



HOUSE AND SENATE CONFEREES ON THE MEDICARE PRESCRIPTION DRUG BILLS COULD HELP HUNDREDS OF THOUSANDS OF CHILDREN, BOTH IMMIGRANTS AND CITIZENS, OBTAIN HEALTH COVERAGE

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A Children's Defense Fund analysis of Current Population Survey (CPS) data has found that there are more than 900,000 uninsured immigrant children living in low-income families (incomes below 200 percent of the poverty line). Most of these children would be eligible for health insurance coverage if not for federal restrictions on immigrant eligibility for Medicaid and the State Children's Health Insurance Program (CHIP). In addition, the CDF analysis found that there are more than 200,000 uninsured U.S. citizen children living in low-income families with at least one immigrant child. **Almost 30 percent of uninsured children are in immigrant families — families with at least one noncitizen parent.**¹ 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.

There is a measure in the Senate Medicare prescription drug bill that would accomplish both of these goals. Although the provision could help hundreds of thousands of children and pregnant women obtain health insurance coverage,² it has received little attention to date.

Background

The measure, Section 605 of S. 1, would allow, but not require, states to provide Medicaid and/or 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. 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 were barred. 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. **The children's health measure in the Senate bill presents an opportunity to increase enrollment of citizen children as well as legal immigrant children.**

Findings

A Children's Defense Fund analysis of March 2002 CPS data found that there are 933,000 uninsured immigrant children living in families with incomes below 200

¹ CDF analysis of March 2002 Current Population Survey data

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



percent of the federal poverty line. Many of these 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.³

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.⁴ Twenty states currently provide health insurance coverage to legal immigrant children using state-only funds,⁵ but these state-only programs are at risk of elimination due to budget pressures at the state level. Connecticut, for example, recently eliminated Medicaid and CHIP coverage for most recent legal immigrants (except those already enrolled).⁶ 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.⁷

In addition to the almost one million uninsured low-income immigrant children, there are 216,000 uninsured citizen children living in families with at least one noncitizen child and incomes below 200 percent of poverty. Virtually all of these citizen children are eligible for Medicaid or CHIP coverage under current law.⁸ 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. The measure in the Senate bill, which is based on the Immigrant Children's Health Improvement Act (ICHIA), accordingly would benefit citizen children as well as legal immigrant children.

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. Apart from the benefits to the children themselves, insured children are more likely to be immunized⁹ and, hence, less likely to spread communicable diseases to their classmates. 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.¹⁰

The Big Chill

The benefit restrictions imposed by PRWORA appear to have had a “chilling effect” on health coverage of citizen children in immigrant families. Medicaid coverage of low-

³ 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.

⁴ 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.

⁵ Center on Budget and Policy Priorities survey, October 2003.

⁶ Covering Connecticut's Kids and Families

⁷ 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.

⁸ Thirty-nine states provide coverage through Medicaid or CHIP to children in families with incomes at 200 percent of the poverty line (or below). Among the 12 that do not are several of the least populous states.

⁹ Rodewald, L.E., *et al.*, “Health Insurance for Low-Income Working Families: Effect on the Provision of Immunizations to Preschool-Age Children,” *Arch Pediatr Adolesc Med.* 1997;151:798–803.

¹⁰ “Overview of Immigrant Eligibility for Federal Programs,” National Immigration Law Center Web site



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.¹¹

This chilling effect is probably due, in part, to uncertainty among noncitizen parents regarding whether they can apply for benefits on behalf of their citizen children, given the heated political discourse regarding immigrant use/overuse of public benefits. Some immigrant parents also may be concerned that even enrolling their children in Medicaid or CHIP could lead to an INS determination that the parent is a "public charge," subject to deportation or denial of an application for permanent residency. Federal guidance has clarified that use of noncash benefits such as Medicaid or food stamps should not trigger a public charge determination, but many immigrant families may be unaware of, or not fully reassured by, this clarification.

Given the collateral impact of benefit restrictions, we expect that benefit restorations would have a comparable spillover effect in the opposite direction.

Extension of Medicaid and CHIP coverage to legal immigrant children would be accompanied by extensive public education efforts on the part of a wide range of organizations, including immigrant rights groups, health and children's advocates, Latino advocacy organizations, and state and local agencies (in at least some states). As noted above, immigrant parents who, possibly as a result of these educational efforts, enroll their newly eligible legal immigrant children in Medicaid or CHIP would be likely to enroll their citizen children, if any, as well. **The immigrant children's health measure (Section 605 of the Senate Medicare bill) should have the indirect effect of extending health insurance coverage to many of the 216,000 uninsured citizen children living in these mixed families.**

Conclusions

Hundreds of thousands of uninsured children, both citizens and legal immigrants, potentially could benefit from the children's health measure in the Senate Medicare prescription drug bill. Given that 28 percent of uninsured children are in immigrant families,¹² this measure is essential to building on the progress made during the past few years in reducing the number of uninsured children.¹³

The number of children who potentially *could* benefit, however, is larger than the number who actually *will* benefit. As noted above, a small percentage of the 933,000 uninsured immigrant children are undocumented noncitizens who would remain ineligible. A limited number of legal immigrant children are eligible for Medicaid or CHIP under current law.¹⁴

¹¹ 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.

¹² CDF analysis of 2002 CPS data

¹³ Kenney, G., Haley, J. and Tebay, A., "Children's Health Coverage and Service Use Improve," Urban Institute, July 2003.

¹⁴ See note 3 above



Some of the 933,000 immigrant children and 216,000 citizen children live in states that currently provide coverage to legal immigrant children through state-only programs.¹⁵ In addition, participation rates (of eligible children without access to purely private coverage) in these programs are not 100 percent — there are uninsured children in native-born families who are eligible for Medicaid or CHIP. Even if the children’s health measure in the Senate bill were enacted and all states took up the option, many low-income immigrant children would still be uninsured, in part due to language barriers.¹⁶

¹⁵ 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.

¹⁶ Arriving at a precise estimate of the number of children who would benefit is quite difficult, largely due to data limitations. For example, the CPS sample sizes are too small to generate reliable state-by-state estimates of the number of uninsured low-income immigrant children. Data on the number of children currently covered through state-only programs also are not readily available.