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MCHC Position Paper

Common Sense Immigration Reform

Introduction

The Metropolitan Chicago Healthcare Council (MCHC) is representing its members on the issue of immigration reform through participation on the Steering Committee of the Illinois Business Immigration Coalition (IBIC), a growing and diverse set of Illinois businesses and associations. IBIC supports common sense immigration reform that supports Illinois' economic recovery; provides Illinois companies – including hospitals – with the appropriately skilled talent they need; and promotes the integration of immigrants into our economy as consumers, workers, entrepreneurs and citizens.

MCHC believes that **now** is the time in history to reform our nation's immigration system. Providing immigrants the opportunity to work hard and contribute to their communities is the right path forward for Illinois and the nation. The health care sector of the nation's economy has potential to reap many benefits from common sense immigration reform. Immigrants in our country – both legally and undocumented – are currently sustaining Medicare, Medicaid and Social Security. According to the journal *Health Affairs*, "The surplus generated by immigrants contrasts sharply with deficits caused by native-born Americans, as medical care for elderly beneficiaries depletes Medicare's reserves more quickly than working-age U.S. natives can refill them."ⁱ

Issue Overview

Illinois is home to more than 1.7 million immigrants, 45 percent of whom are naturalized U.S. citizens and 55 percent of whom are either Legal Permanent Residents (LPRs) or undocumented, according to the U.S. Census Bureau.ⁱⁱ Research by the Pew Hispanic Center indicates that Illinois makes up the fifth largest state with a stable population growth of undocumented individuals in recent years.ⁱⁱⁱ Approximately 540,000 immigrants are uninsured in Illinois, accounting for nearly 30 percent of the total uninsured population in the state.^{iv}

Health care spending for undocumented individuals at the state and local levels accounts for more than \$10 billion annually, according to the Federation for American Immigration Reform (FAIR).^v Yet, support from the federal government for hospitals and other health care providers providing mandated uncompensated care to this patient population does not exist today. Congress requires Medicare and Medicaid to support uncompensated care by allocating disproportionate share hospital (DSH) funding to hospitals; however, Medicare and Medicaid DSH programs face significant reductions due to the Patient Protection and Affordable Care Act (ACA) posing another financial strain for providers.



Hospital's Role in Caring for the Immigrant Community

Hospitals care for their communities' most vulnerable patient populations regardless of their ability to pay, and provide essential charitable benefits to their communities through delivery of critical health care services and programs. According to MCHC's report, *Caring for their Communities: the Social and Economic Value of Hospitals in the Metropolitan Chicago Region*, metropolitan Chicago hospitals provide more than \$1 billion in uncompensated care to the region's patients.^{vi} While there are no statistics to assign a portion of these charitable community benefit dollars to the immigrant community, hospitals' emergency departments (EDs) are often the only source of medical care for these individuals. As such, one can safely assume that a generous portion of the \$1 billion in free care that was provided in 2011 (most current data available) by hospitals in the metropolitan Chicago region was for the provision of care to the immigrant population.

Although federal funds may not be used to provide non-emergency medical care to undocumented individuals, some states, including Illinois, use their own funds to offer coverage to undocumented children. The All Kids program in Illinois covers all children under the age of 19, who meet program income requirements, regardless of immigration status. Once they turn 19, however, there are limited health care services and programs available. Another option is private insurance coverage, which is oftentimes expensive and unaffordable. With few options available for children in All Kids after the age of 19, a bridge is essential to provide new sources of medical care for these children. Illinois will likely see an estimated 500,000 newly eligible individuals enrolled in the Medicaid program in 2014 as a result of the ACA.^{vii} A portion of this newly eligible population includes undocumented children.

Furthermore, the impact of immigration on the health of our communities is often overlooked. Many undocumented immigrants come from countries with less developed health care and, as a result, are susceptible to communicable diseases. Barriers to the delivery of health care for undocumented individuals impact public health efforts to counteract communicable diseases. For example, hospitals and the Kane County Health Department worked together to combat a recent outbreak of tuberculosis (TB) in the region, adding additional burdens on the system as they worked together to treat patients and contain the disease.

Unfortunately, health care providers continue to face unprecedented fiscal strains, posing a unique challenge for hospitals in managing their resources in the most cost-effective manner, and jeopardizing their ability to care for the region's most vulnerable patient populations.

Impact of Continued Hospital Reimbursement Cuts

While the ACA will make important strides in reducing the number of uninsured, some individuals in the metropolitan Chicago region will remain without health care coverage. These individuals will include undocumented immigrants, who are excluded from benefiting from the ACA's efforts to expand health care coverage. Undocumented individuals will not have access to subsidies and tax credits to buy health insurance through the provisions of the ACA, and are excluded from Medicaid enrollment due to their immigration status. Consequently, undocumented immigrants will continue to rely heavily on health care providers, especially hospitals' emergency departments (EDs), to access medical care.

Across the metropolitan Chicago region, one in five hospitals is operating in the red, and all hospitals remain challenged by continued reimbursement cuts and new unfunded mandates. The



ACA reduces DSH funding for Medicare and Medicaid starting in 2014, totaling more than \$4.5 billion less reimbursement over 10 years for hospitals in the metropolitan Chicago region. These DSH reductions will result in a significant financial burden on metropolitan Chicago hospitals, jeopardizing their ability to care for the region's most vulnerable patient populations. In fact, since 2010, hospitals across the nation have experienced federal reimbursement cuts of \$250 billion dollars. While \$155 billion of this amount includes hospitals' contribution towards increasing access to care under the ACA, the next largest category is due to the recent sequestration, with the remainder being specific program reimbursement cuts. Despite these challenges, metropolitan Chicago hospitals have and will continue to remain committed in their mission to care for the region's diverse and dynamic immigrant community.

Additional Barriers to Health Care

The immigrant community faces additional barriers as they attempt to access health care services for themselves and their children. A recent report by the Illinois Coalition for Immigrant & Refugee Rights (ICIRR) finds that language barriers, a lack of knowledge about the nation's health care system, and the fear of deportation by immigration authorities limit immigrants' ability to effectively access medical care. The report also points out that immigrants may avoid seeking health care services for their children due to the complexity and confusion of state and federal eligibility requirements of whether their children qualify for subsidized medical care.^{viii}

Immigration Reform is Sensible and Necessary

Immigrants' Potential to Grow the Economy

According to the U.S. Census Bureau's 2010-2011 American Community Survey, over 25 percent of all physicians and surgeons in the Midwest are foreign-born. Nationally, more than 35 percent of medical scientists and life scientists, and nearly 30 percent of software developers are foreign-born.^{ix} Nationally, the health care industry, which represents nearly 18 percent (2010 number) of our nation's gross domestic product (GDP), will require a large infusion of workers into the health care delivery system, largely driven by the increasing size of the aging population requiring care.^x The ranks of Social Security recipients are skyrocketing as baby boomers begin to leave the workplace. About 10,000 baby boomers are turning 65 every day, according to the Pew Research Center.^{xi}

According to the Association of American Medical Colleges (AAMC), the nation will face a shortage of 150,000 doctors by 2025. And, our nation's health care industry is expected to create nearly six million jobs by 2020 – the most dramatic growth of any economic sector.^{xii} Additionally, the Bureau of Labor Statistics (BLS) states that among occupations that will grow the fastest in our nation between 2010 and 2020 are home health aides and personal care aids, predicting a growth of nearly 70 percent.^{xiii}

Providing incentives for undocumented students to pursue college and advanced degrees and allowing them to work here legally will add 1.4 million jobs and generate \$329 billion in economic activity over the next 20 years, according to a report released by the Partnership for a New American Economy.^{xiv} As the economy – including the health care sector – continues to depend on immigrants even more heavily in the future, addressing both the future economic needs of employees and recognizing immigrants and foreign students already in the U.S. as a vibrant pool of potential workers will help alleviate some of the growing gaps in the U.S. workforce.



Currently, metropolitan Chicago hospitals directly and secondarily support nearly 350,000 jobs.^{xv} Despite a sluggish economy, hospitals continue to provide jobs, stability and, most importantly, medical care for anyone entering through their doors. Common sense immigration reform can greatly ease the need for skilled workers across spectrum of health care jobs required to meet the growing demand for health care services.

Immigrants May Help Sustain Government Health Care Programs

New research published in the journal *Health Affairs* suggests that immigrants contribute billions more to the Medicare program than immigrant retirees' use in medical services. The study showed a surplus for immigrants' contributions to Medicare every year between 2002 and 2009. It also found that immigrants over that same time period contributed \$115 billion more to the Medicare program than they drew out. Researchers of the study note that as long as immigration continues, immigrants would not weaken the financial health of the program, but rather bolster its sustainability.^{xvi} Hence, the nation's immigration policy that would create a path to citizenship for undocumented immigrants would increase revenues for Medicare, as many workers would shift from under-the-table employment to work where payroll taxes were collected and potentially collect higher wages.

Care Coordination Requires Accurate Health Information

All hospitals providing care to the immigrant community experience the difficulty of obtaining accurate personal identification due to the fear of deportation. This misrepresentation makes it difficult for hospitals to manage these patients through the care continuum, hindering the efforts of health care providers who are trying to provide comprehensive, integrated care beyond just one patient interaction.

Thus, MCHC supported efforts to pass new legislation in Illinois – Driver's Licenses for All – so that accurate personal identification could be given to health care providers. This new law allows the Secretary of State to issue renewable, three-year driver's licenses to an estimated 250,000 undocumented Illinois residents. Providing undocumented individuals with an opportunity to receive formal state identification will help health care providers monitor their patients via electronic health records (EHR), which could result in improved patient outcomes and reduced health care costs.

In addition, maintaining accurate EHRs for the immigrant population will be a key factor for successful sharing of all EHRs – both within a hospital's enterprise system and with other health care providers via a regional Health Information Exchange (HIE). Inputting incorrect information into an EHR, such as misspellings of a patient's name or wrong birth dates and Social Security numbers, can hinder the success of linking EHRs across clinical, administrative and HIE systems. This negative effect can likely be avoided by having undocumented individuals obtain proper state identification.

Call for Section 1011 Reauthorization

In 2003, Congress enacted Section 1011 of the Medicare Modernization Act (P.L. 108-173) to assist hospitals with providing mandated EMTALA (Emergency Medical Treatment and Labor Act) services to undocumented immigrants. Congress authorized \$250 million annually for three fiscal years (FYs) to the program to help offset these costs to health care providers. The Section 1011 program brought vital federal funding to the metropolitan Chicago region's health care safety net.



However, the program expired in October 2008. And, while Congress allowed funds that remained past the program expiration to be accessed, the Illinois allotment has no remaining funding. Reauthorization of this vital program in a way that fits into immigration reform by utilizing a fee for program funding is an opportunity for Congress to assist hospitals who face the additional financial strain of providing EMTALA-mandated emergency care services to undocumented individuals.

MCHC Immigration Reform Position

As the membership association for hospitals and health care organizations in the greater Chicago region, MCHC understands the challenges immigrants, especially undocumented individuals, face when accessing medical care, as well as the barriers hospitals encounter in providing health care services to this patient population.

As such, MCHC is focused on the metropolitan Chicago members of the Illinois congressional delegation, assisting them with issue education, elected official and constituent input with the goal of achieving common sense immigration reform in the U.S. Congress.

Specifically, MCHC recommends discussion on these key health care provisions as the U.S. Congress continues its immigration reform debate:

- Support the integration of immigrants into the workforce to grow the economy and help sustain funding of the Medicare, Medicaid and Social Security programs.
- In particular, assist with reducing the shortages of health care workers across the skill-set spectrum.
- Development of a system that will permit hospitals' collection of accurate personal identification information to ensure the nation's electronic medical record (EMR) system is utilized to its fullest in the management of population health and elimination of unnecessary health care costs.
- Reauthorization of the Section 1011 program or any other funding mechanism made available for hospitals and other health care providers to help offset the cost of providing mandated emergency medical care to undocumented individuals. MCHC will work with the Illinois congressional delegation and advocate for legislation that fits into the immigration reform platform that provides reimbursement to health care providers for their EMTALA-based uncompensated care.
- Including a pathway to citizenship that recognizes the contributions of immigrants to the sustainability of the Medicare, Medicaid and Social Security programs and a common sense target date for eligibility.
- Allow state and local governments to make decisions on allocating funds for health care services and programs for undocumented individuals. MCHC will work with key community stakeholders and public officials to explore possible opportunities on this issue as appropriate.



Now is the time to reform our nation's broken immigration system in a sensible way that supports economic growth and provides a path for our immigrant community to both contribute to and benefit from the nation's health care delivery system.

Endnotes

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- ⁱⁱⁱ *Unauthorized Immigrant Population: National and State Trends, 2010*. Rep. Pew Hispanic Center, February 2011. Web. 1 February 2011. <<http://www.pewhispanic.org/files/reports/133.pdf>>.
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- ^v *The Fiscal Burden of Illegal Immigration on United States Taxpayers*. Rep. Federation for American Immigration Reform, July 2010. Web. February 2011. <http://www.fairus.org/DocServer/USCostStudy_2010.pdf>.
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- ^x *Centers for Medicare and Medicaid Services: National Health Expenditure Projections 2010-2020*. <<https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/downloads/proj2010.pdf>>.
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- ^{xiv} *The Economic Benefits of Passing the DREAM Act*. Rep. Partnership for a New American Economy, October 2012. Web. October 2012. <<http://www.americanprogress.org/wp-content/uploads/2012/09/DREAMEcon-7.pdf>>.
- ^{xv} *Caring for their Communities: the Social and Economic Value of Hospitals in the Metropolitan Chicago Region*. Rep. Metropolitan Chicago Healthcare Council, August 2013.
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