the conference report on the Medicare bill, conferees could do both.

Background

ICHIA, Section 605 of the Senate bill, would allow, but not require, states to provide Medicaid and/or State Children's Health Insurance Program (CHIP) coverage to legal immigrant children and pregnant women. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) prohibits states from providing Medicaid coverage to legal immigrants during their first five years in the United States, even though they are working and paying taxes. This restriction is part of a broader ban on participation in federally-funded, means-tested programs. When the CHIP program was established in 1997, it was added to the list of programs from which recent legal immigrants are barred.

¹ Bureau of the Census press release, September 30, 2003.

² CBO has estimated that 155,000 children and 60,000 pregnant women would receive coverage through this measure.

³ CDF analysis of March 2002 Current Population Survey data



Many of the PRWORA provisions that eliminated benefits for legal immigrants have since been reversed by Congress, but the restrictions on health coverage for children and pregnant women remain. The impact of these restrictions is not limited to legal immigrants; the PRWORA provisions also have had a chilling effect on Medicaid coverage for native-born children in immigrant families. Medicaid coverage of low-income, U.S.-born children of immigrants fell by about 280,000 from 1995 to 1999, even though these children's eligibility had not changed.⁴

Findings

A Children's Defense Fund analysis of March 2003 Current Population Survey data found that the percentage of immigrant (i.e., noncitizen) children without health insurance coverage for the entire year increased from 39.2 percent in 2000, to 41.6 percent in 2001, and 42.1 percent in 2002, the most recent year for which data are available.⁵ The increase in the percentage without insurance is almost certainly not due to an influx of recent immigrants — the total number of immigrant children actually declined from 3 million in 2000 to 2.8 million in 2002, while the number of uninsured immigrant children remained virtually the same, about 1.2 million.

The back-to-back increases in the percentage of immigrant children without health coverage indicate an upward trend that could continue. Many of these 1.2 million uninsured children could be eligible for Medicaid or CHIP coverage under the benefit restoration in the Senate bill depending, in part, on how many states take up the option to provide coverage.⁶ Undocumented noncitizen children would not be eligible for coverage under the measure in the Senate bill, but some research suggests that relatively few immigrant children are undocumented.⁷

Extending eligibility to legal immigrant children should also have the effect of increasing health coverage for U.S.-born children in immigrant families. An earlier CDF analysis found that there are 216,000 uninsured citizen children living in families with at least one noncitizen child and incomes below 200 percent of poverty.⁸ Virtually all of these citizen

⁴ Ku, *et al.* These declines may be partially attributable to PRWORA's breaking of the link between AFDC and Medicaid eligibility, which led to the erroneous termination or denial of Medicaid coverage for many families. Subsequent federal guidance and state efforts ameliorated the situation, although it remains a concern.

⁵ Due to changes made to the CPS (beginning with the March 2001 survey), insurance coverage information for years prior to 2000 is not directly comparable to insurance information for 2000 or subsequent years.

⁶ Some legal immigrant children, e.g., those who entered prior to August 22, 1996, or are admitted as refugees or asylees, are eligible for Medicaid or CHIP under current law.

⁷ Ku, L. and Broaddus, M., "State Data on the Coverage of Legal Immigrant Children and the Number of Uninsured Low-Income Children," Center on Budget and Policy Priorities, July 27, 2001.

⁸ Parker, E. and M. Teitelbaum, "House and Senate Conferees on the Medicare Prescription Drug Bills Could Help Hundreds of Thousands of Children, Both Immigrants and Citizens, Obtain Health Coverage," Children's Defense Fund, October 6, 2003.



children are eligible for Medicaid or CHIP coverage under current law.⁹ Parents who enroll their newly eligible legal immigrant children in Medicaid or CHIP would be likely to enroll their citizen children, if any, as well.

Twenty states currently provide health insurance coverage to legal immigrant children using state-only funds,¹⁰ but these state-only programs are at risk of elimination due to budget pressures at the state level. Connecticut, for example, recently eliminated coverage for most recent legal immigrants (except those already enrolled).¹¹ According to a Kaiser Family Foundation survey, during fiscal year 2003, 25 states reduced Medicaid eligibility and 18 cut benefits in order to close large gaps in their budgets.¹²

It is likely that many states eventually would take advantage of an option to provide Medicaid and/or CHIP coverage to recent legal immigrant children and pregnant women. Forty-one states have elected the option, available under current law, to extend Medicaid eligibility to legal immigrants who have been in the country for more than five years.¹³

Conclusions

The percentage of immigrant children without health insurance is rising, to 42.1 percent in 2002 — more than two in five immigrant children, through no fault of their own, are uninsured. The Medicare bill conferees have the ability to reverse this alarming trend by including ICHIA in the conference report. Hundreds of thousands of uninsured children, both citizens and legal immigrants, potentially could benefit from this children's health measure.¹⁴ Given that 28 percent of uninsured children are in immigrant families,¹⁵ enacting ICHIA is essential to building on the progress made during the past few years in reducing the number of uninsured children.¹⁶

⁹ Thirty-nine states provide coverage through Medicaid or CHIP to children in families with incomes up to 200 percent of the poverty line. Among the 12 that do not cover children up to 200 percent of the poverty line are several of the least populous states.

¹⁰ Center on Budget and Policy Priorities survey, October 2003.

¹¹ Covering Connecticut's Kids and Families

¹² Smith, V., *et al.*, "States Respond to Fiscal Pressure: State Medicaid Spending Growth and Cost Containment in Fiscal Years 2003 and 2004," Kaiser Family Foundation, September 2003.

¹³ "Overview of Immigrant Eligibility for Federal Programs," National Immigration Law Center Web site (<http://www.nilc.org>)

¹⁴ While the majority of legal immigrants live in states with such state-only programs, it is likely that a disproportionate number of uninsured immigrant children live in states that do not provide such coverage.

¹⁵ CDF analysis of March 2002 CPS data

¹⁶ Kenney, G., Haley, J. and Tebay, A., "Children's Health Coverage and Service Use Improve," Urban Institute, July 2003.