

ModernHealthcare

Study: Immigrants give more to Medicare than they get

By: Jessica Zigmond – May 29, 2013

Dr. Steffie Woolhandler, a professor of public health at the City University of New York, remembers a 48-year-old Hispanic immigrant and father of three who died of a heart attack several years ago at Cambridge (Mass.) Hospital—a death she says could have been prevented if her patient had sought and received the proper care earlier.

Woolhandler has seen similar cases throughout her career as a primary-care physician, but she said this was one of the worst outcomes. Experiences such as this caused her to join lead author Dr. Leah Zallman of Harvard Medical School and three other physician authors to work on a study they hope will inform lawmakers and the public in the current immigration reform debate. As Woolhandler explained, she and her physician colleagues believe that healthcare for those who are sick is a human right. But now their findings offer an economic perspective on the issue that lawmakers might find useful in their deliberations on both deficit reduction and immigration.

“Immigrants are subsidizing the native born, at least in the Medicare program,” Woolhandler told Modern Healthcare. “Not only is denying care unfair from a human rights perspective, but it’s also unfair from an economic point of view.”

In analysis released Wednesday (PDF) in the June issue of the journal *Health Affairs*, the authors found that immigrants in 2009—including citizens and both legal and immigrants living illegally—paid in 14.7% of the Medicare trust fund's total contributions. But they accounted for 7.9% of its total expenditures, resulting in a surplus of \$13.8 billion for that year. Meanwhile, U.S.-born individuals generated a \$30.9 billion deficit. And between the years 2002 and 2009, immigrants produced surpluses to the Medicare program between \$11.1 billion and \$17.2 billion per year, which meant they contributed an estimated \$115.2 billion more to the Medicare trust fund than they took out during that seven-year period.

“One of the things that has been said incorrectly is that immigrants are a drain on the system,” Woolhandler said. “I think we’re showing that—at least for Medicare—immigrants are a contributor to the system. They’re contributing a lot more than they’re taking out.”

The authors used multiple years of data from the Current Population Survey, a combined effort between the Bureau of Labor Statistics and the Census Bureau, and HHS' Medical Expenditure Panel Survey.

Alex Nowrasteh, an immigration policy analyst at the Cato Institute, a right-of-center think tank, said he was not surprised by the author's conclusions. “The median age for an unlawful immigrant is 34,” Nowrasteh said. “So a lot of them pay money into the Medicare Trust Fund without being elderly and drawing down. Due to the demographics,

they are a net fiscal positive for Medicare,” he said. On top of that, he added, between 50% and 70% of immigrants return to their countries of origin.

Woolhandler also noted that as a group, immigrants are generally healthier when they arrive. “But after they have been in the United States, their health deteriorates and they're not healthier than anyone else,” she said. Part of that, she explained, is because immigrants adopt some unhealthy lifestyle choices, and part of it is because they are not receiving the primary and preventive care they need.

The Health Affairs study's findings come at a time when lawmakers are grappling with how to address Medicare's long-term financial sustainability as well as with immigration reform legislation. Next month, the Senate is expected to discuss the sweeping immigration bill from the upper chamber's so-called Gang of Eight that the Senate Judiciary Committee approved last week.

Nowrasteh said he expects those immigrant reform deliberations to begin in the Senate around mid-June. In the House, he said, there's a sticking point in the legislative negotiations over whether immigrants legalized by the legislation and on a pathway to citizenship should be required to buy health coverage even if they won't receive federal subsidies to help them purchase it.

“What I think this study encourages is for people to look at the fiscal benefits of immigrants,” Nowrasteh said. “This makes the point that immigrants fund the welfare state. It's unclear how we could sustain the welfare state without immigrants paying this much money into the system.”