California Health Care Foundation

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Issue Brief

Changing Public Charge Immigration Rules:
The Potential Impact on Children Who Need Care

The Trump administration published on October 10 a proposed rule change (PDF) that would increase the chance of an immigrant being determined to be a public charge and therefore being denied legal permanent residency or entry to the US. The proposed rule instructs immigration officials to take a broadened array of public benefits — including health and nutrition programs such as Medicaid and the Supplemental Nutrition Assistance Program (SNAP) — into consideration, along with other factors, when making public charge determinations. The proposed changes are expected to cause large numbers of immigrant parents to disenroll themselves and their children from safety-net programs, in large part due to fear and confusion over the rule even among immigrant families to whom the rule does not apply. There have been reports that this is already occurring.[1]

This issue brief discusses how this rule change could impact Medicaid and Children's Health Insurance Program (CHIP) enrollment among a particularly vulnerable group: low- and moderate-income children "in need of medical attention," defined as children with a current or recent medical diagnosis, disability, and/or need for specific therapy. This includes children with potentially life-threatening conditions such as asthma and cancer, and newborns who require immunizations, among others.

The analysis found that 4.8 million children in need of medical attention lived in households with at least one noncitizen adult and were insured by Medicaid or CHIP. The authors estimate that 700,000 to 1.7 million children in need of medical attention are likely to be disenrolled from Medicaid/CHIP if the rule is changed. Once disenrolled, these children are likely to become uninsured,[2] and are thus at higher risk of going without care or experiencing delays in care.[3]

Although not the primary focus of this analysis, there will likely be other negative health impacts from the proposed rule change for children in immigrant households, where a parent or adult caretaker disenrolls from any of the wide range of safety-net programs included in the proposed rule change, regardless of whether the children themselves are disenrolled from Medicaid/CHIP. A 60-day public comment period is underway, after which the Department of Homeland Security is required to review and respond to comments prior to finalizing the rule.

Introduction

What Is Public Charge, and How Is It Changing?

Under federal immigration law, when an immigrant applies for entry into the United States or for permanent resident status (i.e., a green card), officials decide if the immigrant is likely to become a "public charge" (i.e., primarily dependent on the government for subsistence). Such people can be denied permission to enter or become permanent residents. Under a longstanding policy, the term has applied only to immigrants who rely on cash benefits for most of their income, or to those institutionalized in a government-funded facility.

The Trump administration released a proposed rule change (PDF) that would greatly increase the chances of an applicant being determined to be a public charge. The proposed rule instructs immigration officials to take a broadened array of public benefits into consideration for the first time, including nonemergency Medicaid, Supplemental Nutrition Assistance Program (SNAP), Medicare Part D low-income subsidies, and housing assistance, such as Section 8 housing vouchers. The proposed rule invites comments as to whether CHIP should be included in the final rule, suggesting that its inclusion is still under consideration.

RESEARCH FOCUS

Potential Disenrollment from Medicaid/CHIP Among Children in Need of Medical Attention

These changes may negatively impact the health of children who live in immigrant households (defined as having at least one noncitizen adult).* Some noncitizen children currently enrolled in Medicaid/CHIP will be directly subject to this rule, meaning that they could be denied the opportunity to become legal permanent residents due to their enrollment in publicly supported health coverage. Many more children will likely be impacted by the rule's "chilling effect" on safety-net program enrollment. This means parents may disenroll themselves or their children from services due to fear that using such services could affect the child's or family member's immigration status, even though the child or family member is not directly subject to the rule.[4] In fact, there are reports that this is already happening.[5] History has demonstrated this type of chilling effect.[6]

Research estimating the impact of the proposed rule change on children living with immigrant adults exists.[7] This paper's research has a narrower focus, examining how this rule change might impact Medicaid/CHIP enrollment among a particularly vulnerable group: children "in need of medical attention." The authors analyzed data from the Medical Expenditure Panel Survey (MEPS) to assess the number and health of children who live with a noncitizen adult. The authors define "children in need of medical attention" as children with a current or recent medical diagnosis, disability, or need for specific care. Children are at risk of disenrollment from Medicaid/CHIP either because the rule directly applies to them or due to the chilling effect. Two Medicaid/CHIP disenrollment scenarios are presented to illustrate how the changes could affect health coverage for children in need of medical attention. (The authors include CHIP beneficiaries because many states use blended funding for Medicaid and CHIP, and Medicaid and CHIP beneficiaries often do not know which program is funding their health coverage).*

Key Findings

Review of MEPS data showed that nationwide:

- **4.8 million children** in need of medical attention lived in households with at least one noncitizen adult and were insured by Medicaid or CHIP. This includes (among others):
  - 951,000 children with at least one potentially life-threatening condition†
  - 814,000 children who were prescribed medications
  - 681,000 newborns
  - 354,000 children with musculoskeletal and rheumatologic conditions like fractures and joint disorders

*For more on this methodological choice, see Methods on page 4.

†Includes roughly 646,000 children with asthma, 279,000 children with influenza, 27,000 children with diabetes, 22,000 children with epilepsy, and 12,000 children with cancer. Numbers add up to more than 951,000 since some children have more than one of these conditions.

Drawing on the literature,[8] the authors applied disenrollment rates from Medicaid/CHIP of 15% to 35%. (For more, see Methods and Figure 1.) Under this scenario, roughly:

- **700,000 to 1.7 million children** in need of medical attention living with a noncitizen adult could be disenrolled from Medicaid/CHIP coverage. This includes (among others), approximately:
  - 143,000 to 333,000 children with at least one potentially life-threatening condition, including asthma, influenza, diabetes, epilepsy, or cancer
  - 122,000 to 285,000 children on prescribed medications
  - 102,000 to 238,000 newborns
  - 53,000 to 124,000 children with musculoskeletal and rheumatologic conditions like fractures and joint disorders

Figure 1. Estimated Number of Children in Need of Medical Attention Who May Lose Health Coverage Due to Public Charge Rule Change

4.8 million children in need of medical attention* are on Medicaid/CHIP and live with a noncitizen adult. **Up to 1.7 million** of these children could be disenrolled, including (among others) approximately:

143,000 to 333,000 children with at least one potentially life-threatening condition, including asthma, influenza, diabetes, epilepsy, or cancer

122,000 to 285,000 children on prescribed medications

102,000 to 238,000 newborns

53,000 to 124,000 children with musculoskeletal and rheumatologic conditions like fractures and joint disorders

*Children with a current or recent medical diagnosis, disability, or need for specific care.

Source: Author analysis based on data from the 2011 Medical Expenditure Panel Survey.

Discussion

The Impact of Losing Coverage

The coverage losses described above would negatively affect children in need of medical attention and would likely contribute to future disability. Children who lose Medicaid/CHIP are likely to become uninsured.[9] Without coverage, most families are unable to afford timely care, and children are likely to go without care or experience delays in getting needed care.[10] Delayed or forgone care contributes to worsening and more costly health conditions. For example, delayed or forgone care for epilepsy results in poor outcomes[11] like permanent brain injury. Epilepsy can lead to a need for costly care.[12] Childhood deaths from asthma, which are largely preventable with appropriate care, cost society $265 million in lifetime earnings losses annually.[13] In fact, treatment for many of these conditions is cost-effective and some (such as vaccination for newborns) prevent future health care costs.[14]

Moreover, prevention and treatment of childhood conditions prevents children from missing school, thus supporting their educational attainment. Treatment also allows parents to be more productive (rather than staying home to care for children), offsetting the cost of providing care. For example, loss of parental productivity from asthma-related school absence days was $719.1 million in 1996 alone.[15]

Broader Group of Children at Risk for Negative Health Impacts from Losing Other Benefits

An analysis of MEPS data also shows that, of the 12.1 million children living in a household with a noncitizen adult, 7.7 million were also in need of medical attention as the authors define it here. Although not the primary focus of this analysis, this broader population of children, including those not enrolled in CHIP/Medicaid, are at risk of other negative health impacts from losing access to vital benefits and services because of this proposed rule change. For example, parents choosing to disenroll from SNAP or housing assistance is likely to increase poverty and homelessness rates — two principal determinants of health. In addition, SNAP improves health throughout a person's life, reduces health care costs, and increases self-sufficiency in adulthood.[16] While harmful to all children, the loss of such supports for families could take a particularly hard toll on children in need of medical attention.

In contrast, providing health care and benefits that helps children stay healthy, learn better, and minimize adult disability is likely to pay dividends to the US economy and society over the long term.

A 60-day public comment period is underway, after which the Department of Homeland Security is required to review and respond to comments prior to finalizing the rule.

Methods

The authors examined 2011 MEPS data. To examine immigration and citizenship files, researchers must link the MEPS data to the National Health Interview Survey; 2011 is the last year for which these linkage files are publicly available without restriction. In their analysis, the authors included children who had Medicaid or CHIP at any point in the prior year.

The authors considered children to have a current (or recent) medical diagnosis, disability, or need for specific care if they had the condition or received the care in the prior 12 months. Medical diagnoses included asthma, attention deficit disorder, influenza, respiratory conditions (excluding, in this category, allergic rhinitis, viral upper respiratory infections, and influenza), gastrointestinal conditions, ear infections, diabetes, musculoskeletal and rheumatologic conditions, epilepsy, mental health conditions, ear/nose/throat/mouth and sensory conditions, cancer, congenital abnormalities or developmental disorders, and/or circulatory disorders. Potentially life-threatening illnesses included asthma, influenza, diabetes, epilepsy, and cancer. Disability included functional limitation, walking with assistive device or disability due to mental health condition (Columbia Impairment Scale >= 15). Children who needed specific care included children who were newborns (who require immunizations and screenings), were prescribed medications, received therapy (physical, occupational, speech) or counseling, were pregnant, saw a specialist, had any illness/injury or condition that required care right away, and/or received any care, test, or treatment.

The authors grouped children into two mutually exclusive categories: (1) children living with at least one noncitizen adult in the home and (2) children living with adults who were all citizens. All children, citizen and noncitizen, were part of the analysis, and the authors made no restriction on the relationship between the child and adults in the household. Estimates of children at risk are higher than other published research on the potential impact of the draft proposed public charge rules on citizen children's coverage[17] for two reasons: The authors focus on all children (not citizen children alone), and they include children living with noncitizen adults who are not parents, reflecting that many children live with nonparental adult caregivers (similar to estimates of other impacts on children that consider children living with any noncitizen to be at risk[18]).

For estimates of potential changes in coverage due to public charge policies, as others have done,[19] the authors considered several scenarios using different disenrollment rates for Medicaid and CHIP. Drawing on previous research on the chilling effect welfare reform had on enrollment among immigrant families,[20] these scenarios illustrate the potential impact if the draft proposed regulation were to take effect. The authors began with a 25% disenrollment among children of immigrants, based on a study after welfare reform that focused on children and included children who remained eligible for benefits after the welfare reform changes. Given the uncertainty about the actual impact, we examined the impact if the disenrollment rate was lower (15%) or higher (35%).

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About the Foundation

The California Health Care Foundation is dedicated to advancing meaningful, measurable improvements in the way the health care delivery system provides care to the people of California, particularly those with low incomes and those whose needs are not well served by the status quo. We work to ensure that people have access to the care they need, when they need it, at a price they can afford.

CHCF informs policymakers and industry leaders, invests in ideas and innovations, and connects with changemakers to create a more responsive, patient-centered health care system.

For more information, visit www.chcf.org.

Endnotes

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