

# HEALTH REFORM

## AND CALIFORNIA'S LATINO IMMIGRANT COMMUNITY

### Introduction

The Affordable Care Act was signed into law on March 23, 2010 by President Obama and constitutes a major reform of the U.S. health care system. A key objective of the reform is to expand access to care and improve health outcomes among low-income groups, ethnic and racial minorities and other underserved groups. The law will expand health insurance coverage, improve the publicly funded health system and reform the private health insurance market in an historic effort to expand coverage to 32 million individuals who currently lack health insurance.

For California's Latino community, made up of both U.S. and foreign-born persons, the law has serious implications. While long-stay, documented Latino immigrant families with low incomes will be better off, many others within the Latino community will be excluded. The law may serve to exacerbate health disparities by immigration status, potentially undermining the many ways in which the law can otherwise benefit California's Latino community.<sup>1</sup>

### Why Health Reform is Important for California's Latino Immigrants

Of the 38 million foreign-born people living in the U.S., California is home to the greatest number (over 10 million).<sup>2</sup> Of the estimated 7.5 million undocumented immigrants of Latino origin in the United States, 6.6 million are from Mexico.<sup>2</sup> California's total population is 37% Latino and 26% immigrant. Over 4 million Mexican immigrants currently live in California; 47% have no health insurance, and 22% live in poverty.<sup>3</sup> It is estimated that there 2.5 million undocumented immigrants living in California, and most of them (65%) are from Mexico.<sup>4</sup>

Latino immigrants are characterized by their good health status despite health care patterns that differ from those of the native born: they are less likely to have a usual source of care, they are more likely to make use of community health clinics, and they visit the doctor less often.<sup>5</sup> The good health status of Latino immigrants tends to decline over time, and Latino immigrants show an increased risk for certain chronic diseases and health problems including obesity, diabetes, and HIV.<sup>5</sup>

### 2010 Health Reform: 5 Key Provisions that Impact Latinos in California

1. The law penalizes employers that do not provide health insurance to their employees and establishes an individual mandate to purchase health insurance for those not covered through their employment. This will extend coverage to an estimated 7.3 million Californians who were previously uninsured, many of them Latinos.<sup>1</sup> Undocumented immigrants are usually not covered through employment and are exempt from the individual mandate.
2. The law creates state-based health insurance exchanges where people can shop for health insurance at an affordable price. Tax credits and subsidies will help low-income individuals and families (with incomes from 133% to 400% of the Federal Poverty Level, or FPL) purchase insurance through the exchanges. Latino immigrants earn less on average than native-born white families and those previously without health insurance who are eligible will gain greater access. It is estimated that in California, 5.7 million Latinos will be newly eligible.<sup>6</sup> Undocumented immigrants are prohibited from purchasing insurance through the exchanges and receive no subsidies.
3. Medicaid will be expanded to cover the poorest individuals (those earning below 133% of FPL), regardless of their family status. Latino immigrants are more likely to live in poverty than the native-born. An estimated 6.4 million Latinos in California will be newly eligible, however recently arrived immigrants face a 5 year waiting period and undocumented immigrants are not eligible.<sup>6,7</sup>
4. The law will provide \$11 billion in funding to community health clinics (CHC) from 2011 to 2015 (\$1.4 billion for California), establish a prevention and public health investment fund and provide support for community health outreach workers.<sup>8,9</sup> Latino immigrants will benefit as they are more likely to make use of community health centers and the services of community health outreach workers like promotoras. In 2008, 33% of all users of CHCs nationally were Latino.<sup>6,10</sup> CHCs, county hospitals and certain public health programs that are limited in scope are the only health resources that undocumented immigrants will have access to under the new law.
5. The law imposes new regulations on the health insurance industry, banning practices such as medical underwriting—the practice of basing insurance coverage on one's prior medical history or health status—and lifetime limits on benefits. The health of California's Latino immigrants and most everyone will benefit from greater health security as a result of this provision of the law.

## Conclusions

The expansion of access to health care through the Affordable Care Act will likely benefit Latinos in general. The degree to which the law improves Latino immigrant health through increased rates of coverage and better health outcomes depends on the extent and success of outreach to the Latino community. Misperceptions in the community about eligibility, stigma, language and cultural barriers may reduce the positive impact of the new law, unless an effort is made to conduct outreach with Latinos.

Some groups, most notably undocumented Latino immigrants, stand to gain little or nothing from the reform. This important population group is likely to become even more marginalized as the new health system begins to reflect immigration status as its key exclusionary mechanism.

The Latino origin population is expanding at a rapid rate such that by 2050, Latinos are expected to make up 30% of the nation.<sup>11</sup> Thus the current exclusion of a significant part of the Latino immigrant community from the benefits of health reform has implications for future population health.

## The health of a country is also the health of its immigrants!

### Recommendations: Ensuring Latinos Benefit from Health Reform

- Target outreach efforts to Latinos in California, especially Latino immigrants. Successful outreach is a key to reducing disparities in health access and health outcomes among this population.
- Community Health Centers should focus greater attention on the immigrant population, who will be increasingly reliant on their services for health care. Both recent arrivals who earn low incomes and must pass a 5 year waiting period for access to Medicaid and undocumented immigrants have little recourse except to turn to community health clinics or private services.
- Increase the use of promotores, a widely respected and culturally competent group of community outreach workers in Latino communities, to educate hard to reach groups about the new law and how Latino immigrants can benefit from it.
- Advocate for health as a human right. The cost of health promotion, disease prevention, and health education efforts can be much less than long-term treatment costs for chronic diseases. Everyone in working families in the U.S. should enjoy the right to access to health care regardless of immigration status.

## References

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