Expanding Medi-Cal to Undocumented Seniors is of Critical Importance Amid COVID-19 Health Disparities

Background

In the eight months since California declared a State of Emergency due to the COVID-19 pandemic, the state’s confirmed cases have surged past 1 million - the highest figure of any single state in the US. While data from the California Department of Public Health has shown staggering disparities in COVID-19 case and death rates across communities of color, the state has yet to take swift action to provide a comprehensive medical safety-net for one of its most vulnerable populations - undocumented immigrant seniors.

In early January, Gov. Newsom’s proposed budget for the upcoming 2020-21 Fiscal Year allocated funding to expand full-scope Medi-Cal health coverage to undocumented seniors 65 years of age and older, a proposal long-fought for by health care and immigrant rights advocates from the #Health4All coalition. However, by June the final approved budget had withdrawn funding for Medi-Cal coverage expansion due to budget cuts - a glaring exclusion for a population acutely at risk for COVID-19 in this ongoing public health crisis.

This brief reviews the critical importance of expanding Medi-Cal to undocumented seniors in order to:

1. Mitigate racial disparities in COVID-19 case and death rates
2. Ease the economic burden faced by immigrant communities due to the pandemic
3. Ensure California continues its legacy of pioneering equitable health policies

The absence of a cohesive federal response to the pandemic, coupled with the current administration’s xenophobic response in all areas of policy from public charge to family separation, has emphasized the need for state-level leadership and comprehensive action to ensure immigrant communities are not sidelined and receive the necessary medical care they need.

Undocumented Immigrants Are Excluded from Accessing Medical Safety Net Programs They Help Fund

Undocumented immigrants make up 10% of California’s essential workers; by definition, the labor of these largely Latinx and Asian immigrants has kept the economy running throughout the pandemic, weathering the risks of exposure and infection in their frontline roles.

Apart from contributing to the state and federal economy at large, undocumented
immigrant workers generate tax revenue that helps fund medical safety-net programs available only to those with qualified legal status. Undocumented immigrants contribute upwards of $9 billion annually to Medicare and Social Security, the national health insurance program and economic safety-net for seniors, but they do not qualify for coverage due to their lack of legal status. As a result, undocumented immigrants are thereby excluded from accessing programs they help fund.

Unlike Medicare which is administered federally, Medicaid is administered on a state-by-state basis; individual states thereby have the legislative ability to broaden their Medicaid eligibility criteria to include low-income undocumented seniors without federal approval - an authority California has previously exercised when expanding Medicaid to undocumented children and young adults.

California's Original Proposal for Medicaid Expansion to Undocumented Seniors

The proposal scrapped by the Newsom administration would have extended coverage to approximately 27,000 undocumented seniors in the state for an annual cost of $250 million. The cost of this expansion would have to be shouldered by the state, given the existing ban on using federal funds to provide public benefits for undocumented immigrants. However, given that undocumented immigrants contribute $3.2 billion annually towards state and local taxes in California, the cost of this expansion is marginal compared to the tax revenue they generate for the state.

The $250 million cost of expansion would be inclusive of typical Medi-Cal benefits such as preventative care, inpatient care and prescription drugs, as well as In Home Supportive Services (IHSS), which are intended to keep seniors away from institutional sites of care to receive care at home. In the era of COVID-19 where institutional sites of care such as nursing homes and long-term care facilities have been epicenters of coronavirus outbreaks, the need for Medi-Cal expansion to cover IHSS is evident.

Advocates have also previously described the irony that undocumented immigrants are overrepresented in frontline health roles that provide direct care for seniors, such as home health aides, but have no access to coverage for these same services once they themselves age.

The Need for Medicaid Expansion Has Become More Urgent Due to COVID-19

1. Mitigating Racial Disparities in Covid-19 Case and Death Rates

81% of California’s undocumented population are Latinx and data reported by the California Dept. of Public Health (CDPH) demonstrates that California’s Latinx population faces higher COVID-19 case and death rates in comparison to California’s White population, due in part to factors such as their role as essential workers and living in intergenerational homes. While CDPH does not report COVID-19 data by immigration status, it does disaggregate COVID-19 data by race/ethnicity and by age. Figure 1 shows the proportion of COVID-19 cases and deaths for Latinos and Whites ages 65-79, clearly demonstrating the
disproportionate impact elderly Latinos have
shouldered. While Latinos make up 21.8% of
the state’s elderly population, they account
Whites make up a larger share of the elderly
population, more than half, but account for
less than a third of cases and deaths in this
age group.

While some of California counties and cities
have enacted local programs that provide
medical coverage to undocumented
populations (e.g. Healthy San Francisco),
lack of a cohesive statewide safety-net
contributes to creating systemic barriers to
accessing care. 39% of the undocumented
population is estimated to lack a regular
source of care and in the context of the
current pandemic, this complicates the
ability to seek out treatment or medical
guidance for COVID-19.

2. Easing the Economic Burden
Faced by Immigrant Communities

Undocumented communities are already
facing economic strain in light of the
pandemic, as 1 in 3 undocumented workers
are employed in industries directly affected
by COVID-19 business reductions and
closures. Fear of treatment costs may
contribute to immigrants delaying care and
treatment for COVID-19 symptoms, further
contributing to the high case and death
rates previously discussed. Fears about out
of pocket costs are not unfounded, as the
cost of COVID-19 treatment can be
exorbitant and reach higher than $73,000
for patients who require hospitalization for
their care (Figure 2). These costs would
likely be absorbed by hospitals as
uncompensated care, posing a loss to
hospitals that are already facing financial
Weeks 21 Under the 2020 Coronavirus Aid, Relief, and Economic Security Act (CARES Act), no protections are in place for patients against the expected out of pocket costs of treatment. 22

On the contrary, the cost of comparable treatment under Medicaid is drastically lower at an estimate of $7,533 due to the reimbursement rates Medicaid sets with providers. By design, Medicaid coverage comes with little to no cost-sharing by patients for services due to the low-income population it covers. Therefore, approving Medicaid expansion would allow undocumented seniors to have critical medical coverage as the pandemic continues to surge through the state and would allow for hospitals to receive payment for providing care, rather than absorbing the financial loss of uncompensated care.

3. Ensure California Continues Its Legacy of Pioneering Equitable Health Policies

California was a vanguard in expanding care to undocumented communities, becoming the first state in the nation to expand full-scope Medicaid to undocumented children in 2015, setting the policy blueprint for six states to follow suit. In 2019, California again set another milestone by becoming the first state to further expand Medicaid coverage to young adults up to age 26.

Yet in 2020, faced with a pandemic whose human toll is still accumulating, California has faltered in providing a progressive legislative response to cover the critically at-risk population of undocumented seniors. Instead, the state of Illinois has emerged as the first to enact legislation granting Medicaid expansion to this population, acting swiftly to approve and allocate funding for this expansion at the beginning of the state’s fiscal year effective July 1st 2020 23.

Expanding Medicaid coverage to the undocumented population is emerging as a recommendation from experts 22, 24 in order to ensure these communities are able to access comprehensive testing and
treatment to help curb transmission and mitigate the case and death disparities being observed across the country. As California stakeholders invest millions of dollars for contract tracing initiatives, the State should consider this an opportune time for Medicaid expansion and could explore leveraging the multilingual contact tracing workforce already focused on reaching communities of color to connect newly eligible individuals to Medi-Cal enrollment and facilitate access to testing and treatment.

Conclusion

The COVID-19 pandemic has exposed the consequences of lacking a robust safety-net inclusive of undocumented immigrant communities. Both state and national data on case and death rates reveal that the impact of the pandemic on communities of color is undeniable and staggering; yet no concerted federal response by the current administration is expected, highlighting the need for state leaders to act. Expanding Medicaid coverage to undocumented seniors is only one facet of a true health justice approach which requires far reaching actions including protections for workers, affordable housing, and economic safety net supports, but it is a critical step in dismantling structural barriers to care at a time when it is most vital to immigrant communities.

Suggested Citation


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