

Fiscal Impact of the Final Inadmissibility on Public Charge Rule (RIN 1615-AA22) on California’s Community Health Centers

Impact to Community Health Centers

California’s community health centers (CHCs) provide high-quality comprehensive care to 6.9 million people¹, or 1 in 6 Californians. In the event that the public charge changes are implemented, the expected impact on California’s CHCs is:

- **101,000 to 305,000 patients will disenroll from Medicaid** and become uninsured
- The growth in uninsured and loss of Medicaid revenue will create a **financial loss of \$56 million to \$170 million per year in California’s CHCs**

This analysis solely considers the financial loss in Medicaid reimbursements and does not take into account the loss of other reimbursement from county health insurance programs. The fiscal impact for health centers is likely to be much greater than the Medicaid losses estimated in this document.

Fiscal Impact Analysis

If the changes to the public charge determination are implemented, health centers will experience a financial loss of \$56 to \$170 million in Medicaid reimbursements based on the following estimates:

Medicaid patients at CA CHCs	Number of Non-Resident Patients (excluding children and pregnant women)	Ave Annual spending per patient at CHCs	Scenario 1: 20% Projected Disenrollment	Scenario 1: Financial loss	Scenario 2: 60% Projected Disenrollment	Scenario 2: Financial loss
3,806,812	508,905	\$558	101,781	\$56,793,798	305,343	\$170,381,394

Background and Methodology

In 2016, California’s CHCs treated 6.5 million patients.. According to California's Office of Statewide Health Planning and Development (OSHPD), 3.8 million of those patients were enrolled in Medicaid, equaling approximately 59 percent of the CHC patient mix. Utilizing OSHPD data on reimbursement by payer, we determined that federally qualified health centers (FQHCs), rural health clinics (RHCs), and FQHC look-alikes receive an average of \$189 per patient visit from Medicaid and average three visits per year, equaling \$567 per patient per year. Community and free clinics average a reimbursement rate of

¹ This figure is based on 2016 data. Currently, California CHCs provide comprehensive care to more than 7 million patients statewide.

\$183 per Medicaid patient visits and average two visits per year, equaling \$366 per patient per year. Aggregating those figures, we determined that the average annual revenue for Medicaid patients at a California's CHCs is \$558 per year.

According to the California Department of Health Care Services (DHCS), approximately 17.4 percent of Medicaid enrollees are non-citizens², which they define as 'individuals who are not citizens or nationals of the United States.' We subtracted the number of pregnant women and children, who would not be impacted by this rule, and conducted a simple random sampling analysis using DHCS' statistics. Assuming the CHC patient mix is representative of California's Medi-Cal patient population, which is a conservative assessment, we estimated that approximately 508,905 CHC patients are non-citizens.

In 1996, the Illegal Immigration Reform and Immigrant Responsibility Act along with the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) (Public Law 104-208) amended the public charge doctrine. This law expressly authorized consular agents to deny immigrant visas on the grounds that applicants were likely to become dependent on the government - and therefore be deemed a public charge - if they used 'federal public benefits'.

PRWORA did not define what constituted a 'federal public benefit,' causing confusion and panic within the immigrant community and discouraging many people from obtaining any public benefits for fear of deportation. **The Migrant Policy Institute found that during this time period there was a sharp decline in immigrants using public benefit programs, like Medicaid & CHIP³.**

For the purpose of this analysis, we used the Migration Policy Institute's evidence-based numbers to assume that 20 - 60 percent of CHC non-citizen patients would disenroll from Medicaid should there again be changes to the Public Charge determination.

For more information, please contact Liz Oseguera at loseguera@cpca.org.

² DHCS. 2015. Medi-Cal Statistical Brief: Medi-Cal's Non-Citizen Population, A Brief Overview of Eligibility, Coverage, Funding, and Enrollment. <http://www.dhcs.ca.gov/dataandstats/statistics/Documents/noncitizen_brief_ADAdfinal.pdf>

³ Batalova, Jeanne, Michael Fix, and Mark Greenberg. 2018. Chilling Effects: The Expected Public Charge Rule and Its Impact on Legal Immigrant Families' Public Benefits Use. Washington, DC: Migration Policy Institute. Migration Policy Institute (MPI) estimates based on analysis of American Community Survey pooled data, 2014-16. The term "Non-citizen" as used by MPI includes people who are refugees and asylees, visa-holders, green-card holders, undocumented.