

THE SINKING LIFEBOAT

Uncontrolled Immigration and the U.S. Health Care System in 2009 A REPORT BY ERIC RUARK, SENIOR RESEARCHER AND JACK MARTIN, DIRECTOR OF SPECIAL PROJECTS



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EXECUTIVE SUMMARY

America's health care system is in crisis: Costs and insurance premiums are skyrocketing and the number of the uninsured is rising rapidly as millions of Americans have lost their jobs. Providers are reducing staffing and services and increasing rates, and hospitals are closing or facing bankruptcy. Into this deteriorating situation, the Obama Administration is boldly striding in an effort to extend medical insurance more widely to the uninsured. A key issue is the cost of the expansion, and that cost will be greatly influenced by the amount of coverage that becomes available to immigrants, including illegal aliens and their children—a sizable portion of the uninsured.

The President and members of Congress have spoken extensively about the crisis in health care, but what they have ignored is the role immigration has played in driving up the number of uninsured and the rising cost of health care for native-born Americans.

As states grapple with current budget deficits, they are cutting their health care budgets to try to make ends meet. But they are limited by current legislation from making certain cutbacks in emergency medical care that would ease some of the strain that is caused by the high level of immigrant usage, especially by illegal aliens.

What is most frustrating to the public, federal state and local governments refuse to collect the information that would expose just how expensive health care to immigrants actually is, and how the quality and availability of health care to American citizens is suffering because of it.

RESEARCH DATA DESCRIBED IN THIS REPORT SUBSTANTIATE THE FOLLOWING FACTS:

- ▶ Between 1989 and 2007, immigrants and their U.S.-born children accounted for 71 percent of the increase in the uninsured.
- Today, more than one out of every four uninsured U.S. residents is an immigrant.
- There are 14.5 million immigrants and their U.S.-born children without health insurance, 32 percent of the uninsured.
- The foreign-born make up 27 percent of the uninsured population in the U.S.
- ▶ 48 percent of immigrants and their children are either uninsured or depend on Medicaid.
- Approximately 65 percent of illegal aliens in the U.S. are uninsured.
- In some hospitals, as much as two-thirds of total operating costs are for uncompensated care for illegal aliens.
- ▶ 425,000 births a year in the U.S.—more than 1 in every 10 births—is to an illegal alien mother.

Although a national total of annual unreimbursed medical expenses for illegal aliens is not available, it is likely that those costs are more than \$10.5 billion.

Federal laws requiring hospitals to treat anyone who enters an emergency room regardless of ability to pay have created an unfunded mandate. States and localities may not deny emergency care to the uninsured regardless of immigration status. The problem of emergency care has grown to enormous proportions because the lack of enforcement of federal laws against illegal immigration has led to a pool of 13 million illegal aliens in the U.S.—and state and local taxpayers are being forced to foot the bill. Although immigration law enforcement is a federal responsibility, most hospitals receive little or no reimbursement for the care to immigrants that the federal government mandates that they provide. Although there was legislation passed in 2005 to reimburse hospitals that provide emergency care for illegal aliens, the funds appropriated proved to be woefully inadequate, and that appropriation has since expired.

- Lack of insurance leads many immigrants to use hospital emergency departments—the most expensive source of health care—as their primary care provider. This leads to overcrowded conditions for citizens who seek emergency care. Nationwide, emergency room visits increased by 36 percent from 1996 to 2006. The problem has become so out of control that Mexican ambulance companies are being allowed to drive uninsured patients across the U.S. border to receive free treatment.¹
- Many illegal aliens are taking advantage of legislation that requires emergency rooms to treat all patients, regardless of ability or intent to pay for the treatment. The cost of uncompensated care to taxpayers and insured patients continues to rise. Uncompensated costs has caused some hospitals to reduce staff, increase rates, cut back services, and close maternity wards and trauma centers.

The escalating burden incurred by hospitals and other health facilities for the uncompensated treatment of aliens is driven both by rampant illegal immigration and a legal immigration system that allows large numbers of foreigners to gain legal residence despite the fact that they are unlikely to be working in jobs with health care coverage or have personal resources sufficient to pay for health services. They are currently ineligible for Medicaid for the first five years after admission, so they, like illegal aliens, may resort to using emergency rooms. Furthermore, the sponsorship requirement for legal immigrants—intended to prevent immigrants from being a burden on the American taxpayer—is simply not enforced by the federal government.

The federal government had been providing a limited reimbursement of the outlays caused by uncompensated medical services provided to illegal aliens. Under Section 1011 of the Medicare Modernization Act (MMA), \$1 billion was appropriated for distribution over the four-year period ending in fiscal year 2008. However, the \$250 million annual distribution has not come close to meeting the costs, as will be shown.

There is no current effort to reauthorize funds for the reimbursement of uncompensated care. The plan of the Obama Administration and the congressional leadership is to cover illegal aliens under a taxpayer funded health care plan. In its present form, the proposed health care reform legislation has no provisions that will prevent illegal aliens access to taxpayer funded health care. Congress so far has rejected provisions that would prevent those in the country illegally from being covered at public expense.

Reversing the escalating burden of uncompensated health care for immigrants and illegal aliens will necessitate true immigration reform. That will include:

- enforcing laws against illegal immigration
- reimbursing states and localities for the costs of failures in federal immigration policy, but conditioned on cooperation with federal efforts to combat illegal immigration;
- identifying foreign users of publicly funded medical treatment (and their immigration status);
- establishing guarantees of medical insurance prior to admission to the country;
- clarifying existing federal emergency service laws regarding the termination of a hospital's obligation for continuing care after the provision of emergency treatment to stabilize the patient.

It will also require a change in public officials' mindset: Instead of shifting the burden to local taxpayers (often to those least able to pay when confronted with rising insurance premiums and medical bills), lawmakers must squarely face the consequences of immigration policy decisions. Our immigration system must be made consistent with U.S. national needs and priorities.

Yet quite the opposite is occurring. At a time when the country is struggling to provide affordable care to millions of uninsured citizens, President Obama's priorities include the permanent incorporation of the millions of illegal aliens currently in the country through an amnesty that he terms a "pathway to citizenship."

Many Americans are facing skyrocketing health care costs and a potential loss in coverage. The cost of health care has placed strains on employers and on America's families, especially as the country faces a recession and rising unemployment. Wages have not kept up with rising health care costs and the rate of inflation.² Part of the reason for this is that wages have been kept artificially low because of mass immigration.

In 2009, medical costs are projected to rise almost 10 percent.³ At the same time, state budget deficits mean states are cutting back public health care funding, and hospitals around the country are being forced to close or cut back services.

California is the most notable example of a state with a large illegal alien population having to cut back health services in the midst of budget crises. Facing a major budget deficit, Governor Arnold Schwarzenegger has threatened to eliminate health care coverage to over 900,000 California children.⁴ Massachusetts, too, has had to make drastic cuts, and restricted coverage of legal immigrants in its universal health care plan.⁵

In the midst of this crisis, mass immigration is straining the health care system to the breaking point. When this report was first published in 2004 more than half of all counties surveyed by the National Association of Counties said that recent immigration—both legal and illegal—was causing their uncompensated health care costs to rise. The costs of providing health care to immigrants has escalated since then, and now American taxpayers are being faced with funding a trillion dollar health care plan, a major beneficiary of which will be immigrants—both legal and illegal—and their U.S-born children.

As it stands now, non-reimbursed medical costs either get absorbed by the care provider or shifted to patients who have health insurance, thus increasing the cost of care for everyone. High levels of unpaid medical bills also have forced local health care providers to reduce staffing and services and increase rates. Dozens of hospitals in the counties along the southwest border have either closed emergency admission facilities or face bankruptcy because of losses caused by uncompensated care given to immigrants.⁷

The failures of federal immigration enforcement tell only part of the story. In many areas, the magnitude and cost of illegal immigration are also consequences of state and local policies that encourage illegal alien settlement by the adoption of policies that accommodate people who violate immigration laws.

In 2003, Los Angles County Supervisor Michael Antonovich said that if Los Angeles County continued to provide health care to illegal aliens, the county would go bankrupt.⁸ In 2009, the entire state of California is facing such a crisis (due to many factors, including immigration), unable to put forward a workable budget without drastically curtailing its entitlement pro-

grams, and forced to issue IOUs to its debt holders, including taxpayers due a refund.⁹ The cost of uncompensated health care for illegal aliens in California today is over \$1.5 billion a year.

WHO PAYS FOR IMMIGRANTS' HEALTH CARE?

Under current law, hospitals must treat and stabilize anyone who seeks emergency care, regardless of income, insurance, or immigration status.¹⁰ Yet most hospitals receive little or no reimbursement for the care to legal and illegal immigrants that the federal government mandates that they provide.

Although the Illegal Immigrant Reform and Immigrant Responsibility Act of 1996 (IIRAIRA) approved reimbursement to hospitals for emergency care for illegal immigrants, as well as reimbursement to state and local governments for ambulance services provided to illegal immigrants injured while crossing the border, neither program has ever been funded.

Lawsuits brought by several states against the federal government in the 1990s seeking reimbursement for the cost of handling the massive influx of illegal aliens that federal authorities had failed to contain, were dismissed on the grounds that the issue was a "political question" and not one for the courts.¹¹ In 1997, Congress did appropriate \$25 million a year for four years to supplement funding for state emergency health services for illegal immigrants in the twelve states with the highest number of illegal aliens.

In 2003, as part of the Medicare Modernization Act, Congress authorized \$250 million for each year between 2005 and 2008 to be paid out to individual states based on a state's estimated illegal alien population.¹² This \$1 billon spread out over four years, however, only partially covered the billions of dollars hospitals spend caring for illegal aliens each year.

MEDICAID AND MEDICARE

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act stopped immigrants from receiving Medicaid for their first five years in the country (with exceptions for those here prior to 1996, children, and pregnant women). However, Congress did not touch emergency Medicaid, which allows both legal and illegal immigrants to receive emergency medical treatment. Currently refugees and immigrants who have been in the country for five years and the children of immigrants, regardless of legal status or length of residency, are eligible for Medicaid treatment. (Medicaid funds are drawn from federal, state, and local budgets.)

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Approximately 20 percent of immigrants and their U.S.-born children are presently on Medicaid. And while restrictions on access to Medicaid for illegal aliens make it more difficult to receive coverage, almost a third of households headed by illegal aliens contain at least one per-

son enrolled in Medicaid, usually through a U.S.-born child. ¹⁴ If all uninsured immigrants were to be covered under Medicaid, the estimated cost would be about \$60 billion a year. ¹⁵

IMMIGRANTS ARE MORE LIKELY TO BE UNINSURED

Our immigration policies have played a significant role in creating our national health care crisis, in which millions of people in the U.S. lack basic health insurance.

Immigrants are two-and-a-half times as likely to lack health insurance as are natives.¹⁶ Thirty-four percent of immigrants—one in three—have no insurance (compared to 13 percent of the native-born). One out of every four uninsured persons in the United States is an immigrant, according to Census data. (This is a dramatically disproportionate share, as immigrants comprise 12.5 percent of the total population.)¹⁷

When the National Association of Counties surveyed its members in 2002, 67 percent of counties cited an increase in immigration as a cause of the rise in uncompensated health care expenses, and all of the responses indicated that newly arrived immigrants are among the predominant users of uncompensated health care.¹⁸

"RESEARCHERS SAY THAT THE FOREIGN-**BORN WERE MORE** LIKELY TO HAVE SOCIO-**ECONOMIC FACTORS** LINKED TO A LOWER RATE OF MEDICAL IN-SURANCE AMONG ALL ADULTS: LESS EDUCA-TION, EMPLOYMENT IN AN INDUSTRY SUCH AS AGRICULTURE WHERE WORKERS LESS OFTEN RECEIVE HEALTH COV-ERAGE, AND LOW IN-COMES."22

Why are immigrants disproportionately uninsured? Because of illegal immigration and because U.S. immigration policy for legal immigration has an unrealistically low income requirement for sponsorship of an immigrant, i.e. 25 percent above the poverty level. This results in the admission of relatives who have little chance of being able to rely on their sponsors for help with medical expenses. Rather than giving priority to immigrants with needed workplace skills, our immigration system literally imports poverty. About one-sixth of all immigrant households live below the poverty level, and more than one out of every five households (21%) of non-citizens is poor (versus a 12 percent poverty rate among native households). The median income for immigrant households is 13 percent lower than that for native households.¹⁹

In immigration-heavy states, the effects are even more pronounced. Nearly three-fifths of all low-income residents in California are immigrants, and the state's poverty rate for children of immigrant parents (26%) is almost double that of children whose parent are native-born (14%).²⁰ In New York, 54 percent of children in immigrant families are in low-income households; in Florida, it is 52 percent.²¹

-RAND CORPORATION

Because of the uncompensated expense of treating uninsured patients, communities with high rates of uninsured residents "are more likely to reduce hospital

services, divert public resources away from disease prevention and surveillance programs, and reallocate tax dollars so that they can pay for uncompensated medical care," according to an Institute of Medicine of the National Academies of Sciences report.²³

The problem continues to worsen: Immigrants and their U.S.-born children accounted for 71 percent of the increase in the uninsured between 1989 and 2007.²⁴ Just between 1998 and 2003 immigrants accounted for 92% of the growth in the uninsured due to the reforms implemented by the Clinton Administration in 1996 that prohibited immigrants from receiving Medicaid for their first five years in the country.²⁵ Yet it is not only recent immigration that has contributed to the problem. A 2000 study found that more than a quarter of all immigrants who entered in the 1970s remained uninsured, as they reach an age where they are likely to require greater amounts of health care.²⁶ For immigrants who arrived during the 1980s, a 2007 study found that 29 percent still had no health insurance.²⁷

Emergency in the ER

BETWEEN 1990 AND 2008, MORE THAN 70 EMERGENCY ROOMS IN CALIFORNIA CLOSED.²⁸ SACRAMENTO HOSPITALS EXPERIENCED MORE THAN 6,000 HOURS OF AMBULANCE DIVERSION IN 2003 DUE TO OVERCROWDING.²⁹ BETWEEN 1993 AND 2003, LOS ANGELES SAW ITS EMERGENCY ROOMS DECREASE BY 26 PERCENT, AND ONE OUT OF-EVERY FOUR AMBULANCES IN L.A. COUNTY WAS DIVERTED.³⁰ IN THAT SAME YEAR, ALMOST ONE IN TEN HOSPITALS NATIONWIDE WAS IN DIVERSION STATUS 20 PERCENT OF THE TIME.³¹

"THIS RAPID ESCALATION IN LOSSES HAS CREATED AN ENORMOUS BURDEN ON THE REMAINING EMERGENCY DEPARTMENTS," REPORTS THE CALIFORNIA MEDICAL ASSOCIATION. "THE DRAIN ON THE SYSTEM HAS LED TO LONGER WAITS FOR TREATMENT, AND LEFT ENTIRE COMMUNITIES WITHOUT A LOCAL EMERGENCY FACILITY. INCREASING PATIENT VOLUME AND A DECLINE IN THE NUMBER OF EMERGENCY ROOMS HAS MADE MULTIPLE HOUR WAITS FOR EMERGENCY CARE THE NORM." 32

The cost of uncompensated care at U.S. hospitals rose by more than 60 percent to a total of \$26 billion from 1994 to 2000, coinciding with a massive influx of immigrants.³³ The situation is not improving. The Centers for Medicare & Medicaid Services reported that 55 percent of all emergency care was uncompensated, reaching \$40.7 billion in 2004.³⁴ While not all uncompensated care is due to immigrants, the disproportionate number of immigrants without insurance is a major strain on the health care system. As Jeff Spade, vice president of the North Carolina Hospital Association says, "The burden of the uninsured immigrant is huge. It's exploded the amount of work [hospitals] have to do."³⁵

SKYROCKETING COSTS, CLOSING HOSPITALS

Lack of insurance leads many immigrants to forego or postpone medical care, especially preventive care. Because this can cause medical conditions to deteriorate, it often ultimately increases the cost of treatment. Many immigrants end up using hospital emergency departments—the most expensive source of health care—as their primary care provider.³⁶

Because emergency rooms must treat patients regardless of their ability to pay, high rates of uninsured patients can spell financial disaster for hospitals. The cost of caring for these patients is absorbed by the counties or hospitals obligated to provide treatment, and some is passed on to insured patients. The average added cost an insured individual pays to cover treatment of the uninsured has been put at \$370 a year, while for a family it is an additional \$1,000 a year.³⁷

The Question of Preventive Care

THE ARGUMENT THAT PREVENTIVE CARE SAVES COSTS DOWN THE ROAD, THUS LESSENING THE FISCAL IMPACT OF ILLEGAL IMMIGRATION ON THE HEALTHCARE SYSTEM, IS OFTEN MADE BY PROPONENTS OF MASS IMMIGRATION. THIS WOULD SEEM TO MAKE SENSE ON THE SURFACE, BUT RESEARCH DOES NOT BEAR IT OUT. WHILE PREVENTIVE CARE CAN HELP TO AVERT MORE DRASTIC TREATMENTS AND HIGHER MEDICAL COSTS LATER ON FOR AN INDIVIDUAL, THIS DOES NOT HOLD TRUE FOR SOCIETY AT LARGE. AN AUGUST 2009 CBO LETTER TO CONGRESS SAYS THAT "ALTHOUGH DIFFERENT TYPES OF PREVENTIVE CARE HAVE DIFFERENT EFFECTS ON SPENDING, THE EVIDENCE SUGGESTS THAT FOR MOST PREVENTIVE SERVICES, EXPANDED UTILIZATION LEADS TO HIGHER, NOT LOWER, MEDICAL SPENDING OVERALL." 1

WHILE THE GOVERNMENT DOES TAKE SOME MEASURES TO PREVENT OUTBREAKS OF COMMUNICABLE DISEASES, AND MANDATES EMERGENCY CARE FOR ANYONE REGARDLESS OF STATUS, THE ARGUMENT IN FAVOR OF COVERING EVERYONE TO SAVE TAXPAYERS MONEY DOES NOT ADD UP. FOR CARE TO BE TRULY PREVENTIVE, EVERYONE WOULD HAVE TO BE SCREENED AND TREATED FOR JUST ABOUT EVERYTHING.

FOR IMMIGRANTS TO BENEFIT FROM PREVENTIVE CARE THEY WOULD HAVE TO UNDERGO COMPREHENSIVE SCREENING AND MEDICAL TESTING. THE COSTS WOULD BE EXORBITANT. FURTHERMORE, BECAUSE THE UNITED STATES CONTINUES TO ALLOW OVER A MILLION UNINSURED IMMIGRANTS INTO THE COUNTRY EVERY YEAR, DELIVERING PREVENTIVE CARE TO THIS POPULATION WOULD PROVE IMPOSSIBLE. IT IS TRUE THAT STATISTICALLY IMMIGRANTS ARE HEALTHIER THAN THE NATIVE-BORN. THIS IS BECAUSE ON AVERAGE IMMIGRANTS ARE MUCH YOUNGER THAN THE GENERAL U.S. POPULATION. BUT IMMIGRANTS DO NOT ARRIVE IN THE U.S. IN PERFECT HEALTH, AND, AS THEY AGE, THE STRAIN THEY PUT ON THE HEALTH CARE SYSTEM WILL GROW MUCH LARGER.

- 1. Congressional Budget Office, Letter from Douglas W. Elmendorf, Director, to Honorable Nathan Deal, August 7, 2009.
- 2. Steven Camarota, "The Elephant in the Room: Panel on Immigration's Impact on Health Care Reform," Transcript, National Press Club, August 19, 2009, (http://cis.org/Transcript/HealthCare-Immigration-Panel).

CRISIS ALONG THE BORDER

The problem is particularly pronounced in communities near the southwest border, where there are high populations of illegal aliens. Border hospitals reported losses of almost \$190 million in unreimbursed costs for treating illegal aliens in 2000 (about one-fourth of the hospitals' total unreimbursed expenses).³⁹ Had the report included physician and ambulance fees and follow-up services, the total price tag for illegal aliens would have been about \$300 million, according to the report's authors.⁴⁰

A 2002 study by the United States/Mexico Border Counties Coalition found that illegal aliens accounted for 23 percent of all cases of uncompensated care in San Diego and Imperial counties.⁴¹ The total amount spent on health care for illegal aliens in just these two California counties was over \$200 million in 2000.⁴²

The U.S.-Mexico Border Counties Coalition studied the 24 counties next to the Mexican border and concluded: "The disproportionate burden placed on

southwest border counties for providing emergency health care services to (illegal aliens) is compounding an already alarming state of affairs."⁴³ In some hospitals, as much as two-thirds of total operating costs are for uncompensated care for illegal aliens.⁴⁴ The increase in such costs has forced some hospitals to reduce staff, increase rates, and cut back services.⁴⁵

The problem has become so out of hand that some Mexican ambulance companies are now instructing their drivers to take uninsured patients across the border to the United States. The ambulances are simply allowed to enter ports of entry on the border and proceed to U.S hospitals. 46 Dozens of hospitals in the counties along the border face severe losses caused by uncompensated care provided to uninsured immigrants. 47

OFTEN TAKE INJURED ILLEGAL IMMIGRANTS WHO WERE APPREHENDED TRYING TO ENTER THE COUNTRY AND DROP THEM AT THE NEAREST HOSPITAL FOR TREATMENT, INSTEAD OF RETURNING THEM TO MEXICAN AUTHORITIES OR A MEDICAL FACILITY IN MEXICO. HOWEVER, IMMIGRATION AUTHORITIES ACCEPT NO RESPONSIBILITY FOR FUNDING THEIR TREATMENT. 38

BORDER PATROL AGENTS

ARIZONA

- Arizona's foreign-born population is 15.6 percent of the state's total population. FAIR estimates that there are 500,000 illegal aliens in the state.⁴⁸
- In Arizona, illegal aliens and their children account for 37 percent of all uninsured in the state.⁴⁹
- According to a U.S. Department of Homeland Security (DHS) estimate, 33 percent of the foreign-born population of Arizona lacks insurance.⁵⁰

- Facing a \$4 billion deficit, in FY 2010, the Arizona state legislature has not yet put forward a budget, but there have been proposed cuts, which would include a \$46.7 million reduction to the Arizona Health Care Cost Containment System, Arizona's Medicaid agency. This would also mean a loss of federal matching funds for the program. ⁵¹ Also proposed is a \$17.3 million cut in funding to hospitals that treat large numbers of uninsured patients, the elimination of treatment programs for children with serious illnesses, and the elimination of funds for Alzheimer's research. ⁵²
- The cost of uncompensated care for the treatment of illegal aliens in Arizona was estimated at \$400 million annually in 2004.⁵³ Today it is likely closer to \$510 million.
- The surge in the illegal alien population in Arizona that is not screened for communicable diseases has led to rates higher than the national average of tuberculosis, hepatitis A, and AIDS.⁵⁴

The Price of Citizenship

AN AUGUST 2009 STORY IN THE ARIZONA DAILY STAR PROFILED THE "BIRTH PACKAGE" OFFERED BY TUCSON MEDICAL CENTER (TMC). TMC ACTIVELY RECRUITS WEALTHY MEXICAN WOMEN TO COME TO THE UNITED STATES TO DELIVER THEIR BABIES. PREGNANT WOMEN CAN SCHEDULE A CESAREAN SECTION, OR ARRIVE IN TUCSON A COUPLE WEEKS BEFORE THEIR DUE DATE AND BE WHISKED TO THE HOSPITAL VIA TMC'S "SUPER SHUTTLE" WHEN IT'S TIME TO DELIVER. A MATERNITY PACKAGE RANGES FROM \$2,300 TO \$4,600, WITH A \$500 SURCHARGE FOR EACH ADDITIONAL CHILD.

THERE WERE THE OBVIOUS OBJECTIONS RAISED IN THE STORY ABOUT THE FACT THAT ANY CHILD BORN ON U.S. SOIL BECOMES A U.S. CITIZEN. THIS IS, IN EFFECT, "BUYING U.S. CITIZENSHIP," WITH THE PROCEEDS GOING TO TMC, WHICH SEEMS TO BE AVAILABLE AT A CUT RATE PRICE, ESPECIALLY WHEN ONE CONSIDERS THAT THE AVERAGE COST OF BIRTH AT A U.S. HOSPITAL IS OVER \$8,000 FOR A VAGINAL BIRTH AND \$11,000 FOR A CESAREAN SECTION.² HOW CAN TMC CHARGE FOREIGN WOMEN SO MUCH LESS FOR A DELIVERY THAT WOULD COST A NATIVE-BORN WOMAN WITH HEALTH INSURANCE OVER TWICE AS MUCH? PART OF THE ADVANTAGE OF HAVING A CHILD BORN IN A U.S. HOSPITAL MEANS THAT THE COST OF CHILDBIRTH CAN BE FUNDED IN PART, OR IN WHOLE, THROUGH MEDICAID BECAUSE THAT CHILD IS A CITIZEN. A QUESTION NOT RAISED IN THE STORY IS: WHO IS PAYING THE BILL FOR THE REMAINDER OF THE COSTS FOR THESE BIRTHS AT TMC?

- 1. "Citizenship for sale?," Arizona Daily Star, June 21, 2009.
- 2. "March of Dimes Study Unveils New Data on the Cost of Having a Baby," March of Dimes, June 12, 2007, March of Dimes web site, http://www.marchofdimes.com/aboutus/22663_25389.asp, accessed August 27, 2009.

CALIFORNIA

- In addition to Emergency Medicaid, the state provides both legal and illegal aliens with prenatal care and nursing home care. 55 Additionally, locally funded initiatives in Los Angeles, San Bernardino, San Francisco, San Mateo, and Riverside counties pay for health insurance for illegal immigrants in those jurisdictions. 56
- The state spent \$775 million in 2008 on Medi-Cal benefits for illegal aliens. Not included are deliveries of children born to illegal alien mothers, which would add another \$108 million.⁵⁷
- Medi-Cal, the state health's program for the poor, will be cut by 1.3 billion in 2010.⁵⁸
- ▶ The California Hospital Association estimated that in 2007 10 percent of uncompensated care, or \$970 million, was due to illegal aliens, basing its findings on post-care patient interviews. ⁵⁹ This is an admission that illegal immigration is a major drain on California's health care system, although FAIR considers that estimate to be considerably lower than the actual cost.
- FAIR estimated in 2004 that the medical expenses of illegal immigration in the state were \$1.4 billion.⁶⁰ Today that cost would likely be more than \$1.5 billion.
- ▶ In 2006 California spent \$1.8 billion to operate its SCHIP program, which is called "Healthy Families" and is open to legal immigrants. Moreover, SCHIP funds are also allocated for other programs, such as prenatal and children's insurance, that are open to illegal aliens whose children are born in the U.S.⁶¹ In 2007 California overspent its SCHIP allotment, the largest in the nation, by \$300 million.
- Between 1994 and 2007, 70 California emergency rooms have closed, 19 of them just between 2001 and 2004. Nine emergency rooms closed in Los Angeles County from 2002-2007.⁶²

TEXAS

- ▶ 61 percent of immigrants and their children in Texas are uninsured. 63
- ▶ In 2007, one out of five patients on Houston's "public caseload" was an illegal alien. 64
- ▶ In 2004, Parkland received \$75.3 million dollars in taxpayer money to cover its treatment of the uninsured. 65 The average patient at Parkland's maternity ward is a 25—year-old illegal alien women giving birth to her second child. 66
- In just the first three months of 2006, 70 percent of the women who gave birth at Parkland were illegal aliens.⁶⁷

- ▶ 40 percent of the 2,400 babies delivered at McAllen Medical Center on the Mexican border in 2007 were born to illegal alien mothers. 68
- FAIR estimated that uncompensated care provided to illegal aliens cost Texans \$520 million in 2005.⁶⁹ Today, that cost would likely have increased to about \$700 million.

FLORIDA

- In 2007, 36 percent of all immigrants and their children in the state were uninsured, compared with the native-born, at only 17 percent. The total percentage of immigrants either uninsured or on Medicaid was 47 percent.⁷⁰
- ▶ 61 percent of illegal immigrants and their U.S.-born children are uninsured.⁷¹
- Four acute care hospitals were closed between 1995 and 2005 with a loss of 1,206 beds.⁷²
- ▶ A 2008 report by the Florida Hospital Association found that 8.2 percent of total costs for Florida hospitals were for uncompensated care.⁷³
- Medicaid reimbursements for nursing home care are being cut by 10 percent in the upcoming budget.⁷⁴
- Jackson Health System in Miami-Dade spent \$33 million to treat illegal immigrants in 2008. In just the first half of 2009, illegal aliens cost Jackson Health \$38 million.⁷⁵
- A recent report by FAIR estimated the cost of uncompensated medical care provided to illegal aliens and their children at \$290 million annually, which in light of more recent data now appears to be lower than the actual cost.

NEVADA

- ▶ The largest public hospital in Nevada had to close its outpatient oncology treatment program for budgetary reasons. At least 150 patients receiving uncompensated care at University Medical Center were illegal aliens.⁷⁶
- University Medical Center is currently spending about \$2 million a month for kidney dialysis for illegal aliens. That \$24 million per year represents 35 percent of the hospital's total budget deficit.⁷⁷

- The Nevada legislature cut \$11 million in funding for mental health care and \$25 million in aid for indigent care.⁷⁸
- Almost 10 percent of births in Nevada in 2007 were to illegal alien mothers.⁷⁹
- FAIR's estimate of the cost to Nevadans for uncompensated care for illegal aliens is \$85 million a year.

MORE THAN A BORDER PROBLEM

The problem isn't confined to border states traditionally thought of as high-immigration-impact areas.

Consider North Carolina, which has seen a rapid rise in its immigrant population, including a dramatic increase in illegal aliens to a currently estimated 385,000 persons. The fact that the bulk of emergency Medicaid in the state goes to childbirth care for illegal alien mothers is illustrated by these findings in the *Journal of the American Medical Association*:

A total of 48,391 individuals received services reimbursed under Emergency Medicaid [in NC] during the 4-year period of this study. The patient population was 99% undocumented, 93% Hispanic, 95% female, and 89% in the 18- to 40-year age group.⁸⁰

- In Philadelphia, illegal alien women make up between 60 and 65 percent of all prenatal patients treated annually at city health clinics.⁸¹
- The cost of Emergency Medicaid in Colorado rose from \$39.4 million in 2001-2002 to \$61.9 million in 2006, largely attributable to treatment of illegal aliens.⁸²
- The dialysis center at Grady Memorial Hospital in Atlanta, Georgia, is losing \$2.5 million a year. Twenty-one percent of the dialysis patients there are illegal aliens.⁸³
- New York classifies chemotherapy as emergency care in order to receive Medicaid funds for treatment to illegal aliens. The state was receiving reimbursement through emergency Medicaid until the federal government refused \$11.1 million in matching funds in 2007. Richard F. Daines, the New York State health commissioner said that this was an example of the state using Medicaid "creatively" in order to provide coverage to illegal aliens. 85

CUTTING HEALTH CARE PROGRAMS TO MAKE ENDS MEET

That immigration has a negative impact on health care costs is being recognized by states and localities across the U.S. Thirty thousand legal immigrants who were enrolled in Massachusetts' health care plan during the first five years following their admission as permanent residents



"THESE ARE DISEASES THAT WE KNOW ARE TEN-FOLD MORE IMPORTANT THAN SWINE FLU. THEY'RE ON NO ONE'S RADAR."

-PETER HOTEZ, MICROBIOLOGIST GEROGE WASHINGTON UNIVERSITY

Public Health

THE ISSUE OF PUBLIC HEALTH IS LARGELY IGNORED BY PUBLIC OFFICIALS WHEN IT COMES TO A DISCUSSION ABOUT IMMIGRATION. USUALLY THE DEBATE FOCUSES ON COST, EFFECTIVE TREATMENT, OR WHO SHOULD RECEIVE TAXPAYER FUNDED HEALTH CARE. YET, A KEY FACTOR IN IMPROVING THE OVERALL HEALTH OF U.S. RESIDENTS IS BEING SHUNTED ASIDE. ALLOWING HUNDREDS OF THOUSANDS OF ILLEGAL ALIENS TO COME INTO THE COUNTRY EACH YEAR WITHOUT SCREENING FOR COMMUNICABLE DISEASES IS A FEDERAL POLICY THAT INVITES TRAGEDY. EVERYTHING FROM BEDBUGS TO MEASLES TO DENGUE FEVER IS ON THE RISE IN THE U.S.

- THERE ARE A REPORTED 3,500 NEW CASES EVERY YEAR OF CYSTICERCOSIS, A PARASITIC INFESTA-TION OF THE CENTRAL NERVOUS SYSTEM. IOWA, MISSOURI, OHIO, AND OREGON, WHICH HAD NEVER BEFORE REPORTED CASES OF CYSTICERCOSIS, HAVE FOUND INFESTATIONS AMONG THEIR IMMIGRANT POPULATIONS.¹
- CHAGAS DISEASE IS SPREAD BY THE PARASITICAL "KISSING BUG" AND IS SPREADING ACROSS TEXAS, FLORIDA, AND CALIFORNIA AT AN ALARMING RATE BY IMMIGRANTS.²
- THE D.C. REGION HAS "POCKETS" OF MEASLES OUTBREAKS AMONG CHILDREN WHO WERE BORN OUTSIDE OF THE U.S.³
- BEDBUGS, ERADICATED IN THE U.S. 60 YEARS AGO, ARE NOW INFESTING HOMES AND HOTELS ACROSS THE COUNTRY.⁴
- 58% OF THE NEW CASES OF TUBERCULOSIS IN THE U.S. IN 2007 WERE IN IMMIGRANTS.⁵
- A STUDY IN SUSSEX COUNTY, DELAWARE, A CENTER OF THE POULTRY INDUSTRY, FOUND THAT 44
 PERCENT OF CASES OF TUBERCULOSIS IN THE COUNTY WERE IN FOREIGN-BORN POULTRY WORKERS.⁶
- 1. "Developing World's Parasites, Disease Hit U.S.," The Wall Street Journal, August 22, 2009.
- 2. Ibid.
- 3. "Fifth Case of Measles Case Is Reported," The Washington Post, April 21, 2009.
- 4. "Bedbug boom blamed on increased foreign travel," USA Today, December 2, 2005.
- 5. "Overseas screening of immigrants and refugees could cut TB cases in US," Reuters, June 4, 2009.
- 6. Dennis Y. Kim, et. al, "A No-Name Tuberculosis Tracking System," American Journal of Public Health, vol. 93, no. 10 (October 2003), p. 1637.

have lost their coverage to save the plan from bankruptcy.⁸⁶ Sacramento County (Feb. 2009), Contra Costa County (March 2009), and Yolo County (May 2009) in California have cut off non-emergency medical services for illegal aliens.⁸⁷

Members of the federal government recognize that allowing illegal aliens to access the system is adamantly opposed by the American public and exorbitantly expensive. President Obama, Speaker Nancy Pelosi, and Senators Max Baucus and Arlen Specter all have publicly said that any health care legislation that includes a public option would exclude illegal aliens. Yet, the pending legislation still lacks any measure that would enforce this provision.

Code Blue: Los Angeles

CALIFORNIA IS OFTEN USED AS THE CASE STUDY FOR WHAT HAS GONE WRONG WITH U.S. IMMIGRATION POLICY, AND THE EXAMPLE OF WHAT COULD HAPPEN ACROSS THE UNITED STATES IF CORRECTIVE ACTION IS NOT TAKEN. OVER HALF OF CALIFORNIA'S 430 HOSPITALS HAVE CUT BACK ON TREATMENT SERVICES OR ARE PLANNING TO DO SO.¹ THIS INCLUDES THE CLOSING OF ACUTE CARE FACILITIES, PSYCHIATRIC UNITS, AND EMERGENCY ROOMS.² THE AVERAGE WAIT TIME IN A CALIFORNIA EMERGENCY ROOM IS FOUR HOURS AND GROWING.³

LOS ANGELES IS GROUND ZERO OF THE HEALTH CARE CRISIS IN CALIFORNIA. SINCE THE EARLY 1990S, THE LOS ANGELES COUNTY DEPARTMENT OF HEALTH SERVICES (LACHS) HAS BEEN ON THE VERGE OF COLLAPSE SEVERAL TIMES, SAVED ONLY BY BAILOUTS FROM THE FEDERAL GOVERNMENT. TODAY, WHILE THE STATE IS FACING A \$24 MILLION BUDGET DEFICIT, ILLEGAL ALIENS IN LOS ANGLES COUNTY COST TAXPAYERS OVER \$1 BILLION A YEAR, WITH \$400 MILLION OF THAT DUE TO UNCOMPENSATED HEALTH CARE TO ILLEGAL ALIENS.⁴

WITH IMMIGRANTS COMPRISING 60 PERCENT OF LOS ANGELES COUNTY UNINSURED PATIENTS, EMERGENCY ROOMS HAVE BECOME OVERCROWDED AND HOSPITAL BEDS ARE AT A PREMIUM.⁵ THERE ARE ONLY 1.9 HOSPITAL BEDS FOR EVERY 1,000 RESIDENTS IN CALIFORNIA, AND THAT MEANS PATIENTS MAY HAVE TO WAIT UP TO TWO YEARS FOR ROUTINE GALL BLADDER SURGERY.⁶ WHEN HOSPITALS CLOSE EMERGENCY ROOMS, OR CUT BACK ON SERVICES DUE TO THE STRAINS IMMIGRANTS PUT ON THE SYSTEM, IT DOES NOT JUST AFFECT IMMIGRANTS, OR THE UNINSURED. IT AFFECTS ALL WHO DEPEND ON THOSE HOSPITALS FOR HEALTH CARE.

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- ibid.
- 3. Critical Issues Facing Hospitals," California Hospital Association, ProtectMyER.com, http://www.protectmyer.com/current-issues web site accessed August 26, 2009.
- 4. "Welfare Costs for Children of Illegal Immigrants Continue to Rise," *KTHS*, July 15 2009 http://hometownstation.com/index.php?option=com_content&view=article&id=17062, web site accessed August 27, 2009.
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ESTIMATING MEDICAL EXPENDITURES RESULTING FROM ILLEGAL IMMIGRATION

The Immigration Reform and Control Act of 1986 (IRCA) made it illegal for an employer to give a job to an illegal alien. That effort to discourage illegal immigration by removing the job magnet was quickly proven a failure because fraudulent identity and immigration documents proved sufficient to eliminate the liability of employers. As a result, after a short hiatus, illegal immigration soared to new heights. States that were especially hard hit by this surge, California, Arizona, Texas, Florida, New York, New Jersey, and Illinois, called on the federal government to financially assist them with the costs they incurred as a result. Several of them sued the federal government for fiscal assistance.

In preparing its response to those lawsuits, the U.S. Department of Justice contracted with the Urban Institute (UI) to provide an estimate of the magnitude of the fiscal costs of emergency medical care (as well as public educational costs and incarceration costs) resulting from illegal immigrants in the above named seven states. That study, "Fiscal Impacts of Undocumented Aliens: Selected Estimates for Seven States," was published in 1994.88

The findings in that report were that the overall annual expenditures for emergency medical services provided to an estimated 3.05 million illegal aliens in those states amounted to \$209.4 million to \$313.9 million in 1993. This estimate was based on reports of medical services provided to the illegal alien population that had been legalized by the IRCA amnesty, the costs of which were partially compensated to the states by the federal government in a program termed State Legalization Impact Assistance Grants. This monitored usage data was used with estimates of the then current illegal alien population.

In 1993, UI researchers estimated that the illegal alien population in the seven states studied constituted 86 percent of the national total. Thus, their estimate of the national total illegal alien population in 1993 was 3.55 million persons, i.e., less than one-third of current estimates of the illegal alien population. If the 1993 estimated emergency medical expenditures were adjusted for the currently estimated illegal alien population and for inflation, current expenditures would soar to between \$1.04 billion and \$1.55 billion today, using the federal government's 12 million illegal alien estimate. Using FAIR's estimate of 13 million illegal aliens, the costs would range between \$1.12 billion and \$1.68 billion annually.

For reasons that are outlined below, that estimate of medical outlays for illegal aliens would be low.

The UI study included emergency medical treatment mandated by the Omnibus Budget Reconciliation Act (OBRA) of 1986, which included injuries and illnesses as well as childbirth costs. However, not included in those outlays were any medical services funded

entirely by the states, for example in free health clinics, or public health services funded by the state or the federal government.

Detailed studies of the cost of medical expenditures for the illegal alien populations in the same seven states, which draw on new state government supplied estimates, indicate that the cost of medical services have risen faster than the overall rate of inflation.

The table below shows the medical costs in seven states estimated in the UI 1993 study if those costs were updated based on the upward trend for each state in the illegal alien population as estimated by the federal government (INS/DHS) and average inflation. Alongside of those estimates is the comparable estimate by FAIR of the current expenditures based on our estimate of the illegal alien population and average inflation since the time of our original cost estimate.

Estimated Illegal Alien Population and Medical Expenses 2008

	URBAN INSTITUTE UPDATES		FAIR UPDATES		
	Illegal Aliens	Medical (millions)	Illegal Aliens	Medical (millions)	
ARIZONA	575	\$132	540	\$510	
CALIFORNIA	2,920	\$395	3,135	\$1,515	
FLORIDA	1,050	\$125	950	\$440	
ILLINOIS	570	\$55	660	\$360	
NEW JERSEY	540	\$15	550	\$295	
NEW YORK	700	\$140	760	\$760	
TEXAS	1,800	\$75	2,015	\$700	
TOTAL	8,155	\$937	8,610	\$4,580	

As is readily apparent, the difference between the national estimated illegal alien populations used in the estimate by FAIR and that projected from the estimate used by the Urban Institute in 1993 is not significant.⁸⁹ However, the estimated medical expenditures are significantly different, with our estimates less than four times larger for Arizona and Florida to nearly 20 times larger for New Jersey. Clearly the updated emergency medical expenditure for New Jersey based on the UI estimate is too low. And at least part of the reason that the estimated medical outlays in the FAIR studies are consistently higher is that our estimates include the state portion of Medicaid outlays for the US-born children of illegal aliens, which was not included in the UI study.

The DHS is currently estimating the illegal alien population at about 12 million. That is similar to the estimate of the Pew Hispanic Center and not very dissimilar from our estimate of 13 million illegal aliens. Thus, the projected total of about 8.2 million illegal aliens for the seven states represents 68 percent of the national total. And the FAIR updated estimate for the same states represents 66 percent of the national total. Accordingly, if the \$937 million total outlay for the seven states based on the UI study were projected for the whole country, the costs would be \$1.38 billion. The same projection based on FAIR estimates would put the national level of medical expenditure at \$6.91 billion annually.

Both the UI cost study and the FAIR cost studies focused on the state costs for emergency medical services provided to illegal aliens. Therefore, the expense is still higher if the federal outlays are considered.

The federal government shares Medicaid expenditures with the states. The minimum share of federal spending is 50 percent of the cost—although at present under the American Recovery and Reinvestment Act that minimum share is increased to 56.2 percent. Ignoring that temporary increase in federal matching outlays, we conservatively calculate the federal portion as equal to that spent by the states. According to an estimate by the Center for Immigration Studies, in 2006 the number of births to illegal aliens was about 400,000. We further assume that the number of births will have increased since 2006 proportionate to the rise in the size of the illegal alien population to about 438,000 births in 2008. Using the assumption that 65 percent of the illegal alien population is uninsured, that reduces the number of Medicaid births to about 285,000. The average cost of an uncomplicated birth is about \$10,000, so the annual outlay for those births is about \$2.82 billion. If that cost were shared equally between the federal and state governments, each would have costs of about \$1.41 billion. Note that this amount significantly exceeds the projected annual costs from the updated UI study—which also included births to illegal aliens.

The other outlays incurred by the states alone are emergency medical expenditures and Medicare Modernization Act (MMA) reimbursements other than deliveries. A recent research report of the Pew Hispanic Center estimated that there are currently about 5.5 million children of illegal immigrants residing in the United States. About 4 million of those children were born in this country. Average annual medical costs are estimated at about \$1,050 per child. Conce again, if we assume that virtually all of the medical outlays for the children of illegal aliens, whether the child is a U.S. citizen or not, are taxpayer-financed, this implies an annual medical expense of about \$5.78 billion dollars. The Medicaid covered services for the 4 million U.S.-born children to illegal aliens will be covered in part by the federal minimum share of at least half. That implies an additional federal expenditure of at least \$2.1 billion.

Some would argue that in assessing the impact of illegal immigration on publicly supported medical services the inclusion of the costs of delivering the children of illegal aliens is not ap-

propriate because the children are born as U.S. citizens. Similarly, the same logic would exempt from cost calculations Medicaid-paid services to those same children.

Nevertheless, it is clear that those expenditures arise as a result of the illegal presence of the parent and would not have arisen if the illegal entry or overstay of the parent had been prevented or the illegal presence had been detected and the parent removed from the country. The object of this study is not to propose cutting medical coverage to illegal aliens and their children but, rather, to identify the potential savings to the American taxpayer of more effectively deterring illegal immigration.

To our estimate of \$6.9 billion in annual medical costs for illegal aliens and their children absorbed by the states, we would add the additional \$3.5 billion in expenditures by the federal government, resulting in an estimated total cost to the nation's taxpayers of about \$10.5 billion annually.

There are other medical expenditures not included in the above estimate, such as medical and public health services provided by federal, state, and local governments to illegal alien prisoners. Also not included are added costs incurred by medical service providers to cope with a non-English speaking population. That includes interpretation and translation services.

RECOMMENDATIONS

The escalating burden incurred by hospitals and other health facilities for the uncompensated treatment of aliens is driven by both rampant illegal immigration and an admission system for legal immigration that has become distorted from its original intent. The health care system increasingly is confronted with foreigners legally resident in the United States who either cannot or choose not to pay for their medical treatment, and foreigners illegally in the United States who have no other recourse for medical treatment than taxpayer supported health care. The first problem is largely the result of an immigration policy that has gone awry: Despite an age-old policy designed to assure that immigrants will be self-supporting, we are allowing large numbers of people to gain permanent residence despite the fact that they are unlikely to be working in jobs with health care coverage or have personal resources sufficient to pay for health services. The second problem—costs stemming from illegal immigration—is a result of the unprecedented 13 million aliens illegally residing in the country who, for the most part, have no health insurance and have few financial resources.

The common element of both of these foreign-born populations is that they are a financial burden on the U.S. health care system and the American taxpayer. Neither the sponsors of immigrants legally present in the country, nor the employers of those illegally in the country, are held responsible for these expenses.

There is no single policy or program that will reverse the escalating problem of uncompensated medical services provided to immigrants and illegal aliens—other than adopting a flat denial of treatment, which is too draconian to be considered. A better solution would be the combination of short-term and long-term changes detailed below:

IDENTIFICATION OF FOREIGN USERS OF PUBLICLY FUNDED MEDICAL TREATMENT

- The Department of Health and Human Services (HHS) should require that all foreigners who seek publicly funded emergency medical treatment through Medicaid be fingerprinted on equipment compatible with the US VISIT screening equipment and develop a program with the Department of Homeland Security (DHS) to identify whether these foreigners are legally in the United States and, if so, whether they have sponsors who have filed an affidavit of support for them.
- ▶ DHS should be required to provide information to HHS on sponsored immigrants, and HHS should request reimbursement from the sponsor of unpaid medical expenses of the immigrant.
- Immigration and Customs Enforcement (ICE) personnel (including the Border Patrol), as a matter of practice and policy, should determine the immigration status of all aliens it transports to medical facilities (or facilitates through a third party such as an ambulance service). If the alien is in the United States illegally, ICE must arrange for his/her custody and removal after treatment.

Adopting such a system would develop a reliable database on who is using emergency medical services so that appropriate remedial measures could be designed in the public interest. It would allow identification of those legally responsible for reimbursing health care debts and allow the medical facilities to recoup expenses. It would provide information, in some instances, as to the employer of the emergency medical care user in order to allow follow-up legal efforts to obtain compensation.

Such a system also potentially could evolve into a means for non-emergency medical facilities to address the problem of foreign patients who run up large medical bills that they fail to pay. If Congress were to enact a law that specified that unpaid medical obligations in the United States is a grounds for refusal of a new visa of any type or of entry, abusers of U.S. health care providers would be denied the opportunity to continue to abuse the system and pressure would increase on them to settle their debts. Integral to the success of such a provision would be the identification of the individuals by fingerprints furnished by the health care facility to the Department of State and DHS.

FOR LEGAL IMMIGRANTS, ESTABLISH GUARANTEES OF MEDICAL BILL PAYMENT PRIOR TO ADMISSION

The law provides that prospective immigrants are inadmissible if they are likely to become a public charge. Similarly, those who subsequently become a public charge after gaining permanent residence are deportable. The public charge provisions do not apply to refugees or asylees, but they do to other immigrants.)

- Require sponsors of family-related immigrants to post a medical surety bond to provide health care insurance for the first five years after admission of the immigrant.
- Require self-sponsoring immigrants, such as professionals or lottery winners, to similarly post a medical surety bond that will provide health care insurance for the first five years after admission for legal residence.
- Deny approval of petitions for employer-sponsored immigrants and temporary foreign workers unless the employer offers a health care plan in which the employer contributes at least half of the costs.
- The federal government should develop a medical visa program for admitting and monitoring foreign visitors temporarily admitted for medical treatment. Hospitals should be required to report to the Department of Homeland Security (DHS) when the visitor arrives for treatment and to inform the DHS when the visitor is discharged.

ENFORCE LAWS AGAINST ILLEGAL IMMIGRATION

The expanding usage of emergency medical care facilities is largely a byproduct of the enormous growth in the illegal alien population, which has entered and/or stayed in violation of the legal immigration provisions. An estimated 13 million aliens are currently residing illegally in the United States, and further hundreds of thousands of aliens may be in the country illegally for part of the year engaged in seasonal work.

The massive influx of illegal immigrants is not inevitable. Most illegal entrants or entry overstayers violate our immigration laws in order to take jobs and improve their economic opportunity. Congress recognized this when it adopted the system of employer sanctions against hiring illegal aliens in 1986. That system was soon proven to have a major loophole in that employers were not provided the means to verify the authenticity of work-related documents that they were required to accept under the law. Congress acted in 1996 to begin to close that loophole by establishing pilot projects to permit employers to verify Social Security numbers and the work eligibility of foreign-born employees. The primary verification system, now known as the E-Verify system, is still operating as a voluntary project, and it has been thoroughly evaluated by an outside contractor and found to be operating largely as intended. The program was expanded by Congress in 2003 from a program operating in a handful of states to becoming available nationally.

- Congress should now make participation in the verification program mandatory for all employers whose workers are subject to Social Security withholding.
- The Social Security Administration's "no match" letters to employers advising them of employees whose SSNs are not valid should be used by DHS to identify employers who are knowingly employing illegal aliens in violation of the law. As it stands now, the Obama Administration has abandoned a policy forwarded by the Bush Administration that would have
- Immigration and Customs Enforcement (ICE) resources should be targeted on employers who knowingly hire illegal aliens, with priority being given to systematic exploitation of illegal aliens, such as in sweatshops.

REIMBURSE STATES AND LOCALITIES FOR THE COSTS OF FAILURES IN FEDERAL IMMIGRATON POLICY

- ▶ The federal government, in cooperation with local hospitals and state and local health authorities, should report to Congress annually on the cost of uncompensated medical care due to both legal and illegal immigration.
- The federal government should fund a program to annually reimburse states, communities, and hospitals for the uncompensated costs of medical care to illegal aliens and non-immigrants, based on records of such treatment, and should collect and publish a record of the cost of providing health care to immigrants. A key requirement of that program would be the fingerprinting requirement outlined above. Because immigration is a federal responsibility, and in order to spread the burden equitably, Washington should pick up the tab for providing health care for the people it has failed to prevent from becoming illegal residents.
- States and communities that work against federal efforts to combat illegal immigration, e.g., by accepting foreign consular IDs issued to illegal residents as valid identity cards, or allowing illegal aliens to get driver's licenses, or adopting policies of non-cooperation with immigration authorities, should be excluded from the reimbursement program. These localities encourage illegal residence in their jurisdictions, perhaps with a misguided view that illegal aliens benefit the community. To allow them to escape the costs of those policies would be unfair to other communities.

• Congress should also clarify existing federal emergency medical service laws regarding the termination of a hospital's obligation for continuing care after the provision of emergency treatment to stabilize the patient.

END THE TAXPAYER SUBSIDY TO EMPLOYERS OF FOREIGN TEMPORARY WORKERS

Employers of temporary workers, especially unskilled agricultural workers on H-2A visas, are not required to provide medical coverage for their workers. As a result, those low-wage workers generally are forced to turn to emergency medical facilities, public health programs, or charitable clinics. This is an unreimbursed burden on the taxpayer and the medical facilities.

Current Congressional proposals to provide legal status to already employed illegal aliens do not include any provision for lessening the burden on public medical facilities and the American tax-payer from uncompensated medical services provided to these workers.

• Guestworker programs should be revised to require medical coverage for those workers and accompanying family members. The employer, employee, and sending country all benefit from the opportunity to work in the United States, and all three should be required to assume a liability should medical expenses, whether of an emergency nature or not, arise.

NEGOTIATE MEDICAL REPATRIATION AGREEMENTS WITH SENDING COUNTRIES

When data collected by public hospitals on uncompensated costs reveal a pattern of abuse by nationals of a specific country, the U.S. Department of State must negotiate a medical repatriation agreement with that country. In the absence of such agreement, travelers from that country should be required to obtain private international medical evacuation insurance as a condition of admission. In addition, a port of entry surcharge fee on citizens of that country may be levied in an amount necessary to defray the outlays by the federal government for medical evacuation of indigent citizens of that country.

ENDNOTES

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The Federation for American Immigration Reform (FAIR) is a national, nonprofit, public-interest, membership organization of concerned citizens who share a common belief that our nation's immigration policies must be reformed to serve the national interest.

FAIR seeks to improve border security, to stop illegal immigration, and to promote immigration levels consistent with the national interest—more traditional rates of about 300,000 a year.

With more than 250,000 members and supporters nationwide, FAIR is a non-partisan group whose membership runs the gamut from liberal to conservative. Our grassroots networks help concerned citizens use their voices to speak up for effective, sensible immigration policies that work for America's best interests.

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