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# Expansion of Health Insurance in California Unlikely to Act as Magnet for Undocumented Immigration

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**E**xpansion of health care coverage has risen to the top of the legislative agenda in California. One question within the health care reform debate is whether expanding health insurance to all Californians will attract new undocumented immigrants who would come primarily for those benefits. A review of studies on immigration and public benefits suggests that the net attraction of any major expansion of health insurance in California would be minor in comparison to the existing attractions of jobs, family and other factors.

This policy brief reviews research studies on undocumented immigration and public benefits, with specific attention to health insurance benefits. Because so few studies examine the migration of undocumented immigrants for health benefits, we also review two directly related areas of inquiry: 1) the relationship between public benefits offered by a state and the destination choice of *legal* immigrants to the United States; and 2) the migration of low-income *citizens* across state lines in response to public benefits offered by states.

## Why the Concern About Health Insurance and Migration?

The 1994 passage of Proposition 187 in California, the 1996 restrictions on immigrants' eligibility for public programs in federal welfare reform, and the 2006 citizenship verification requirement for Medicaid eligibility all reflect a widespread belief of the general public that public benefit programs, including Medicaid, are a magnet for undocumented immigrants.<sup>1</sup>

Public beliefs about the motives of immigrants are related to the longstanding debate about whether immigration contributes to or is a drain on public resources. This debate has centered on the differences between the taxes paid by immigrants and the costs of education, health and social services that they use. Studies that look broadly at costs and benefits nationally find that immigration provides an overall economic benefit to the country, with a relatively small additional tax burden in geographic areas with large numbers of low-waged immigrants.<sup>2</sup> These studies include both documented and undocumented immigrants. Since undocumented immigrants pay most types of taxes but are not eligible for the full benefits of most public programs—such as Medi-Cal, TANF and public housing—they may provide even greater economic benefits than average.<sup>3</sup>



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## Exhibit 1

**Main Reason for Immigrating Among Undocumented Latino Adults in Four U.S. Cities, 1996-1997**

	Employment	Education	Family Reunification	Social Services
El Paso	26.6	20.7	49.1	0.0
Houston	56.8	2.6	33.6	0.0
Los Angeles	56.2	4.1	33.0	0.6
Fresno	62.6	3.2	30.3	0.4

Source: Berk et al., Health Care Use Among Undocumented Latino Immigrants, 2000.

**Reasons for Undocumented Immigration: Work, Family or Public Benefits?**

There are few studies on the relationship between public health benefits and undocumented immigration. There are many sources of information on the foreign born in the United States, but none that routinely collect information on undocumented immigrants. The reported number of undocumented immigrants in the United States is an estimate based on the difference between the number of legal immigrants and the total number of foreign-born persons in the United States.<sup>4</sup> These estimates provide information on key demographic characteristics of undocumented immigrants, but do not provide information on why they came to the United States.

One study that directly addresses the use of social services as a reason for undocumented immigration found that undocumented Latino adults do not immigrate to the U.S. to obtain free health care or use social services.<sup>5</sup> The study surveyed undocumented immigrants in two communities in Texas (El Paso and Houston) and two communities in California (Fresno and Los Angeles) through in-person interviews. It found that undocumented Latino adults immigrate to the U.S. mainly for employment and family reunification.

While some respondents reported using Medicaid benefits, less than 1% of respondents across all four communities

cited obtaining services as the most important reason for immigrating. An in-depth study of migrants from four Mexican communities to the U.S. in the early 1980s found a similar pattern of work and family reasons motivating migration, and very low use of public benefits near the time of migration.<sup>6</sup>

**Benefits not the Primary Attraction for Legal Immigrants**

There are more studies about the experiences of legal immigrants than there are of undocumented immigrants. Legal immigrants provide a good model for the attractiveness of health benefits since they are eligible for Medicaid and other public benefits in some states. Studies that look at the patterns of legal immigrant settlement and benefit availability (but not use) are inconclusive as to the effect of state public-benefit levels on the location choices of immigrants. It is notable, however, that states with newly emerging Latino immigrant populations, such as Alabama, Georgia and South Carolina, are states with the least generous welfare provisions.<sup>7, 8</sup>

Some studies have found a relatively small but statistically significant relationship between public benefit generosity and the location decision of newly admitted immigrants.<sup>9, 10</sup> Others have found no association between public benefit generosity and the location decisions of legal immigrants.<sup>11, 12</sup> The different findings

are largely the result of differences in definitions and methods. In general, however, immigrants have incomplete or inaccurate information about the social and economic conditions of the locations where they initially settle.<sup>13</sup> Since they typically rely on family or close friends for that information, immigrants' information about health care benefits in different states is likely to be flawed. The findings of one of the first studies on the subject summarizes what subsequent research has continued to find: the location choice of an immigrant is most strongly influenced by the presence of other immigrants from the same country, while the effect of public benefit offerings is weak at best.<sup>14</sup>

Immigrants in general, and undocumented immigrants in particular, are also healthier than the U.S.-born population and use fewer health care services.<sup>15</sup> If health services acted as a magnet for immigrants, we would expect to see worse health conditions and higher use of health services than observed.

Though there are mixed findings about the relationship between immigration location choice and state public-benefit generosity, the concentration of immigrants from the same country is always a strong and significant predictor.<sup>10, 14</sup> This finding is frequently overlooked in discussions about legal immigrants coming to use public benefits. Yet it is consistent with the network theory of immigration, which describes immigration as a function of relationships between immigrants in a destination country and potential immigrants in a country of origin.<sup>16</sup> A growing body of research demonstrates the importance of personal networks on immigration choices.<sup>17</sup>

### **Public Benefits a Small Factor in Interstate Migration Within the U.S.**

The migration of low-income citizens between states within the U.S. might

provide more conclusive evidence about the relationship between public benefits and migration decisions. Research on interstate migration may provide more precise results for three reasons. First, data that directly measure enrollment in public benefit programs and interstate migration are readily available. Second, the complexities presented by measuring citizenship status, especially of households, are eliminated. Third, federal welfare reform in 1996 provided a natural experiment to examine changes in public benefits generosity and migration. Welfare reform resulted in many states setting different levels of public benefit provision, allowing for an examination of interstate migration in response to those changes.

Research on the relationship between interstate migration and public benefit generosity can be divided into three waves. The earliest studies found little evidence of a “welfare magnet” effect on interstate migration.<sup>18</sup> In the 1980s and 90s, a growing body of evidence emerged demonstrating some evidence for public benefit-driven migration.<sup>19, 20</sup>

Recently, more sophisticated studies have concluded that migration for public benefits does not occur at any significant level.<sup>21, 22</sup> Some researchers continue to find a small impact of welfare generosity on the residential decisions for single mothers.<sup>23</sup> Other research demonstrates the high level of complexity that goes into the decision to move between states.<sup>24</sup> Many of the conflicting findings are again related to technical factors, including the time period under consideration, the data set used for analysis, and the particular statistical model used to determine factors related to migration for public benefits.

In order to demonstrate that migration was caused by public benefits, a model must be able to show that interstate migrants move

systematically from lower- to higher-generosity public benefit states and enroll in public benefit programs after their move.<sup>21</sup> Data on individuals who move must also have information before and after a person's move, as well as a range of factors—including state employment characteristics—to be able to measure the impact of benefit generosity independently from other determinants of interstate migration. The studies that have come closest to accomplishing this have shown small or insignificant effects of public benefit generosity on interstate migration.<sup>21, 25</sup> As with the studies on immigration location choice, family ties are an overwhelmingly strong factor affecting interstate migration when compared to public benefit generosity.<sup>23</sup> Employment opportunity is also a key factor in interstate migration decisions.<sup>21, 24</sup>

### Evaluating the “Welfare Magnet Hypothesis”

Though undocumented immigrants may use government benefits through emergency Medicaid and other public programs (primarily schools), a review of the existing research on immigration and interstate migration provides no conclusive evidence that health or other public benefits are a significant motivation for any documented or undocumented immigrants' decision to come to the United States or to settle in a particular state. If undocumented migration for public benefits, including Medicaid, were as strong an empirical reality as it is a public and political concern, there would be far more evidence of it in populations for whom access to public benefits is far easier (legal immigrants and citizens for example), regardless of the technical differences in research studies.

The weak empirical evidence requires reevaluating the assumptions underlying the “welfare magnet hypothesis”—the common opinion that public benefits attract immigrants. This opinion assumes that

immigrants, legal and undocumented, are drawn to a destination country for its public benefits over all other potential factors, and that those benefits are available to the undocumented immigrant. The empirical evidence suggests that:

- Employment opportunities and family reunification are the primary motivations for both legal and undocumented immigration.
- Welfare policy both before and after welfare reform in 1996 severely restricted the provision of public benefits to undocumented immigrants. Though emergency medical services must legally be provided to patients regardless of citizenship status, and some states provide some medical services for undocumented patients, there is little evidence that public health insurance is a significant motivating factor for unauthorized immigration.

There is also no evidence that health or public benefits available to undocumented immigrants outweigh associated costs of leaving ones' home country and resettling in the U.S.

Although there is a strong belief among the general public that health care and other benefits act as a “welfare magnet” for undocumented immigrants, there is little empirical evidence to support those beliefs. Public policy related to immigration and public benefit programs would be better served by moving away from a welfare magnet framework toward an evidence-based understanding of immigration and public benefits utilization. Decision-making that prioritizes evidence over rhetoric will lead to a more effective immigration and public policy agenda.

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### Notes

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