



Immigrant Families Benefit Significantly from Obamacare

Accounted for 42% of Medicaid growth since 2011

By Steven A. Camarota and Karen Zeigler

A key part of the Affordable Care Act is Medicaid expansion for those with low incomes.¹ A new analysis of government data by the Center for Immigration Studies shows that immigrants and their U.S.-born children (under age 18) have been among the primary beneficiaries of Medicaid growth.² The data show that immigrants and their children accounted for 42 percent of the growth in Medicaid enrollment from 2011 to 2013. Immigrants benefited more from Medicaid expansion than natives because a much larger share of immigrants are poor and uninsured. It seems almost certain that immigrants and their children will continue to benefit disproportionately from Obamacare, as they remain much more likely than natives to be uninsured or poor.³ The available evidence indicates that Medicaid growth associated with immigrants is largely among those legally in the country.

Among the findings:

- The number of immigrants and their U.S.-born children (under 18) on Medicaid grew twice as fast as the number of natives and their children on Medicaid from 2011 to 2013 — 11 percent vs. 5 percent.
- Immigrants and their children accounted for 42 percent of Medicaid enrollment growth from 2011 to 2013, even though they accounted for only 17 percent of the nation's total population and 23 percent of overall U.S. population growth over this time period.
- About two-thirds of the growth in Medicaid associated with immigrants was among immigrants themselves, rather than the U.S.-born children of immigrants.⁴
- The increase in Medicaid enrollment among immigrants and their children can be roughly estimated as costing \$4.6 billion annually.⁵
- By 2013, 25 percent of immigrants and their children were on Medicaid, compared to 16 percent of natives and their children.
- Partly because of increased Medicaid enrollment, the share of immigrants and their children without health insurance declined more dramatically than for natives, from 28 percent in 2011 to 23 percent in 2013 — a five percentage-point decline. Among natives and their children, it fell from 13 percent to 11 percent — a two percentage-point decline.
- Medicaid accounted for 41 percent of the decline in uninsurance associated with immigrants, while it accounted for only 24 percent of the decline in uninsurance among natives and their children.

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- Although Medicaid use among immigrants and their children is substantially higher than for natives and their children, it is still the case that 23 percent of immigrants and their children were uninsured in 2013 — twice the rate for natives.
- Overall, nearly half (48 percent) of immigrants and their children were uninsured or on Medicaid in 2013, compared to slightly over a quarter of natives (27 percent).

Data Source. Data for this analysis come from the Current Population Survey's Annual Social and Economic Supplements, often abbreviated as CPS ASEC or just ASEC.⁶ The ASEC is collected in March of each year and asks respondents about health insurance coverage, including Medicaid, in the prior calendar year. Thus, the ASEC from March 2014 provides coverage information for 2013, the data from March 2013 provide information about 2012, and so on. This report is based on the 2012, 2013, and 2014 public-use files of the ASEC. Medicaid coverage as reported in the ASEC includes the Children's Health Insurance Program (CHIP) and Medicaid programs that have state specific names such as Medi-Cal in California or TennCare in Tennessee. Prior research indicates that the ASEC underestimates Medicaid use, so the actual growth in enrollment is almost certainly greater than reported here.⁷

Immigrants (legal and illegal) are referred to by the Census Bureau as the foreign-born. The foreign-born are individuals who were not U.S. citizens at birth. This includes naturalized citizens, permanent residents (green card holders), illegal immigrants, and some long-term visitors such as foreign students and guest workers who respond to the survey. Of immigrants in the ASEC, slightly more than a quarter are estimated to be in the country illegally.⁸ Figures reported for immigrants and their U.S.-born children include children under age 18 born in the United States who have two immigrant parents or an immigrant father. Those with an immigrant mother and a native-born father are counted with the figures for natives.

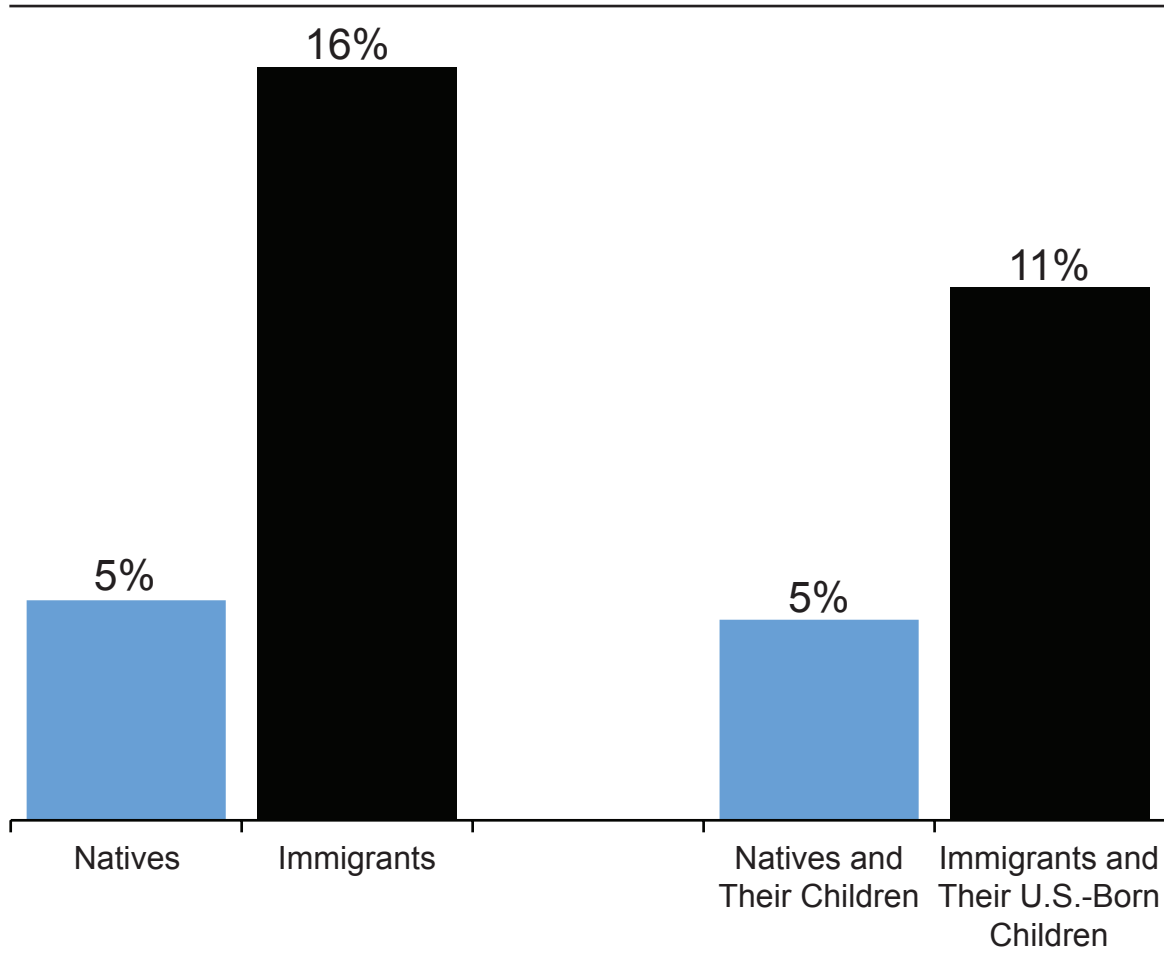
While some number of illegal immigrants may be enrolled in Medicaid due to fraud or administrative errors, these numbers should be small. A modest number of illegal immigrant women who are pregnant also are enrolled in the program. In addition, a significant share of the U.S.-born children of immigrants have illegal immigrant parents. But overall the growth in Medicaid use associated with immigrants reflects the fact that a large share of immigrants allowed into the country *legally* are unable to provide health insurance for themselves or their children. As a result, taxpayers step in and provide Medicaid.

Table 1. Health insurance Coverage by Nativity, 2011 to 2013 (thousands)

	2011				2012				2013						
	Other Insurance	Medicaid	Uninsured	Percent Uninsured	Other Insurance	Medicaid	Uninsured	Percent Uninsured	Other Insurance	Medicaid	Uninsured	Percent Uninsured	Other Insurance	Medicaid	Uninsured
Natives	188,244	45,171	35,436	13.2%	190,695	45,187	35,127	13.0%	194,262	47,538	30,587	11.2%	17.5%		
Immigrants	21,135	5,664	13,177	33.0%	21,567	5,716	12,824	32.0%	23,100	6,543	11,366	27.7%	16.0%		
Natives and their Children	182,882	38,784	33,634	13.2%	185,289	38,661	33,427	13.0%	188,928	40,671	29,229	11.3%	15.7%		
Immigrants and Their U.S.-Born Children Under 18	26,497	12,051	14,980	28.0%	26,974	12,242	14,524	27.0%	28,434	13,410	12,724	23.3%	24.6%		
Total Population	209,379	50,835	48,613	15.7%	212,262	50,903	47,951	15.4%	217,362	54,081	41,953	13.4%	17.3%		

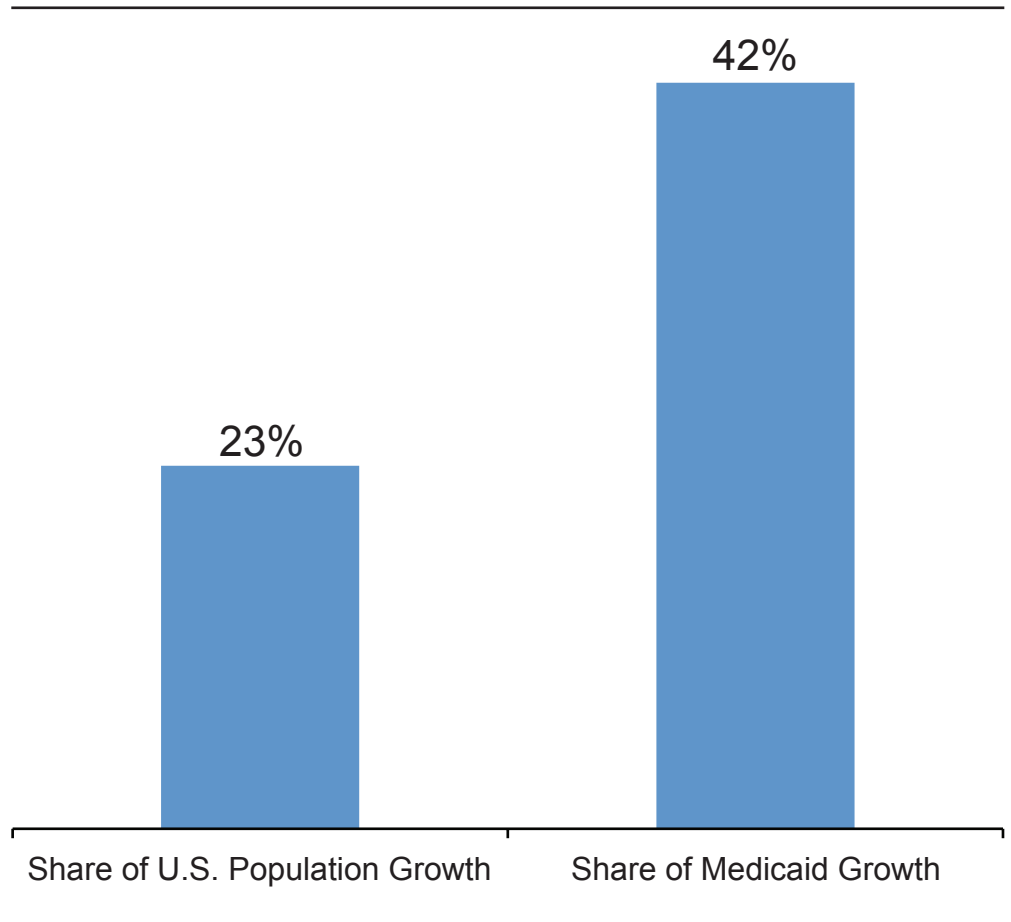
Source: Public-use files of the 2012, 2013, and 2014 Current Population Survey's Annual Social and Economic Supplements. The survey asks about health insurance coverage in the prior calendar year. Figures for immigrants and their U.S.-born children include immigrants and children under age 18 born in the United States who have two immigrant parents or an immigrant father.

Figure 1. The percent increase in Medicaid enrollment was much more pronounced among immigrants from 2011 to 2013.



Source: Public-use files of the 2012 and 2014 Current Population Survey's Annual Social and Economic Supplements. The survey asks about health insurance coverage in the prior calendar year. Figures for immigrants and their U.S.-born children include immigrants and children under age 18 born in the United States who have two immigrant parents or an immigrant father.

Figure 2. Immigrants and their U.S.-born children accounted for a much larger share of Medicaid growth than of population growth, 2011 to 2013.



Source: Public-use files of the 2012 and 2014 Current Population Survey's Annual Social and Economic Supplements. The survey asks about health insurance coverage in the prior calendar year. Figures for immigrants and their U.S.-born children include immigrants and children under age 18 born in the United States who have two immigrant parents or an immigrant father.

End Notes

¹ Although the ACA increased the income threshold for Medicaid eligibility, this provision was not fully implemented until January 2014. However, the act gave states the option of early Medicaid expansion to some low-income adults. Six states have done so (California, Connecticut, Minnesota, New Jersey, Washington state, and the District of Columbia). In addition, published accounts indicate that the health insurance marketplaces established by the states under the ACA have significantly increased Medicaid enrollment, particularly from July/September 2013 to February 2014. The March 2014 Census Bureau data used in this analysis should capture Medicaid increases through December 2013, as the Census survey asks about health insurance coverage, including Medicaid, at any time in the prior calendar year. (See Robert Pear, [“Law Lifts Enrollment in Medicaid by Millions”](#), *The New York Times*, April 4, 2014.) Also, the publicity surrounding Obamacare’s Medicaid expansion has created what has been described as the “woodwork” or “welcome mat” effect as people who were already eligible for the program, but were not enrolled, took advantage of the program on their own. (See Eli Okun, [“Texas Sees Rise in Medicaid Signups”](#), *Texas Tribune*, July 15, 2014, and [“Medicaid enrollment rising in Florida”](#), WSTP News10 ABC, April 10, 2014.)

² The figures include immigrants (all individuals who were not U.S. citizens at birth) and children under the age of 18 born in the United States who have two immigrant parents or an immigrant father. Those with an immigrant mother and a native-born father are counted with the figures for natives.

³ In 2013, 23 percent of immigrants and their children were uninsured, compared to 11 percent of natives; the share of immigrants and their children in poverty was 20 percent, compared to 13 percent for natives.

⁴ This number includes those immigrants under age 18.

⁵ The number of immigrants and their children on Medicaid increased by 1.36 million from 2011 to 2013. Data for 2012 (2013 costs have not been published) show average Medicaid costs of \$6,641, which would mean the increase in enrollment associated with immigrants costs \$9 billion annually. However, children tend to be relatively inexpensive to insure and, while adults (18 to 64) are more costly than children to insure, they still receive much less care than the elderly and disabled who make up a modest share of enrollment, but account for a majority of Medicaid costs. Of the increase in enrollment associated with immigrants, 49 percent was among children (immigrant and U.S.-born). Based on the average Medicaid expenditure for those under age 18 in 2012, the annual cost for insuring these children can be estimated at \$1.8 billion. If we assume average non-disabled adult costs account for the other 51 percent of this population, then the total cost would be an additional \$2.8 billion. This means that the total cost for the growth in Medicaid enrollment associated with immigrants comes to \$4.6 billion annually. This is an admittedly rough estimate. It assumes none of the increase in enrollment was among the disabled, who are the most expensive to insure. Also, immigrants tend to be concentrated in states that spend above the national average on Medicaid, but we assume the national average Medicaid expenditure by age group in this estimate. It must be remembered that the youth and relatively good health of the immigrant population makes them less expensive to insure on average than natives. Nonetheless, just the increase in Medicaid enrollment in recent years associated with immigrants cost American taxpayers roughly \$5 billion annually. (Cost estimates, including state expenditures, are from the [2013 Actuarial Report on the Financial Outlook for Medicaid](#), Centers for Medicare & Medicaid Services U.S. Department of Health & Human Services, Table 2.)

⁶ The Current Population Survey does not include those in institutions such as prisons and nursing homes.

⁷ John L. Czajka and Gabrielle Denmead, [“Income Data for Policy Analysis: A Comparative Assessment of Eight Surveys”](#), report prepared for the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, December 2008.

⁸ We have estimated in prior research that about 28 percent of immigrants in the CPS are in the country illegally; see Table 36 in Steven A. Camarota, [“Immigrants in the United States 2010: A Profile of the Foreign-Born Population”](#), Center for Immigration Studies, 2012. These estimates are consistent with those from the Pew Hispanic Center; see Jeffrey S. Passel and D’Vera Cohn, [“Unauthorized Immigrant Population: National and State Trends”](#), Pew Hispanic Center, 2010, p. 9.