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Publication Date

2011-06-30

Peer reviewed

June 2011

The Impact of Health Care Reform on California's Children in Immigrant Families

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“Up to 220,000 immigrant children may be left out of health care reform.”

SUMMARY: The Patient Protection and Affordable Care Act of 2010 (ACA) restricts its health insurance expansions in ways that exclude many uninsured children in California who are immigrants or have immigrant parents. These exclusions directly limit coverage options for noncitizen children. And immigrant parents, potentially misinterpreting eligibility requirements for these new programs, may not enroll their citizen children. Using the 2007 California Health Interview Survey (CHIS 2007), this policy brief estimates that of the 1.08 million

children in California who were uninsured all or part of the year, between 180,000 to 220,000 will be excluded from the health care reform expansions due to the combined direct and potential indirect effects of these exclusions. This "left-out" group comprises between 17% and 20% of all uninsured children in California. In light of these exclusions, California's community clinics and public hospitals could continue to serve a significant number of uninsured immigrant children even after full implementation of ACA.

The Patient Protection and Affordable Care Act (ACA) of 2010 expands coverage for Californians overall, but leaves out a segment of immigrant families, many of whom are legal residents. Under ACA, households with incomes up to 133% of the Federal Poverty Level (FPL) will become eligible for Medicaid, regardless of whether there are dependent children. Uninsured persons with incomes between 134% and 400% FPL will be eligible for federal subsidies that will help them purchase private insurance within the new state-based Exchange health insurance marketplaces.

However, U.S. citizenship and residency status requirements impact immigrant families' access to ACA coverage expansions in two ways. First, undocumented immigrants are barred from purchasing coverage in the state Exchanges, even if purchasing entirely with their own money. Undocumented immigrants will be able to purchase private

insurance outside of the Exchange, but would not benefit from the protections or competitive prices of insurance products in the Exchange.

According to the 2007 California Health Interview Survey (CHIS 2007), the ACA exclusions will have a direct effect on 30,000 children in California who were uninsured during the past 12 months and were noncitizens without a green card (the closest proxy in CHIS 2007 for undocumented status), living in households with incomes between 134-400% FPL (Exhibit 1).¹ These immigrant children would not be allowed to gain coverage through the Exchange.

Second, there will be no federal funding for enrolling either undocumented immigrants or legal immigrants who have lived in the U.S. for fewer than five years in the state's newly expanded Medicaid program. In 2007, 140,000 uninsured children were noncitizens with no green card living in households with

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Support for this policy brief was provided by grants from The California Endowment and The California Wellness Foundation.

Exhibit 1

Impact of ACA Citizenship and Residency Restrictions among Children in Immigrant Families Who Were Uninsured During the Past 12 Months, Ages 0-18, California, 2007

Impact of ACA Citizenship and Residency Restrictions	Legal Permanent Resident*	Noncitizen, No Green Card	Total
Direct Effect: Child's Citizenship Status			
Restricted from Medi-Cal Enrollment	10,000	140,000	150,000
Restricted from Exchange Enrollment		30,000	30,000
Total Excluded	10,000	170,000	180,000
Indirect Effect: Parent's Citizenship Status**			
Potential Restriction from Medi-Cal Enrollment		10,000	10,000
Potential Restriction from Exchange Enrollment		30,000	30,000
Total Potentially Excluded		40,000	40,000
Total Directly and Indirectly Impacted	10,000	210,000	220,000

* Noncitizen with a green card, living in the U.S. fewer than five years.

** We assumed that approximately 24% of citizen children with noncitizen parents would not enroll in the Medi-Cal expansion based on the current estimate of percent eligible but not enrolled in public programs for this group. Since the Exchange will be a new program and its eligibility rules would more likely be misinterpreted than the Medi-Cal expansion, we made the upper-bound assumption that 100% of citizen children with noncitizen parents would not enroll in the Exchange.

Note: All estimates are rounded off to nearest tens of thousands.
Source: 2007 California Health Interview Survey

“There is likely to be significant confusion over eligibility.”

incomes less than 134% FPL. These children would be directly excluded from the ACA-funded Medi-Cal expansion (Exhibit 1).

An estimated additional 10,000 children with household incomes at less than 134% FPL were legal immigrants in the U.S. fewer than five years (Exhibit 1), and would therefore not be funded through federal dollars for the Medi-Cal expansion. Historically, California has used state dollars to fund Medi-Cal coverage for this population. However, as the state budget has become more strained in recent years, eliminating this funding has been raised repeatedly as a potential source of revenue (see *Discussion*). In total, an estimated 180,000 uninsured children will be excluded from the ACA coverage expansions because of their own citizenship status (Exhibit 1).

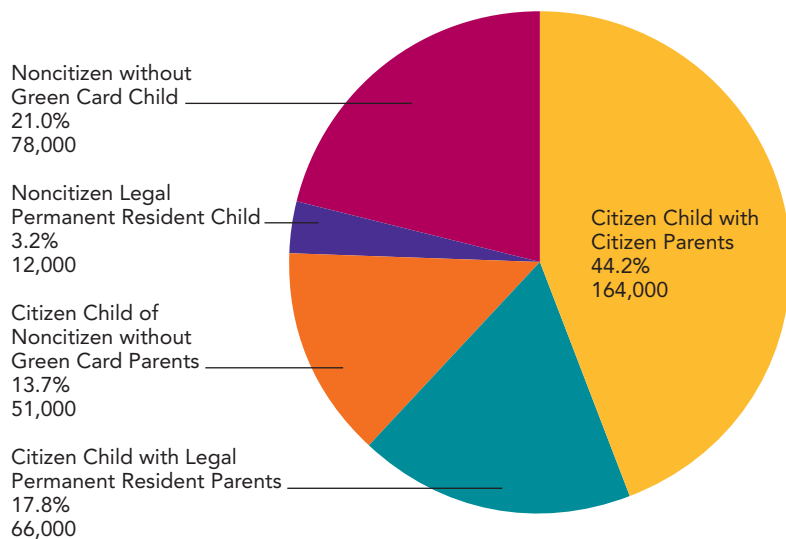
An estimated additional 40,000 children who were uninsured all or part of the past year would be potentially excluded from the ACA coverage expansions due to their parent's citizenship status. There could be an indirect effect when parents who are noncitizens without a green card, who are themselves excluded from public programs and the Exchange, may perceive that the documentation restrictions also apply to their qualified citizen children. Combined, the number of directly and potentially excluded uninsured children is a total of 220,000, or 20% of all children who were uninsured all or part of the year in 2007 that may be left out of ACA coverage expansions.

Community Clinics as Safety Net

Given the restrictions in ACA due to citizenship and residency status, community

Family Immigration Status among Uninsured Children Who Use Community Health Clinics or Public Hospitals as Their Usual Source of Care, Ages 0-18, California, 2007

Exhibit 2



Number of Uninsured Children Using Community Health Clinics as a Usual Source of Care = 371,000

Source: 2007 California Health Interview Survey

health clinics will likely remain a major source of preventive and primary care for the remaining uninsured children. Nearly half of children in immigrant families (45%) who were uninsured for all or part of 2007 rely on community health clinics as their usual source of care.

Just over one-third of all uninsured children (371,000) used community health clinics as a usual source of care (Exhibit 2). Among these, citizen children with citizen parents are the largest group (44.2%), followed by citizen children with noncitizen parents (17.8% legal permanent resident and 13.7% without a green card), and noncitizen children who do not have a green card themselves (21%). This demonstrates the vital role community health clinics play for

all uninsured children, regardless of citizenship or immigration status.

California's Public Programs Currently Provide Coverage for Immigrant Children

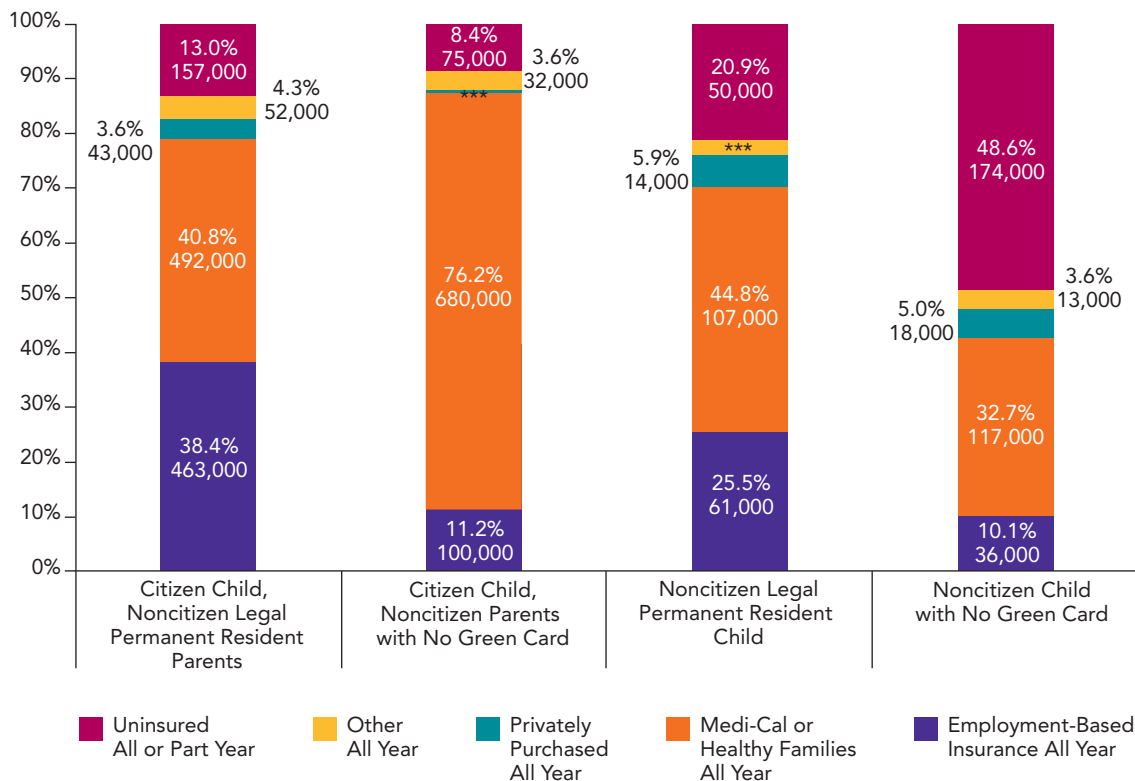
More than 1 million children in immigrant families (1.4 million) had coverage in 2007 through California's public health insurance programs (Exhibit 3). Four in ten citizen children with legal permanent resident parents are covered by either Medi-Cal or Healthy Families.

Three out of four citizen children with noncitizen parents with no green card are covered by public programs, offsetting a very low rate of job-based coverage (11.2%; Exhibit 3). Nearly half of legal permanent resident children (44.8%) have public

“Community clinics will continue to play a vital role serving uninsured children.”

Health Insurance Coverage by Family Citizenship Status among Children in Immigrant Families, Ages 0-18, California, 2007

Exhibit 3



*** Number is statistically unstable because the variation is over 30%.

Note: Numbers may not add to 100% due to rounding.
Source: 2007 California Health Interview Survey

coverage, and 32.7% of noncitizen children without their own green card can access public coverage.² These current estimates on enrollment in public programs indicate that a sizeable proportion of noncitizen parents without green cards would enroll their children in public coverage programs if they were eligible. It is uncertain whether this would translate to overcoming barriers to future enrollment in the Exchange.

Discussion

Current public programs are already providing a safety net to citizen children with noncitizen parents that do not have a green card (over three-fourths have public coverage), but the ACA excludes their parents from enrolling in public insurance expansions and from purchasing in the new Exchange. Noncitizen

children without a green card will also be left out of the ACA expansions, with limited public coverage funded entirely through state funds that may dry up, given the state's budget crisis. With the combination of both the direct and potential indirect effects of ACA restrictions on coverage expansions and the California budget crisis, citizen children of noncitizen parents and noncitizen children alike may face barriers to gaining coverage.

ACA continues the federal government's current policy of not funding public coverage for noncitizen legal permanent resident children that have lived in the U.S. for fewer than five years. This provision will extend to their parents as well under the new Medi-Cal expansion. Historically, California has used state dollars to fund Medi-Cal coverage for

“California’s budget crisis may reduce public coverage options.”

(Continued on page 5)

this population. However, as the state budget has become more strained in recent years, eliminating this funding has been raised repeatedly as a potential source of revenue. Additionally, if California opts for funding the Medicaid expansion for the newly-eligible population with federal funds only, citizens and legal permanent residents who have lived in the U.S. for five years or more will be the only ones who qualify.

In addition, as of 2014, legal permanent residents who have lived in the U.S. for fewer than five years will become eligible for subsidies to purchase insurance through the Exchange. But, if the proposed state funding cuts occur before the Exchange becomes operational, 98,000 noncitizen children who currently have Medi-Cal and have lived in the U.S. fewer than five years (data not shown) would find themselves uninsured.

Finally, 55.8% of uninsured children who use community health clinics and public hospitals as their usual source of care are immigrant children or in families with mixed immigration status. These could include large segments of the 180,000 to 220,000 children that will face barriers to getting health insurance even after the full implementation of ACA, and may remain uninsured. ACA provisions do contain funding directly for community health centers, in an attempt to reimburse them for their continued work in caring for the uninsured. However, proposed legislation in the current U.S. House of Representatives threatens to cut \$600 million for community health centers.³ If this legislation is enacted, it will immediately cut funding to community health clinics from \$1 billion to \$400 million, affecting over 5 million people that already use these clinics as a usual source of care. Funding these community-based providers at both the federal and state levels is of vital importance for maintenance of their ability to deliver health care to immigrant children left out of health care reform.

Data Source

This policy brief reports data from the 2007 California Health Interview Survey (CHIS 2007). For more information on CHIS 2007, please see www.chis.ucla.edu.

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Acknowledgements

The authors would like to thank Peggy Kan for her programming support. We also thank E. Richard Brown, Nadereh Pourat and Steve Wallace for their thoughtful reviews and insights.

Funding Information

This policy brief was developed with grants from The California Endowment and The California Wellness Foundation.

Suggested Citation

Ponce N, Lavarreda SA and Cabezas L. *The Impact of Health Care Reform on California's Children in Immigrant Families*. Los Angeles, CA: UCLA Center for Health Policy Research, 2011.

Endnotes

- 1 The California Health Interview Survey asks whether or not a child is a citizen and whether they have a green card, as well as length of residency in the U.S. "Noncitizen without a green card" is therefore the closest proxy group for undocumented immigrants.
- 2 This coverage is limited to emergency Medi-Cal with reduced benefits and may be misreported as coverage when receiving services from community health clinics and hospitals.
- 3 National Association of Community Health Centers (2011). "MACHC Statement on the Recently Released Budget Deal" April 12, 2011. <http://sgahealth.com/news/2010-budget-cuts-600-million-from-fqbc/>.



This publication contains data from the California Health Interview Survey (CHIS), the nation's largest state health survey. Conducted by the UCLA Center for Health Policy Research, CHIS data gives a detailed picture of the health and health care needs of California's large and diverse population. Learn more at: www.chis.ucla.edu

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PB2011-8

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