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RAND STUDY SHOWS RELATIVELY LITTLE PUBLIC MONEY SPENT PROVIDING HEALTH CARE TO UNDOCUMENTED IMMIGRANTS

Just a small fraction of America's health care spending is used to provide publicly supported care to the nation's undocumented immigrants, according to a RAND Corporation study issued today.

Overall, immigrants to the United States use relatively few health services, primarily because they are generally healthier than their American-born counterparts, according to the study by the nonprofit research organization.

The report – which appears in the November edition of the journal *Health Affairs* – estimates that in the United States about \$1.1 billion in federal, state and local government funds are spent annually on health care for undocumented immigrants aged 18 to 64. That amounts to an average of \$11 in taxes for each U.S. household.

In contrast, a total of \$88 billion in government funds were spent on health care for all non-elderly adults in 2000.

“Our findings show a relatively small amount of tax money is spent on health services provided to undocumented immigrants,” said James P. Smith, the RAND chair in Labor Market and Demographic Studies and an author of the report. “Costs will be much higher for educating the children of undocumented immigrants, so that’s where debate should center, not on these relatively small health care costs.”

The other authors of the new report are: Dana Goldman, chair and director of health economics at RAND; and Neeraj Sood, an associate economist at RAND.

Smith also was an author of the often-cited National Academy of Science publication on immigration titled “The New Americans.”

The estimates of public spending on medical care for undocumented immigrants are included in a RAND study that examined the patterns of health care use by the foreign-born and those

born in the United States. The study provides the most detailed analysis to date of immigrants and their use of health services.

Researchers developed their estimates by analyzing information collected by the Los Angeles Family Neighborhood Study (LAFANS), which interviewed nearly 2,400 English- and Spanish-speaking adults throughout Los Angeles County during 2000 and 2001. Los Angeles has the largest immigrant community in the United States.

Participants in the LAFANS study were asked about their health status, whether they had health insurance, and the type and amount of health care used. The study is unique because it also asks participants about their immigration status -- information not collected by other surveys.

Researchers found that non-elderly, adult immigrants – those who are legal and those who are undocumented – made fewer visits to doctors and hospitals than native-born non-elderly adults. Although the foreign-born make up 45 percent of the Los Angeles County's population, they accounted for just 33 percent of the region's health spending in 2000, according to the study.

A large number of foreign-born residents of Los Angeles County had almost no contact with the formal health care system, researchers found. One-quarter of the foreign-born had never had a medical check-up and one in nine had never visited a doctor – twice the rate seen among the native-born. Only 58 percent of undocumented immigrants had visited a doctor in the past year and only 11 percent had been hospitalized in the past two years.

Among undocumented men, just 2 percent had any hospitalizations in the prior year. Half had not seen a doctor in the prior year.

One of every five undocumented women had never received a checkup -- four times the rate seen among native-born women -- and 7 percent had never seen a physician, compared with 1 percent of native-born women.

“The lower use of medical services by immigrants is driven in part by their lower rates of insurance,” Goldman said. “But the largest factor appears to be due to their being generally healthier than the native-born population.”

Foreign-born people in the LAFANS survey reported fewer health problems, an advantage that was especially pronounced among the undocumented. For example, while 38 percent of the native-born reported having a chronic health condition, only 27 percent of the foreign-born and 19 percent of the undocumented did so.

Researchers say some of the differences may be explained by the younger age of immigrants and a lower rate of diagnosis caused by their limited access to doctors and other health services. But even when those factors are considered, immigrants appear healthier than the native born.

“This suggests that the act of immigrating to the United States favors those who are generally healthier and may discourage those who have chronic health problems,” said study co-author Sood.

Researchers computed estimates of health costs by immigration status by combining information about an individual's use of health services with studies that estimate the cost of individual health services.

The study found that per capita health care spending by foreign-born men in Los Angeles County in 2000 was \$1,086 less than by native-born men (\$1,540 compared with \$2,626), with most of the difference due to lower spending by private and public insurers for the foreign-born. Similar trends were seen among women.

Among the foreign-born, per-person health costs were highest among immigrant citizens. Per-person medical spending for undocumented men and women was 39 percent and 54 percent of the spending of their native-born counterparts.

The authors estimate that total medical costs for all Los Angeles County residents ages 18 to 64 was \$13.9 billion in 2000, with private insurers paying a bit more than half the costs and public insurers a little more than one-fourth the costs. The remainder was paid for out of pocket.

Researchers estimate that total medical spending on undocumented immigrants in Los Angeles County was \$887 million in 2000 – 6 percent of total costs, although undocumented immigrants comprise 12 percent of the region's residents.

Most of the costs for undocumented immigrants' health care were covered by private insurance or out-of-pocket payments, but an estimate \$204 million was for publicly supported services. The study found that native-born residents were more likely to use publicly funded services than foreign-born residents.

In the new RAND study, national estimates of health care costs for the foreign-born were obtained by applying the experiences from Los Angeles County across the nation, where the foreign-born are 13.1 percent of the population and undocumented immigrants are an estimated 3.2 percent of the population.

Of the \$429 billion spent on health care nationally for non-elderly adults during 2000, researchers estimate that \$37 billion was spent on the foreign born -- 8.5 percent of the total costs. The study estimates \$6.5 billion was spent on undocumented immigrants, with \$1.1 billion coming from publicly supported health services.

Support for the study was provided by the Robert Wood Johnson Foundation through its support of the Economic Research Initiative on the Uninsured at the University of Michigan.

The study was conducted by RAND Labor and Population, which examines issues involving U.S. labor markets, the demographics of families and children, social welfare policy, the social and economic functioning of the elderly, and economic and social change in developing countries.

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