

**WHEN IT COMES
TO TREATING
UNDOCUMENTED
IMMIGRANTS,
HOSPITALS'
MISSION OF
CARING COLLIDES
WITH THE
FINANCIAL
REALITY OF
UNCOMPENSATED
COSTS.**

Hospitals Bear the Burden of Immigrants' Healthcare

By KERRY McKEAN KELLY

Southwestern states like Arizona, New Mexico, Texas and California are drawing attention to the growing financial burden their hospitals bear in treating illegal immigrants.

But when it comes to uncompensated care for treating these patients, New Jersey qualifies as a border state in every criteria but geography.

Although hard data is hard to come by, New Jersey is considered among the top 10 states in the nation for the costs of caring for illegal immigrants, according to the American Hospital Association.

NJHA is among 12 state and regional hospital associations that sit on the AHA's Coalition For Fair Payments to Health Care Providers Treating Emergency Undocumented Immigrants. Largely comprised of the states that border Mexico, the coalition also includes representatives from New York, Florida and Illinois — states with major cities with large immigrant populations — and the Carolinas, which employ a number of seasonal agricultural workers. New Jersey is a study in both scenarios — highly urbanized areas in the north populated with a number of diverse cultures and agricultural enterprises in the south that depend on migrant workers.

How Heavy the Burden?

"No doubt about it: caring for illegal immigrants is yet another burden for New Jersey hospitals," said Sean Hopkins, NJHA's senior vice president of health economics.

How heavy a burden remains unclear. Efforts to

quantify the costs to the nation's hospitals in treating illegal immigrants have failed to arrive at reliable numbers. These patients, after all, are *undocumented* immigrants, a population with no legal residency, no records, no official identification.

The U.S. General Accounting Office launched an effort earlier this year to measure the costs of healthcare delivered to illegal immigrants. That study is taking a look at uncompensated emergency room care in 10 states, including New Jersey, but its findings are not yet available.

Meanwhile, statistics from the U.S. Census Bureau put the number of illegal immigrants in the United States at 8.7 million.

Census Bureau data also shows that New Jersey's immigrant population is growing. New Jersey now gains 63,000 new foreign-born residents annually, according to the Census Bureau, although that number reflects immigrants settling here legally.

At the same time, the amount of uncompensated care provided by the nation's hospitals also grows. The AHA estimated uncompensated care costs reached \$21 billion nationwide in 2001. Of course, those numbers reflect more than just undocumented immigrants.

The point is, AHA officials say, caring for undocumented immigrants is a significant part of hospitals' growing uncompensated care burden.

In 2001, the U.S./Mexico Border Counties Coalition, a non-profit group of 24 southwestern counties, commissioned a study to further explore the

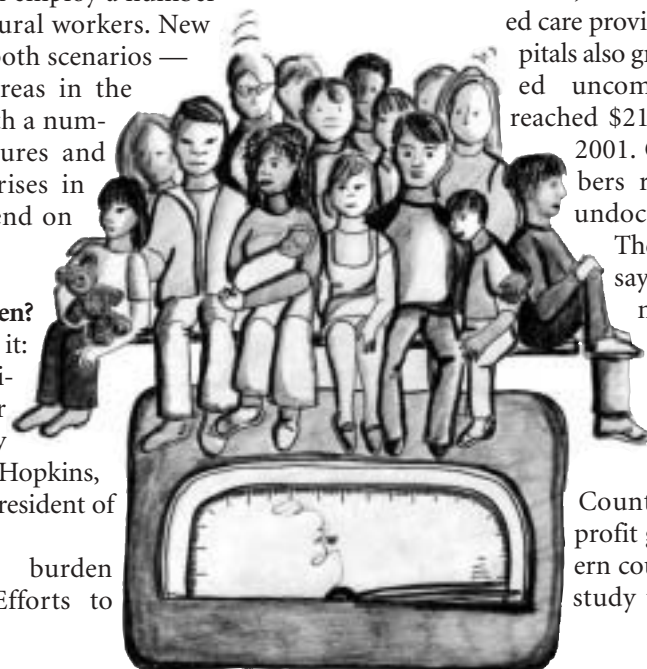


ILLUSTRATION BY PAMELA BROWN-VILLARUZ

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extent of the problem. It estimated that the 24 counties alone carried more than \$200 million annually in uncompensated emergency care costs associated with undocumented aliens. That figure did not include other costs that lie beyond the "emergency" definition, such as preventive, acute care or long term and rehabilitation care.

New Jersey is considered among the top 10 states in the nation for the costs of caring for illegal immigrants.

In New Jersey, NJHA and its hospitals struggle with the same challenge of documenting the costs of caring for illegal immigrants. Based on a small sampling of New Jersey acute care hospitals, NJHA has a "loose estimate" that the state's hospitals spend at least \$200 million annually caring for illegal immigrants, says Hopkins.

At Newark's University Hospital, officials know they serve a significant portion of the city's undocumented immigrants, especially in their emergency room. But they simply can't be certain how much of their total uncompensated care comes from this population.

"We've thought about it, but we haven't been able to come up with a way to quantify it," says Jim Lawler, University's chief financial officer.

These patients' costs can sometimes qualify for charity care reimbursement from the state, but to document them for charity care purposes, the patient must provide a valid address. Collecting that kind of information from illegal immigrants can be difficult, notes Lawler.

"They're pretty close-mouthed about (their status,)" says Lawler. "They are afraid there will be consequences."

Committed to Caring

Through it all, these patients receive the hospital care they need. Not only is it part of hospitals' missions to provide healthcare to all, the federal Emergency Medical Treatment and Labor Act, better known as EMTALA, requires hospitals to provide emergency care to patients, regardless of their ability to pay.

In New Jersey, the obligation goes even further, with the state's charity care law requiring hospitals to provide healthcare — even beyond emergency care — regardless of patients' insurance or financial status.

Hospital officials said they wouldn't have it any other way — hospitals are committed to providing healthcare to those who need it. Nevertheless, laws such as EMTALA are an example of an unfunded government mandate. The federal government only reimburses hospitals for the care of illegal immigrants who

are in the custody of Immigration officials or other federal agents — and that represents just a small amount of the total healthcare provided to illegal immigrants.

Laws requiring hospitals to deliver care to undocumented immigrants can sometimes be exploited. Carla Luggiero, AHA's senior associate director for federal relations, notes that a "medical parole" provision allows immigrants to legally cross the border for certain medical needs. For hospitals along the Mexican border, that has led to expensive care for patients such as burn victims who can't get the care they need in their native country.

In addition, hospitals are obligated to treat foreign-born patients who are here on tourist visas. Luggiero says she has heard reports of patients with serious long-term illnesses such as leukemia or AIDS coming to the United States on a tourist visa and heading straight for a hospital once they arrive.

Perspective

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Hospitals treat all comers, regardless of their ability to pay. It's why they exist — to care for those in need.

But it's hard to sustain that noble mission if government doesn't fulfill its obligation to support the hospitals that provide that care.

Caring for undocumented immigrants is yet another example of hospitals delivering — and government not. Laws such as EMTALA and New Jersey's charity care rule require hospitals to provide the care. But in the case of EMTALA, there's no reimbursement attached — just a mandate. And in New Jersey, charity care pays just a fraction of hospitals' true costs, in some cases as little as 10 cents on the dollar.

In an era when Medicare cuts have reached \$1.8 billion in New Jersey over the last five years, and the charity care shortfall is growing to \$600 million or

more each year, the costs of treating undocu-

mented immigrants without compensation may seem inconsequential. It's true that it's not one of hospitals' largest expenses, but it's indicative of a much larger problem. Our healthcare reimbursement system is broken, and no one is owning up to the responsibility of fixing it. Our officials in Washington, D.C., and Trenton cannot continue to cut and deny without acknowledging that the very quality and accessibility of our healthcare system is threatened by their actions. Whether the issue is as large as Medicare reimbursement or as small as uncompensated care for illegal immigrants, to ignore it is to send our nation's healthcare system into a spiral of despair.



Fight for Relief

Hospitals don't want to turn these patients away. What they do want is for the federal government to recognize the burden it has placed on hospitals and compensate them for at least a portion of the costs associated with caring for these patients.

Language that would provide a degree of relief has become part of the current debate in Washington, D.C., over a Medicare prescription drug benefit. U.S. Sen. Jon Kyl, a Republican from Arizona, has inserted language in the Senate's Medicare reform bill that would provide \$250 million annually over a five-year period to compensate hospitals for the emergency care they provide to illegal immigrants. He's also submitted the plan in a freestanding bill, S-412, known as the "Local Emergency Health Reimbursement Act."

"It is another financial pressure — and it's definitely growing."

— AHA's Carla Luggiero

Luggiero says the bill includes a formula to help divide the money based on a ratio of estimated illegal immigrants compared with the overall population. That formula would probably allow funds to go to 10 states including New Jersey.

Despite support from AHA and its members on the "border states" coalition, Luggiero says the bill may be a hard sell in Congress. Amid an atmosphere of fiscal constraints, the measure is facing big-ticket items such as Medicare reform and the war in Iraq. In addition, says Luggiero, in some quarters of Washington there are concerns that appropriating money to reimburse hospitals for illegal immigrants' healthcare will only attract more patients from across the border.

Despite those challenges, the advocacy push continues — as does hospitals' commitment to caring for these patients in need.

"It is another financial pressure — and it's definitely growing," says Luggiero.

Many Shy Away From Government Insurance Programs

By KERRY McKEAN KELLY

The burden of treating illegal immigrants may have a substantial ripple effect across the healthcare system — even extending to some individuals who are in the United States legally.

That's the perspective from the Center for Policy Alternatives, a nonprofit organization that considers policy from a state's vantage point.

According to the Center, many immigrants and their children who are eligible for government insurance programs fail to sign up. Why? In many instances, it's because there's an undocumented immigrant in the household and family members fear the individual's illegal status will be discovered.

The Center for Policy Alternatives reports that 78 percent of the children of immigrants were born in the United States.

"They are fully eligible for coverage under Medicaid and the State Children's Health Insurance Programs," reports the Center. "But many of these children are unlikely to receive coverage because of federal restrictions on immigrants who live in households with them. This problem is very common. For example, although 60 percent of the U.S. Latino population is native-born, a large number live in households that include legal or undocumented immigrants."

A 1999 report from the U.S. General Accounting Office found that one-third of all low-income children who were eligible for Medicaid but not enrolled were children in immigrant families.

The Center for Policy Alternatives attributes the problem to confusion and misunderstanding about eligibility standards.

"This confusion, coupled with misplaced fears that receiving services will jeopardize immigration status, has caused a steep decline in Medicaid

enrollment of low-income immigrants and their family members since 1996, including children who are eligible because they were born in the United States," reports the Center.

One-third who were eligible for Medicaid but not enrolled were children in immigrant families.

New Jersey also reports a number of eligible children who have not been enrolled in the state's NJ FamilyCare program, which provides free or low-cost health insurance for families in need that do not qualify for Medicaid. In New Jersey, about 119,000 children who are eligible for the program have not been enrolled, according to statistics from the Urban Institute. Nationwide, the number of eligible-yet-unenrolled children reaches 4 million.

NJHA's Health Research and Educational Trust is part of New Jersey's Covering Kids program, a coalition of healthcare advocates with funding from the Robert Wood Johnson Foundation. Its charge: to increase enrollment in NJ FamilyCare.

In analyzing some of the barriers that keep eligible children from the program, HRET has found that immigration status often times is a contributing factor.

"The families who are undocumented — although they have children who are born here and are eligible — they have a concern that they may be discovered," says Firoozeh Vali, NJHA's assistant vice president of research. "Definitely, this is one of the barriers."

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Questions — and Answers — from the AHA

The American Hospital Association and its Coalition for Fair Payments to Health Care Providers Treating Emergency Undocumented Immigrants has prepared a list of Frequently Asked Questions about the growing burden hospitals face in treating undocumented immigrants. Following are excerpts:

Q What can hospitals do to prevent problems that arise from caring for these patients?

Finding a way to help people without health insurance have access to health care is a top priority for us. But it's beyond a hospital problem; it's a community problem ... and there's no simple answer. Many hospitals lack the resources to initiate a free clinic or similar services on their own, especially when they're providing millions of dollars in uncompensated care. We're working to secure federal funding so hospitals can continue to provide essential services for the entire community they serve.

Q Where do hospitals stand with illegal immigrants going to the ER and not having any medical coverage?

Hospitals are committed to serving their communities, anyone who walks through their doors — regardless of their ability to pay. But the strain can become overwhelming. Hospitals may have to close departments or cut back on services. Also important is what happens to the patient after their ED visits — they can't access acute, rehab, home and hospice care, prescription drugs or outpatient follow-up. It's a big health issue that affects the entire community's health.

Q How severe is the problem in communities that have high concentrations of undocumented immigrants?

Many communities are having a very difficult time. In many communities it's created a real financial squeeze and forced hospitals to re-evaluate the services they provide. Some hospitals have been forced to shut down departments or cut back on services provided.

Q Usually immigrants go to hospitals when very sick. Wouldn't it be better to give them preventative care?

Absolutely, but typically those without health coverage don't seek preventive care and have little choice but to wait and use the emergency room as a primary care physician. Some hospitals are able to provide outreach services and clinics but few have the resources.

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