

The Immigrant Children's Health Improvement Act (ICHIA): A Good Investment in America's Future

Members of Congress have an opportunity to ensure that children and pregnant women are no longer denied crucial health care coverage through Medicaid and SCHIP simply because they are legal immigrants. The Immigrant Children's Health Improvement Act ("ICHIA," H.R. 1689, S. 854) gives states the **option** of offering Medicaid and SCHIP coverage to children and pregnant women who are **legal** U.S. residents.

People who enter the U.S. legally as permanent residents hold jobs, serve in the armed forces, and pay taxes. But since 1996, legal immigrants in low-income families have been barred from receiving Medicaid or SCHIP during their first five years in this country—even if they met all the other requirements for the programs and had *no other source* for health care coverage. Ending this unfair treatment of tax-paying legal immigrants is of the utmost importance.

ICHIA is supported by the National Governors Association and the National Conference of State Legislatures, as well as hundreds of national, state, and local organizations, including the American Academy of Pediatrics, Catholic Charities USA, Families USA, the March of Dimes, and the National Council of La Raza. The provisions of the bill were included in the original Senate Medicare prescription drug bill by a strong bipartisan vote of 65-33. Unfortunately, they were dropped from the final Medicare bill on the last day of negotiations, and a golden opportunity to expand this coverage as part of this critical health legislation was missed.

How Many Children and Pregnant Women Would Benefit?

- Nationally, about 387,000 legal immigrant children live in families with incomes below 200 percent of the federal poverty level (the typical income eligibility limit for children in Medicaid and SCHIP) but are ineligible for Medicaid and/or SCHIP coverage because they are recent immigrants.¹
- The Congressional Budget Office (CBO) estimates that about 60,000 immigrant pregnant women would benefit from expanded Medicaid and SCHIP coverage each year.

Children and pregnant women in immigrant families are often uninsured because the parents in these families frequently work in jobs that do not offer health insurance. Moreover, because these families have low incomes—and private health insurance is very costly—they are usually unable to purchase private health insurance coverage on their own.

Extending Health Insurance Saves Money

- Covering uninsured children and pregnant women through Medicaid can reduce unnecessary hospitalizations by 22 percent,² which produces substantial savings in uncompensated care.

Uninsured children are more likely to have delayed medical treatment and, as a result, have significantly more preventable hospitalizations than do children who are covered by Medicaid. These unnecessary hospitalizations generate bills for uncompensated care that must be paid by state appropriations, higher insurance premiums, and higher medical bills.

- Women without access to prenatal care are four times more likely to deliver low-birth-weight infants and seven times more likely deliver prematurely than women who receive prenatal care.³

Restoring Medicaid and SCHIP for pregnant women will ensure that they have access to prenatal care, which is highly cost-effective in reducing the rate of pregnancy complications and birth defects. The children of these women will be U.S. citizens when they are born and will thus be eligible for Medicaid and SCHIP.

Health Insurance for Immigrant Children and Pregnant Women Is a Smart Investment in America's Future

- Uninsured children are more likely to lack access to even basic health care services, such as treatment for ear infections, immunizations, or treatment for injuries than children with health coverage.
- Children with health care coverage are more likely to succeed in school and to have fewer language and learning deficiencies than uninsured children.⁴

Many legal immigrant children and pregnant women go without health insurance because of the federal restrictions on immigrants' eligibility for Medicaid and SCHIP. The future of these children is jeopardized by these restrictions. Because uninsured children get less regular medical care than do insured children, they are more likely to experience frequent occurrences of treatable illnesses such as asthma and ear infections. When children get proper treatment for these conditions, not only does their physical health improve, but also their prospects for social and economic success are greatly enhanced. Access to regular health care is vital to helping them reach their full potential.

Restoring Benefits Helps State Budgets

- Twenty states currently provide health insurance to some legal immigrants, and they do so without any federal assistance.

If Congress restores federal eligibility for these benefits, states will be able to get federal help to cover immigrant children and pregnant women. In 2004, states will get between \$1 and \$3.36 to match every dollar they spend on the health care needs of these women and children in Medicaid, and between \$1.86 and \$5.23 for every dollar they spend in SCHIP. This federal match will assist states in maintaining their Medicaid and SCHIP programs for all of their residents.

Congress Should Restore Health Benefits for Legal Immigrant Children and Pregnant Women

Restoring these benefits makes good fiscal sense and is good public health policy. Congress should pass ICHIA now.

¹ Urban Institute tabulations from modified CPS data.

² Leemore Dafny and Jonathon Gruber, *Does Public Insurance Improve the Efficiency of Medical Care? Medicaid Expansion and Child Hospitalizations*, Working Paper 7555 (Cambridge, MA: National Bureau of Economic Research, February 2000), available online at (www.nber.org/papers/w7555)

³ Michael C. Lu, Yvonne G. Lin, Noelani M. Prietto, and Thomas J. Garite, "Elimination of Public Funding of Prenatal Care for Undocumented Immigrants in California: A Cost/Benefit Analysis," *American Journal of Obstetrics and Gynecology* 182, part 2, no. 1 (January 2000): 233-239.

⁴ Institute of Medicine, *Health Insurance is a Family Matter* (Washington: The National Academies Press, 2002), available online at (www.nap.edu)

