Supporting a Healthier Maryland through Healthcare Expansion for Immigrant Communities

Everyone deserves quality and timely access to healthcare. We can strengthen the health of Marylanders by proving affordable healthcare to our communities and remove barriers that often produce socioeconomic and racial-ethnic health disparities. Such a barrier includes ineligibility resulting from varying immigration statuses, particularly for children and families who are undocumented or live in mixed-status households. The Access to Care Act provides a clear pathway to healthier communities by allowing all Marylanders to purchase health coverage through the Maryland Health Benefit Exchange regardless of immigration status.

Immigration Status as a Social Determinant of Health

Immigration status is considered to be a social determinant of health for many in the U.S., particularly for undocumented immigrants. While some undocumented immigrants are able to access healthcare through resources such as federally qualified health centers or other community-based providers, status continues to be a determining factor that systematically excludes individuals from most public and private coverage options, some of which are meant to support lower-income communities. Even when some services are available, confusion and fear over public charge concerns continue to deter individuals from seeking services.[i]

Consequently, immigrants tend to have high uninsured rates even in Maryland, which has relatively low uninsured rate of 6% for the population as a whole. When comparing across demographics, 21.3% of Latine Marylanders—a demographic that tends to have a large share of immigrants—were uninsured in 2021 compared to 5.6% of Black and 3% of white individuals.[ii] Despite government efforts to expand access to health coverage as a response to the COVID-19 pandemic, immigrant communities continue to be disproportionately uninsured. Nationwide, it is estimated that around half (46%) of nonelderly adult undocumented immigrants were uninsured compared to 25% of lawfully present immigrants and 8% of U.S. citizens.[iii] When looking at the uninsured population[ii]:

- Non-citizen immigrants made up 23% of the uninsured, despite making up 6.4% of the total U.S. population in 2021.
- In Maryland, non-citizen immigrants accounted for 38% of the uninsured, despite making up for 7.2% of the state population.
- While it is harder to account for the exact percentage that undocumented immigrants contribute to the uninsured in Maryland, it is known that their uninsured rate is high compared to other communities.

It is especially important to consider expanding health coverage to undocumented immigrants in Maryland as roughly 275,000 undocumented immigrants lived in the state as of 2016, making it one of the top 10 states with the highest undocumented population.[iv]

Not only does accessibility impact immigrant populations' health, so does affordability. Research shows that immigrants' out-of-pocket healthcare expenses tend to be higher than those of citizens,[iii] especially for undocumented immigrants who are elderly or have recently arrived.[v] Undocumented immigrants often forego a doctor's visit as a result of their ineligibility for health coverage and may rely on emergency care once their health is increasingly compromised. However, subsidies and other forms of financial support can reduce families' need to rely on less affordable and less comprehensive health coverage, and can encourage preventative rather than urgent care. Maryland has the opportunity to ensure excluded and often low-income residents and workers can get the medical care they need by passing the Access to Care Act.

Uncompensated Care and Emergency Department Utilization as a Source of Care

One of the concerns associated with uninsured groups, including undocumented immigrants, is uncompensated care or care for which no payment has been received from any source.[vi] Uncompensated care is the aggregate of bad debt—anticipated payments that did not go through—and financial assistance—payments that were not received but not expected due to a patient's established inability to pay. According to the American Hospital Association, the U.S. national cost of uncompensated care in 2020 was $42.7 billion, a continuous increase since 2014. Per the Maryland Health Services Cost Review Commission, the actual statewide uncompensated care rate for the 2021 rate year was 4.2%, or 0.4 percentage points lower than the previous year.[vii] It is likely that pandemic-related health policies such as the temporary suspension of Medicaid eligibility redetermination requirements or a reduction in emergency department visits contributed to the decline. However, the reductions in uncompensated care following Affordable Care Act (ACA) implementation receded between the 2017 and 2020 rate years. The undocumented population remains ineligible for health benefits through programs expanded or administered through the ACA.

While more recent data is needed to fully assess the impact of undocumented immigrants' ED utilization and contribution to uncompensated care in Maryland, studies looking at trends in healthcare spending for immigrants have found:

- Increases in emergency Medicaid spending for undocumented and recently arrived immigrants in North Carolina were primarily related to childbirth between 2001 and 2004.[viii]
- Non-citizens had a greater share of uncompensated care in the U.S. between 1999 and 2006.[ix]
- Growth in the California Latine population between 2000 and 2010 was associated with higher rates of uncompensated care, particularly in rural areas where health care and safety net resources are scarce for immigrant communities.[x]
- Estimated decline of $72 million in uncompensated care for Connecticut hospitals when Medicaid and individual market subsidies are presumably expanded to otherwise eligible residents but for their immigration status.[xi]

It is important to note that research overwhelmingly points to the low use of medical services and lower medical expenditures by undocumented immigrants, primarily due to lack of insurance.[xiixiii] Undocumented immigrants can utilize federally-funded emergency services under the Emergency Medical Treatment and Labor Act, often as a last resort to address their urgent medical needs.[xiv] However, emergency services are not sustainable as they do not cover subsequent or ongoing treatment that patients might be need. Reports indicate that $118 million was spent on emergency Medicaid services for undocumented immigrants in Maryland during Fiscal Year 2021, with the state bearing $51 million of the share.[xv] While that accounts for about 1% of total net Medicaid expenditures borne by the state, it is worth considering for long-term costs. Expenditures for the same services were higher in both FY 2019 and FY 2020, with the state sharing $78 and $66 million of the costs, respectively.

Expanding Health Coverage Builds Healthier and Economically Secure Communities

There are several reasons why extending healthcare coverage to undocumented immigrants is beneficial for individuals, communities and the healthcare system. Gaining health coverage greatly improves access to health care and therefore decreases the negative effects of being uninsured. Research shows that the expansion of health coverage through the ACA improved access to care, affordability, financial security, and health outcomes.[xvi] This is particularly beneficial for children in immigrant families, who tend to be disproportionally uninsured compared to other children. When comparing states that extended public health coverage to children regardless of documentation status to those that have not, researchers found that children in extended-eligibility states were less likely to be uninsured or have forgone medical, dental or preventative care.[xvii]

Public health is also improved when health coverage is expanded to all members of a community regardless of immigration status. As seen through the pandemic, preventing the spread of infectious or communicable diseases reduces both healthcare costs and the burden on the healthcare workforce in the long term. One important step is making sure that everyone can access healthcare providers and services to mitigate illness.

Moreover, there expanding health coverage would increase economic stability for Maryland families. Work productivity has been associated with health insurance: insured workers are less likely to call in sick compared to their uninsured counterparts.[xviii] As such, employees are less likely to decrease their earnings from missing work. The lack of employer-sponsored coverage can be a distinct barrier for undocumented immigrants to accessing affordable health care. A healthier workforce is more likely to be productive, have better physical and mental health, and contribute to a stronger economy.

Additionally, having health insurance reduces medical bills which ultimately results in lower debt.[xviii] When families do not have to worry about paying large medical bills, they can allocate their earnings to other necessities and their credit scores can also improve. To give an example, ACA Medicaid expansion reduced $1,140 in medical debt on average per person, in addition to reducing evictions for lower-income households. [xix] Consequently, emergency care costs or other forms of uncompensated care for hospitals also decreases, and the administrative task of

collecting debt is minimized.[xix] In the end, everyone benefits from expanded coverage as it improves society's financial outlook and ensures healthier communities.

Other States are Moving Toward Comprehensive and Affordable Healthcare Regardless of Immigration Status

States are increasingly creating opportunities to expand public or private healthcare coverage to their respected residents. Two states in particular have expanded non-Medicaid market coverage regardless of immigration status:

- Recently, the state of Washington came one step closer to expanding healthcare to all its residents through the federal approval of their 1332 waiver application that will allow undocumented residents to purchase marketplace insurance through their state exchange.[xx] Residents with incomes up to 250% of the federal poverty level would qualify for their state-based subsidy program as many are not eligible for federal premium tax credits. Notably, Washington state lawmakers allocated $50 million for their subsidy program in their 2023 planning year, prior to the waiver's first year which is expected to begin on January 2024. For approval, legislation also had to plan for an additional $5 million in state funding that would be available upon receipt of the waiver.
- Colorado provides state-based subsidies to residents earning up to 300% of the federal poverty level for individual market enrollment regardless of immigration status.[xx] Residents are able to apply through Colorado Connect, a more secure platform that stores personal information separately from their marketplace website.

Financing Healthcare for Undocumented Immigrants

Several states have been able to implement a range of services including healthcare expansions to a wider share of their communities thanks to strong state budgets, partially resulting from supplements in federal funds throughout the pandemic. Because federal funding is generally not utilized to cover healthcare expenditures for undocumented immigrants, states have taken different approaches to financing affordable coverage programs through their general funds. Some of these approaches include:[xxi]

- Funding through health insurance premium, tobacco, or other taxes
- Carving out emergency Medicaid services funded through the state to enhance federal matching funds
- Funding through the Centers for Medicare and Medicaid Services (CMS)

Maryland is also positioned to cover health insurance for undocumented residents. Maryland's FY 2024 state budget proposed by the Governor Moore administration and amended by the House and Senate currently includes a general fund unappropriated balance of $500 million and a structural balance of $145 million.[xxii] The surplus balance and fiscal outlook merit strong consideration of appropriating funds to ensuring health accessibility and equitable health outcomes for all Marylanders.

In 2022, the Maryland General Assembly strengthened health for many by passing the Healthy Babies Equity Act which expanded Medicaid-like coverage to pregnant individuals and their

child regardless of immigration status up to 12 months postpartum. Supporting Senate Bill 365 in the 2023 legislative session is an opportunity to build on this progress. The state of Maryland has the ability to step in where the federal government is not and ensure that a growing immigrant population can meet their basic healthcare needs.

---

[i] "2022 Changes to the Public Charge Inadmissibility Rule and the Implications for Health Care," (2022). https://www.kff.org/racial-equity-and-health-policy/issue-brief/2022-changes-to-the-public-charge-inadmissibility-rule-and-the-implications-for-health-care/

[ii] MDCEP Analysis, Source: Census Bureau, American Community Survey 1-year 2021 estimates

[iii] "Health Coverage and Care of Immigrants," (2022). https://www.kff.org/racial-equity-and-health-policy/fact-sheet/health-coverage-and-care-of-immigrants/

[iv] "U.S Unauthorized Immigrant Population Estimates by State, 2016," (2019). https://www.pewresearch.org/hispanic/interactives/u-s-unauthorized-immigrants-by-state/

[v] Flavin, L., Zallman, L., McCormick, D., & Boyd, J.W. (2018). Medical expenditures on and by immigrant populations in the United States: A systematic review. *International Journal of Health Services, 48*(4), 601-621. https://doi.org/10.1177/0020731418791963

[vi] Fact Sheet: Uncompensated Hospital Care Cost, (2022), https://www.aha.org/fact-sheets/2020-01-06-fact-sheet-uncompensated-hospital-care-cost

[vii] "Re-release the Rate Year 2023 Uncompensated Care Report with Corrections/Updates to Appendices I & II, (2022). https://hscrc.maryland.gov/Documents/Strong%20als%20Folder/1%20-%20Policy%20Clarifications%20-%20Memos/2022%20Memorandums/2022.06.28%20_%20Uncompensated%20Care%20Report%20RY%202023%20(Final)%20v2%20(1).pdf

[viii] Dubard, C.A., & Massing, M.W. (2007). Trends in emergency Medicaid expenditures for recent and undocumented immigrants. *JAMA, 297*(10), 1085-1092. https://pubmed.ncbi.nlm.nih.gov/17356029/

[ix] Stimpson, J.P., Wilson, F.A., & Eschbach, K. (2010). Trends in health care expending for immigrants in the United States. *Health Aff (Millwood), 29*(3), 544-550. https://pubmed.ncbi.nlm.nih.gov/20150234/

[x] Chen, J., O'brien, M. J., Mennis, J., Alos, V.A., Grande, D.T., Roby, D.H., & Ortega, A.N. (2015). Latino population growth and hospital uncompensated care in California. *American Journal of Public Health, 105*(8), 1710-1717. https://doi.org/10.2105/AJPH.2015.302583

[xi] Rao, P., Girosi, F., & Eibner, C. (2022). Expanding insurance coverage to undocumented immigrants in Connecticut. *RAND Corporation*, https://doi.org/10.7249/RRA1964-1

[xii] Wilson, F.A., Zallman, L., Pagan, J.A., Ortega A.N., Wang, Y., Tatar, M., & Stimpson, J.P. (2020). *JAMA Network Open 3*(12). https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2774076

[xiii]Ommerborn, M.J., Ranker, L.R., Touw, S., Himmelstein, D.U., Himmelstein, J., & Woolhandler, S. (2022). Assessment of immigrants' premium and tax payments for health care and the costs of their care. *JAMA Network Open, 5*(11). https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2798221

[xiv] "Fact Sheet: Undocumented Immigrants and Federal Health Care Benefits," (2022). https://immigrationforum.org/article/fact-sheet-undocumented-immigrants-and-federal-health-care-benefits/

[xv] MDCEP Analysis, Source: Expenditure Reports from MBES/CBES, FY 2019, 2020, and 2021. https://www.medicaid.gov/medicaid/financial-management/state-expenditure-reporting-for-medicaid-chip/expenditure-reports-mbescbes/index.html

[xvi] "Building on the Evidence Base: Studies on the Effects of Medicaid Expansion, February 2020 to March 2021," (2021). https://www.kff.org/medicaid/report/building-on-the-evidence-base-studies-on-the-effects-of-medicaid-expansion-february-2020-to-march-2021/

[xvii] Rosenberg, J., Shabanova, V., McCollum, S., & Sharifi, M. (2022). Insurance and health outcomes in regions where undocumented children are Medicaid-eligible. *Pediatrics, 150*(3). https://doi.org/10.1542/peds.2022-057034

[xviii] "Toward Universal Health Coverage: Expanding Medi-Cal to Low-Income Undocumented Adults," (2019). https://laborcenter.berkeley.edu/pdf/2019/Towards-Universal-Health-Coverage.pdf

[xix] "The Far-Reaching Benefits of the Affordable Care Act's Medicaid Expansion," (2020). https://www.cbpp.org/research/health/chart-book-the-far-reaching-benefits-of-the-affordable-care-acts-medicaid-expansion

[xx] "A Decade of State Immigrant Rights Victories: Moving Toward Health Care and Economic Justice for All," (2022). https://www.nilc.org/wp-content/uploads/2022/12/NILC_StateandLocalPolicy_2022_122222.pdf

[xxi] "Supporting Health Equity and Affordable Coverage for Immigrant Populations: State-Funded Affordable Coverage Programs for Immigrants," (2021). https://www.shvs.org/wp-content/uploads/2021/10/State-Funded-Affordable-Coverage-Programs-for-Immigrants.pdf

[xxii] "Report on House Bill 200 – the Budget Bill; House Bill 202 – the Budget Reconciliation and Financing Act," Senate Budget and Taxation Committee, (2023). https://mgaleg.maryland.gov/pubs/budgetfiscal/2023rs-budget-docs-operating-senate-b&t-report-budget-reconciliation.pdf