Catholic Health Association of the United States

A Passionate Voice for Compassionate Care

Potential Impact of Including Use of Medicaid and the Children's Health Insurance Program (CHIP) Under the Definition of Public Charge

According to a leaked draft of a proposed rule in March 2018, the Administration is considering a major expansion of the definition of "public charge" used in evaluating eligibility for immigration status adjustments, such as lawful permanent residency, or to extend visas. The draft proposes to include enrollment and receipt of benefits in the Medicaid and CHIP programs and receipt of premium subsidies for Marketplace coverage by applicants or dependent family members—both citizen and non-citizen—when making a "public charge" determination. As these vital health programs serve millions of legally eligible mixed-status immigrants and their families, such a proposal will have devastating effects on program enrollment and the receipt of essential health care service, causing an increase in the number of uninsured and subsequent increases in the cost of uncompensated care for hospitals.

While in-depth analysis is needed to measure the full impact of these proposed changes on the health care system and the health of our communities both citizen and legal immigrants, existing data and studies provide an outline of the potential effects on immigrant participation in the Medicaid/CHIP programs and the level of uncompensated care tied to lower enrollment. The estimates apply to those most likely to be affected by the proposed change: individuals enrolled in Medicaid who are either legal noncitizens or naturalized citizens (and likely to be in mixed-status families), and children in families receiving Medicaid/CHIP who U.S.-born citizens with immigrant parents. They are based on four sources:

***Chilling Effects: The Expected Public Charge Rule and Its Impact on Legal Immigrant Families' Public Benefits Use*. Jeanne Batalova, Michael Fix and Mark Greenberg. Migration Policy Institute: June 2018**. This study analyzes pooled American Community Survey data from the U.S. Census Bureau from 2014-2016 on benefits including Medicaid/CHIP used by legal noncitizens, naturalized citizens and the U.S.-born citizen children with immigrant parents. It extrapolates an estimated range of the decline in program participation for these programs as between 20 and 60 percent, based on the sharp decline in use of these programs following welfare reform in the 1990s even among groups whose eligibility did not change. The research finds that the "chilling effects" of the 1996 legislation caused many legal immigrants entitled to public benefits to refrain from using them due to confusion over eligibility and fear of being able to sponsor family members in the future.

***Hospitals As Insurers of Last Resort*. Craig Garthwaite, Tal Gross and Matthew Notowidigdo. National Bureau of Economic Research: Working Paper 21290, June 2015**. This study uses financial data from the American Hospital Association and case studies from state-wide

Medicaid disenrollment events to estimate that each additional uninsured person costs $900 each year in uncompensated care for hospital inpatient and outpatient services.

2016 American Hospital Association Annual Survey. This data provides figures for facilities that report to the Catholic Health Association of the U.S. including Catholic and other-than-Catholic facilities which are owned and operated by Catholic health systems.

U.S. Census Bureau: ***Current Population Survey, 2017 Annual Social and Economic Supplement***

Table 1: Potential Impact of Disenrollment in Medicaid for Individuals (Legal Noncitizens and Naturalized Citizens, based on Current Population Survey data for 2016)

Legal Non/Naturalized Citizens in Medicaid	% of Total Medicaid Recipients	Potential Disenrollment (low, 20%)	Potential Uncompensated Care (low, per year)	Potential Disenrollment (high, 60%)	Potential Uncompensated Care (high, per year)
8,474,000	**13.6**	**1,694,800**	**$1.52 billion**	**5,084,400**	**$4.57 billion**

Table 2: Potential Impact of Medicaid Disenrollment for Catholic Hospitals (2016 Data, AHA Annual Survey)

U.S. Catholic Hospital Medicaid Patients (Inpatient and Outpatient)	Legal Non/Naturalized Citizens	Potential Disenrollment (low-high, 20-60%)	Potential Uncompensated Care per year (low-high)
23,799,422	**3,236,721**	**647,344 – 1,942,032**	**$582 million to $1.75 billion**

While these estimates show a potentially significant economic impact for all U.S. hospitals and for Catholic hospitals in particular, they do not take into account the potential effect for children born in the U.S. with immigrant parents of including Medicaid and CHIP utilized by dependent family members in the definition of public charge. These U.S. citizen children, legally eligible for enrollment in these health programs, would be at significant risk of losing health coverage as families make the difficult choice between keeping coverage and being able to adjust immigration status or extend visas. The following table addresses that population:

Table 3: Impact on Children in Families Receiving Medicaid/CHIP for U.S.-born Children with Immigrant Parents (American Community Survey pooled data for 2014-16)

Total Number of Children (1 year average)	Potential Disenrollment (low, 20%)	Potential Uncompensated Care (low, per year)	Potential Disenrollment (high, 60%)	Potential Uncompensated Care (high, per year)
8,867,100	**1,773,420**	**$1.59 billion**	**5,320,260**	**$4.78 billion**

N.B. These are preliminary estimates based on the leaked draft version of the proposed rule utilizing readily available data. A fuller and more detailed cost analysis for U.S. hospitals and other health care providers should be undertaken before the proposed rule is published.