

The Public Spends Little to Provide Health Care for Undocumented Immigrants

Some policymakers argue that providing health care for nonelderly undocumented immigrants creates a public burden, but is this really so? Working within Los Angeles County, which has the largest concentration of immigrants in the nation, RAND Corporation researchers analyzed information from the Los Angeles Family Neighborhood Survey, which interviewed families in 65 county neighborhoods during 2000 and 2001. Nonelderly participants—those between 18 and 64—were asked about their health status, whether they had health insurance, the type and amount of care used, and the type of immigrant they were. After deriving estimates for the county, researchers extrapolated the estimates to the national level.

- Of the \$430 billion in national medical spending in 2000, native-born residents accounted for 87 percent of the population but for 91.5 percent of the spending. Foreign-born residents, who include undocumented immigrants, accounted for 13 percent of the population but for only 8.5 percent of the spending. Undocumented immigrants—3.2 percent of the population—accounted for only about 1.5 percent of medical costs.
- Foreign-born residents use less funding from public insurers (such as Medicare and Medicaid) and pay more out-of-pocket costs for health care than do native-born residents—a pattern that is even more pronounced for undocumented immigrants.
- The lower medical spending is driven by lower utilization of services. Utilization data from Los Angeles County show that many foreign-born residents had almost no contact with the formal health care system. For example, whereas only about a tenth of native-born residents had never had a checkup, that fraction jumped to a quarter for foreign-born residents and to a third for undocumented immigrants. Moreover, because Los Angeles County is known as an immigrant-friendly location for services, the estimates for the nation may be lower for undocumented immigrant service use and, thus, may be lower for medical costs.
- A number of reasons account for the lower utilization, but one key reason is that immigrants—especially the undocumented—appear to be healthier than native-born residents.

The policy debate over immigration should focus not on health care costs but rather on a fuller analysis of all the fiscal benefits and costs of immigrants. Such an analysis should incorporate the taxes paid by immigrants and also the other public benefits received—in particular, public school costs—where the public costs for all types of immigrants, including undocumented immigrants, is likely to be much larger than those for nonimmigrants.

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