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# State Estimates of the Low-income Uninsured Not Eligible for the ACA Medicaid Expansion

## *Introduction*

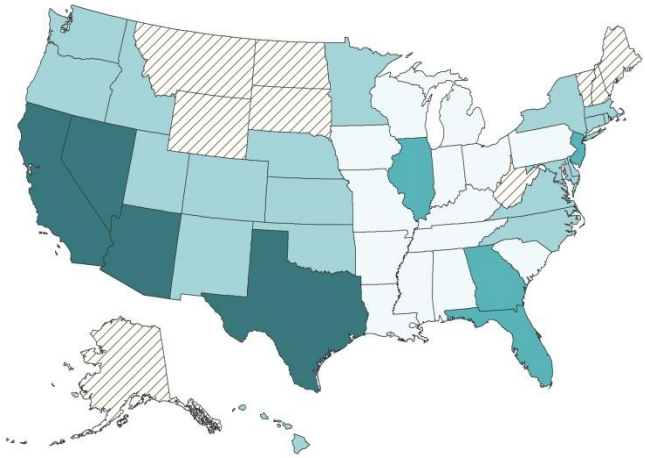
The Patient Protection and Affordable Care Act (ACA) will expand access to affordable health insurance for millions of Americans. In states that choose to implement the Medicaid expansion for low-income adults, Medicaid will provide an important new pathway to coverage. Yet, even in states that choose to expand Medicaid a significant proportion of the low-income nonelderly adult population will be excluded from the Medicaid expansion due to their immigration status. Legal permanent residents, in most circumstances, are ineligible for Medicaid benefits for the first five years during which they reside legally in the U.S.[1] and unauthorized immigrants are excluded from Medicaid coverage.[2,3]

This brief provides the first state-specific estimates of the number of uninsured low-income adults that will potentially be excluded from the Medicaid expansion because of their immigration status. Other researchers have produced national estimates of the characteristics of the unauthorized, state level population estimates of the unauthorized, and state level characteristics of those eligible for the Medicaid expansion (see "Contribution to Existing Research" section). Unlike these previous estimates that start with the number of foreign born and subtract out the legally resident population to arrive at an estimate of the number of unauthorized immigrants, we start by creating a regression model of legal status using person-level data from the Survey of Income and Program Participation (SIPP). We use the SIPP because it is the only national level survey that includes a question on immigration status. However, since the SIPP does not have enough sample size to support state-specific analyses and the American Community Survey (ACS) does, this paper uses the regression model in the SIPP to impute legal status into the ACS (see "Data and Methods" section).

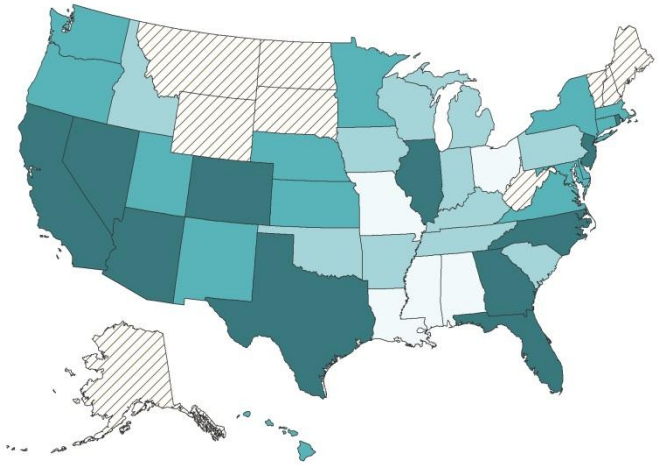
The restrictions on immigrants' eligibility for Medicaid make immigration status an important variable in any analyses estimating the impact of Medicaid expansions. Consideration of immigration status is particularly important because unauthorized and recent legal immigrants are much more likely to be low-income and uninsured than their non-immigrant and more established immigrant counterparts. Therefore, even though unauthorized and/or recent legal immigrants may make up a relatively small proportion of the non-elderly adult population in general, they can make up a significant proportion of the low-income uninsured, and estimates that do not take an individual's immigration status into account will overestimate the population eligible for the expansion. For example, as shown in Table 1, 17% of all low-income uninsured nonelderly adults are predicted to be unauthorized and/or recent legal immigrants, compared to just 6% of the nonelderly population as a whole. Furthermore, their share of the low-income uninsured population varies substantially across states. In this brief we start with a summary of our results and then describe how we arrived at our estimates, discuss how our research differs from other related research, and list our conclusions.

**Figure 1. Predicted nonelderly adult (19-64) unauthorized/recent legal immigrants**

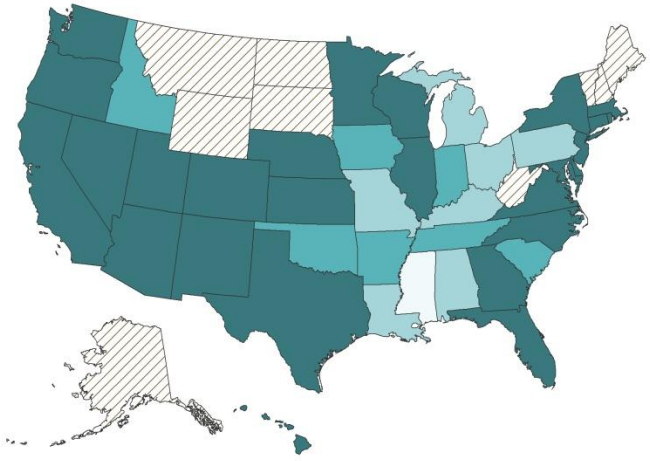
Map 1. Percent of all nonelderly adults

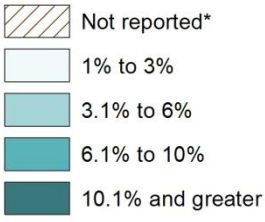


Map 2. Percent of all low-income (0-138% FPG) nonelderly adults



Map 3. Percent of all low-income uninsured nonelderly adults






* Not reported due to the relative size of the standard error.

## *Summary of Results*

Nationally, the predicted percent of nonelderly adults who are either unauthorized immigrants or recent legal immigrants is 6% (Table 1).[4] There is significant variation among states in the predicted percent of unauthorized/recent legal immigrants, and in four states (Arizona, Texas, California, and Nevada) they make up more than 10% of the nonelderly adult population (Figure 1, Map1).

However, if the analysis is restricted to the low-income nonelderly adult population (Map 2), then the predicted share of unauthorized immigrants or recently arrived legal immigrants increases to 10% nationally (Table 1), as unauthorized immigrants and recently arrived legal immigrants are more likely to be low-income than the remainder of the non-elderly population. Again, as demonstrated in Map 2, we see substantial variation among states, with shares above 10% in eleven states.

Finally, considering just the population that is low-income *and* uninsured (Map 3), the predicted percent of this group that are either unauthorized immigrants or legal immigrants subject to the five-year ban increases to 17% for the U.S. (Table 1). Under this scenario, more than half of the states shown (26) have shares above 10% (Map 3). Additionally, the variation between states is higher with predictions ranging from a 3% share in Mississippi to a 34% share in Nevada (Table 1).

Source: 2009 American Community Survey and the 2008 Panel of the Survey or Income and Program Participation as analyzed by SHADAC.
Notes: Low-income is family (defined here as a health insurance unit) income at or below 138% of the federal poverty guidelines (FPG). Immigration status is imputed in the ACS based on reported immigration status in the Survey of Income and Program Participation. Estimates from some states were not included because their relative standard errors exceeded 30%.

**Table 1: Nonelderly Adults (19-64) by Predicted Legal Status (in thousands)**

| | All Income Levels | | Low-Income (0-138% FPG) | | Low-Income Uninsured | |
|---|---|---|---|---|---|---|
| State | Total Number of Nonelderly Adults | % Unauth./ Recent Legal Immigrants | Total Number of Low-Income Nonelderly Adults | % Unauth./ Recent Legal Immigrants | Total Number of Low-Income Uninsured Nonelderly Adults | % Unauth./ Recent Legal Immigrants |
| United States | 185,912 | 6% | 50,618 | 10% | 20,594 | 17% |
| Alabama | 2,820 | 2%* | 879 | 3%* | 358 | 5%* |
| Arizona | 3,850 | 11%* | 1,174 | 18%* | 447 | 31%* |
| Arkansas | 1,700 | 2%* | 522 | 4%* | 249 | 6%* |
| California | 22,529 | 11%* | 6,746 | 18%* | 2,943 | 26%* |
| Colorado | 3,146 | 5% | 733 | 11%* | 321 | 20%* |
| Connecticut | 2,145 | 6% | 439 | 9% | 125 | 20% |
| Delaware | 532 | 5% | 130 | 9% | 35 | 22% |
| Florida | 10,854 | 7%* | 3,262 | 10% | 1,619 | 16% |
| Georgia | 5,958 | 7%* | 1,788 | 12%* | 894 | 20%* |
| Hawaii | 795 | 5%* | 201 | 9%* | 45 | 10%* |
| Idaho | 905 | 3%* | 250 | 6%* | 111 | 9%* |
| Illinois | 7,870 | 7%* | 2,070 | 11%* | 839 | 19%* |
| Indiana | 3,864 | 3%* | 1,007 | 5%* | 403 | 7%* |
| Iowa | 1,790 | 2%* | 366 | 4%* | 111 | 9%* |
| Kansas | 1,690 | 4%* | 391 | 8% | 157 | 13%* |
| Kentucky | 2,628 | 2%* | 813 | 3%* | 343 | 5%* |
| Louisiana | 2,696 | 2%* | 820 | 2%* | 361 | 4%* |
| Maryland | 3,529 | 6%* | 731 | 10% | 266 | 19% |
| Massachusetts | 4,123 | 6% | 879 | 9% | 109 | 22%* |
| Michigan | 6,061 | 2%* | 1,827 | 3%* | 645 | 5%* |
| Minnesota | 3,238 | 3%* | 659 | 7%* | 166 | 10%* |
| Mississippi | 1,722 | 1%* | 605 | 2%* | 252 | 3%* |
| Missouri | 3,594 | 2%* | 955 | 2%* | 371 | 4%* |
| Nebraska | 1,069 | 3%* | 247 | 7%* | 92 | 12% |
| Nevada | 1,602 | 14%* | 402 | 24%* | 224 | 34%* |
| New Jersey | 5,315 | 8%* | 1,146 | 12%* | 428 | 22%* |
| New Mexico | 1,181 | 5%* | 380 | 8% | 174 | 13%* |
| New York | 12,083 | 6% | 3,266 | 9% | 930 | 17% |
| North Carolina | 5,711 | 6% | 1,627 | 11%* | 721 | 20%* |
| Ohio | 6,967 | 2%* | 1,919 | 2%* | 693 | 4%* |
| Oklahoma | 2,167 | 3%* | 629 | 6%* | 305 | 9%* |
| Oregon | 2,356 | 5%* | 637 | 9% | 290 | 13%* |
| Pennsylvania | 7,587 | 2%* | 1,816 | 3%* | 530 | 6%* |
| Rhode Island | 651 | 6% | 157 | 10% | 49 | 23%* |
| South Carolina | 2,743 | 3%* | 839 | 4%* | 366 | 8%* |
| Tennessee | 3,833 | 2%* | 1,155 | 4%* | 459 | 8%* |
| Texas | 14,712 | 11%* | 4,529 | 18%* | 2,514 | 26%* |
| Utah | 1,603 | 4%* | 425 | 8%* | 152 | 14% |
| Virginia | 4,872 | 4%* | 1,053 | 7%* | 405 | 12%* |
| Washington | 4,163 | 5%* | 974 | 8%* | 370 | 13%* |
| Wisconsin | 3,462 | 2%* | 762 | 4%* | 227 | 10%* |

*Indicates statistically significant difference from the U.S. share at the 95% significance level.
Sources: 2009 American Community Survey and the Survey of Income and Program Participation, as analyzed by SHADAC.
Notes: Low-income is family (defined here as a health insurance unit) income at or below 138% of the federal poverty guidelines.
Immigration status is imputed in the ACS based on reported immigration status in the Survey of Income and Program Participation.
Estimates from some states were not included because their relative standard errors exceeded 30%.

## Data and Methods

The objective of this work is to predict legal status for non-citizen adults in the ACS in order to generate state-level estimates of the low-income population ineligible for Medicaid. To do that, we use data on self-reported legal status from the SIPP to develop a regression-based imputation model that we then apply to the sample in the ACS. As mentioned earlier we use the SIPP because it is the only national level survey that includes a question on immigration status; however, the SIPP is not designed to produce state level estimates and has a small sample size in many states. We use the ACS because its large sample size (over 3 million in 2009) supports estimates for the low-income uninsured population in every state. The model specification is informed by work done by migration demography experts Dean Judson and Jeffrey Passel and includes year of entry, place of birth, income, ethnicity, employment, age, industry and other variables. Following Judson's approach, non-citizens are assigned "nonpermanent" status if they did not enter the U.S. as legal permanent residents (LPR), and their status has not changed to LPR since arriving. We then adjust this variable further by excluding individuals whose circumstances imply legal status.[5]

These estimates of legal status are then calibrated to match state estimates of unauthorized immigrants from the Department of Homeland Security Office of Immigration Statistics.[6] Finally, multiple imputation (MI) methods are used to incorporate uncertainty in predicted immigration status. This method creates multiple predictions for each person that are then combined to create estimates with standard errors that reflect the uncertainty due to using predictions from the regression model.

We use data from the second wave of the 2008 Survey of Income and Program Participation (SIPP) panel and the 2009 American Community Survey (ACS). The second wave of the 2008 panel is used because of the availability of a legal status variable included in the migration history topical module administered during this wave. Data for wave 2 were collected from January to April 2009.

We use the 2009 ACS to estimate the number of low-income uninsured non-elderly (19-64) adults by state. Following 2014 Medicaid expansion guidelines, individuals with family incomes at or below 138%[7] of federal poverty guidelines (FPG) are considered low-income.[8] Uninsured individuals are those who report no health insurance coverage at the time of the survey. We then estimate the share of the low-income uninsured that are ineligible for the Medicaid expansion (legal immigrants subject to the five-year ban and unauthorized immigrants) by examining immigration status and year of entry to the U.S. We classify individuals as legal immigrants subject to the five-year ban if they report having entered the U.S. in 2005 or later.[9]

## Contribution to Existing Research

The Pew Hispanic Center (Passel 2010; Passel & Cohn, 2009) and the Department of Homeland Security Office of Immigration Statistics (Hoffer et al., 2011) regularly publish estimates of the foreign-born population by immigration status, both nationally and by state and the Pew Hispanic Center has also produced estimates of the characteristics of unauthorized immigrants on a national level (Passel et. al. 2009). Similar estimates were also recently made available by the Congressional Research Service (Wasem, 2012). The Urban Institute has produced national and California specific estimates of the characteristics and insurance status of unauthorized immigrants (Zuckerman 2011 and Fortuny et. al. 2007) and state-level estimates of both eligibility for the Medicaid expansion (Kenney et. al. 2012) and the remaining uninsured after health reform (Buettgens et. al. 2011 and Clemens Cope et. al 2012) but this and other similar research does not include state level estimates of the number of or the demographics of individuals who will be ineligible for Medicaid due solely to their immigration status.

We fill this gap by providing state-level estimates of the low-income uninsured excluded from the Medicaid expansion in order to help states plan for health reform, better evaluate its impact, and assess the role of the local safety net in meeting the health care needs of the uninsured. Furthermore, the work we present here is – as far as we know – the first to utilize actual person-level self-reported immigration status to produce estimates of the unauthorized immigrant population (see Data and Methods section above). All of the above studies use the residual method where they begin with an adjusted number of foreign born from either the Current Population Survey or American Community Survey and then subtract out the legally resident population using survey and administrative data.

## Conclusion

By making use of a novel method that uses person-level self-reported immigration information in the SIPP to predict immigration status into the ACS, this brief provides the first state-specific estimates of the number of uninsured low-income adults that will be excluded from the Medicaid expansion because of their immigration status. Despite the far-reaching potential expansion of Medicaid under the ACA, our estimates demonstrate that a substantial proportion of low-income uninsured adults will be ineligible for Medicaid because of their immigration status. Safety-net health care providers are likely to continue to be key providers for this population after health reform, and the need for safety-net care will not be spread evenly across states. The capacity of safety-net providers to fill this gap will need to be assessed. While all states will need to develop strategies for meeting the health care needs of these adults, the challenges will be particularly difficult for safety-net providers in states with large numbers of immigrants who will not be eligible for Medicaid.

## Suggested Citation

State Health Access Data Assistance Center. 2013. "State Estimates of the Low-income Uninsured Not Eligible for the ACA Medicaid Expansion." Issue Brief #35. Minneapolis, MN: University of Minnesota.

## End Notes

[1] In this brief, references to *legal immigrants* include legal permanent residents, asylees and refugees and some other immigrants with unique situations; the term *unauthorized immigrant* refers to persons who have: 1) entered the U.S. without approval from immigration authorities, 2) violated the terms of a temporary admission (e.g. overstaying a tourist/student visa without status adjustment) or 3) used falsified documents to gain entry to the U.S. Asylees and refugees are exempt from the five-year ban. Non-immigrants (individuals with tourist, work, or student visas, for example) are also ineligible for Medicaid coverage in most circumstances.

[2] Limited services for unauthorized immigrants are covered under Emergency Medicaid and several states also cover pregnant women and children who are otherwise ineligible for Medicaid, either through state funds and/or a federal match. For a state-level discussion of immigrant access to Medicaid services and whether federal or state-only funds are used please see Karina Fortuny and Ajay Chaudry, "A Comprehensive Review of Immigrant Access to Health and Human Services." Produced for the Department of Health and Human Services, The Urban Institute, June 2011. http://aspe.hhs.gov/hsp/11/ImmigrantAccess/Review/index.shtml

[3] These restrictions are not new in the Affordable Care Act. They were established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

[4] This estimate is different than the 11.2 million often mentioned in the media because it includes only the non-elderly, is from 2009 data, includes recent legal immigrants and is calibrated to estimates from the Office of Immigration Statistics, not the Pew Hispanic Center.

[5] Legal status is assigned to the individual if she is enrolled in a public health insurance program other than Medicaid such as Medicare or Military health insurance coverage, is receiving public assistance, supplemental security income or social security income, is a recently arrived student, has a job that requires a great deal of scrutiny of immigration status such as a policeman, judge or firefighter or entered the U.S. prior to 1980.

[6] The purpose of these calibrations is to adjust for suspected underreporting of "unauthorized" status in the SIPP while maintaining the distributions of the attributes of this population. We use a random assignment method to match control totals of unauthorized by the top ten states and by six age categories. These control totals are estimates from the Office of Immigration Statistics using a method called the residual method. This method uses surveys and administrative data. See Michael Hoffer et. al., 2009, Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2009.

[7] The 138% FPG reflects a 5 percentage point income disregard under the ACA. See http://www.shadac.org/blog/aca-note-when-133-equals-138-fpl-calculations-in-affordable-care-act for a discussion of this disregard.

[8] Families are defined as health insurance units (HIUs), which include family members who would likely be considered a "family unit" in determining eligibility for private or public coverage. See SHADAC's brief on defining HUIs here:
http://www.shadac.org/files/shadac/publications/SHADAC_Brief27.pdf

[9] Technically, legal immigrants are subject to the five-year ban for the first five years in which they reside lawfully/legally in the U.S. However, we only know when respondents entered the U.S., not when they were granted lawful/legal status. There is also some question regarding whether the year of entry question In the American Community Survey is truly measuring when a person actually entered the U.S. The question on the survey is "When did you come to live in the United States?" and it is not clear if people are reporting when they first came to the U.S. or when they last entered the U.S. For a more detailed exploration of this issue please see Philip Harris et. al. "Evaluation Report Covering Place of Birth, U.S. Citizenship Status, and Year of Arrival," 2006 American Community Survey Content Test Report P.1., U.S. Census Bureau, January 12, 2007.