

**REPORT ON TEXAS  
HEALTH AND HUMAN SERVICES  
COMMISSION SERVICES  
AND BENEFITS PROVIDED TO  
UNDOCUMENTED IMMIGRANTS**

*Update to the Report Required by the  
2008-09 General Appropriations Act,  
H.B. 1, 80<sup>th</sup> Legislature, Regular Session, 2007  
(Article II, Health and Human Services Commission, Rider 59)*

**DECEMBER 2014 UPDATE**



*Strategic Decision Support  
Financial Services Division*  
**TEXAS HEALTH AND HUMAN SERVICES COMMISSION**

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## I – Background

The 2008-09 General Appropriations Act, H.B. 1, 80<sup>th</sup> Legislature, Regular Session, 2007 (Article II, Health and Human Services Commission, Rider 59) required the Texas Health and Human Services Commission (HHSC) to report the cost of services and benefits provided by HHSC to undocumented immigrants in the state. This report was originally completed in 2008. Due to numerous requests for related current information, the report was updated in 2010 and 2012. This report is the third update to the original report. The text of Rider 59 is included below, with the updated data and supporting documentation on subsequent pages.

### **Rider 59 — Report to the United States Congress on Services and Benefits Provided to Undocumented Immigrants**

*The Health and Human Services Commission shall compile a report of the cost of services and benefits provided to undocumented immigrants, with the agency determining the extent to which undocumented immigrants are served by the agency, by individual program. The agency may use a statistical method developed by the agency in cases where it is not practical for the agency to directly determine whether recipients of a service or benefit are undocumented immigrants.*

*The Health and Human Services Commission shall also compile information on this subject from each public hospital district within the state and include this information in the report and shall not enforce Title 8 of the United States Code when compiling information on this subject.*

*The report must be produced using aggregated statistical data that does not contain personally identifiable information. The purpose of compiling this information is to perform analysis to assist the United States Congress and this state in making future health care and budgetary decisions. Information sought for the preparation of this report may not violate any federal or state laws, including rules, regarding privacy.*

*This report shall be provided to the United States Congress by December 1, 2008, and may be used as supporting materials by the State of Texas in requests for additional federal appropriations to assist with these costs.*

*The Health and Human Services Commission or a public hospital district may compile and report the information required by this rider only in a manner the attorney general of this state certifies as consistent with federal law.*

*The Health and Human Services Commission again shall submit the required report to the Lieutenant Governor, Speaker of the House of Representatives, and Members of the Legislature by December 1, 2008, and shall include the information in the agency's annual report for 2008.*

## II – Executive Data Summary

### TEXAS HEALTH AND HUMAN SERVICES COMMISSION SERVICES AND BENEFITS PROVIDED TO UNDOCUMENTED IMMIGRANTS

*Estimated cost of services and benefits provided to undocumented immigrants in fiscal year (FY) 2013:*

$$\begin{aligned}
 & (1) \text{ Texas Emergency Medicaid — } \$90 \text{ million} \\
 & \quad + \\
 & (2) \text{ Texas Family Violence Program (FVP) — } \$1.4 \text{ million} \\
 & \quad + \\
 & (3) \text{ Texas Children's Health Insurance Program (CHIP) Perinatal Coverage — } \$38 \text{ million} \\
 & \quad = \\
 & \quad \underline{\underline{\$129 \text{ million}}}
 \end{aligned}$$

<b>Comparison of Estimates in Previous Reports and Current Estimate</b>				
	<b>FY 2007</b>	<b>FY 2009</b>	<b>FY 2011</b>	<b>FY 2013</b>
(1) Texas Emergency Medicaid	\$ 80 million	\$ 62 million	\$ 71 million	\$ 90 million
(2) Texas Family Violence Program (FVP)	\$1.2 million	\$1.3 million	\$1.3 million	\$1.4 million
(3) Texas Children's Health Insurance Program (CHIP) Perinatal Coverage	N/A*	\$ 33 million	\$ 35 million	\$ 38 million
<b>TOTAL TEXAS HEALTH AND HUMAN SERVICES COMMISSION</b>	<b>\$ 81 million</b>	<b>\$ 96 million</b>	<b>\$ 107 million</b>	<b>\$ 129 million</b>

\* Expenditures for CHIP Perinatal Coverage were not included in the original 2008 Rider 59 report since, at the time of its completion, a full year of program data was not available.

### III – Analytical Notes

#### I. Texas Emergency Medicaid

Emergency Medicaid, Type Program 30 (TP 30), is a federal and state funded program that provides Medicaid coverage, limited to emergency medical conditions including childbirth and labor to non-citizens including undocumented immigrants, living in the United States. Emergency Medicaid is a federally required program.

Three steps are necessary to estimate the cost of services and benefits that HHSC provided to undocumented immigrants: A) Determine total Emergency Medicaid (TP 30) expenditures during fiscal year 2013; B) Estimate the fraction of undocumented non-citizens during this timeframe and amounts expended on this population; and C) Calculate the state share of TP 30 expenditures for the undocumented population.

During fiscal year 2013 payments for Emergency Medicaid, TP 30, were as follows:

— A —

#### **Texas Emergency Medicaid, Type Program 30, Fiscal Year 2013**

Inpatient hospital	\$299,447,148
Outpatient hospital	\$26,084,046
Professional and other services	\$19,043,497
Vendor drug	\$97,954
<hr/>	
<b>(A) Total</b>	<b>\$337,672,645</b>

Since HHSC Medicaid claims data do not conclusively identify the legal residency status of immigrants, the portion of the \$337.7 million in Emergency Medicaid payments attributable to undocumented immigrants must be estimated.

According to the U.S. Census Bureau's *American Community Survey* (ACS) for Texas, approximately 2.87 million non-citizens resided in Texas in 2013. HHSC Strategic Decision Support estimates based on 2012 Department of Homeland Security reports, that in 2013 1.88 million, or 65.5 percent, of these residents were undocumented. Therefore, the estimated amount paid for Emergency Medicaid services to undocumented immigrants residing in Texas is about \$221 million:

### III – Analytical Notes (Continued)

— B —

$$\begin{aligned}
 & \text{(A) Texas Emergency Medicaid (\$337.7 million)} \\
 & \quad \times \\
 & \text{Estimated Percent of Non-Citizens Who Are Undocumented Immigrants (65.5\%)} \\
 & \quad = \\
 & \text{(B}_1\text{) \$221 million}
 \end{aligned}$$

The state shares the cost of the Medicaid program with the federal government, with Texas typically paying about 40 percent of Emergency Medicaid expenditures. However, in fiscal year 2009, due to provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), the federal government temporarily increased its share of Medicaid expenditures to 68 percent, leaving the state with a 32 percent share. In fiscal year 2011, Texas' share of Medicaid expenditures increased to 33 percent. Texas' share for 2013 increased to pre ARRA levels (to approximately 41%) in 2013 (**B<sub>2</sub>**). Therefore, the total estimated state cost for Emergency Medicaid services provided to undocumented immigrants residing in Texas in fiscal year 2013 was about \$90 million.

— C —

$$\begin{aligned}
 & \text{(B}_1\text{) Estimated Texas Emergency Medicaid for Undocumented} \\
 & \quad \text{Immigrants Residing in Texas (\$221 million)} \\
 & \quad \times \\
 & \text{(B}_2\text{) Texas Share of Medicaid Cost (40.79\%)} \\
 & \quad = \\
 & \text{\$90 million}
 \end{aligned}$$

Comparison of Estimates in Previous Reports and Current Estimate				
	FY 2007	FY 2009	FY 2011	FY 2013
Inpatient hospital	\$252,300,000	\$275,010,314	\$299,203,323	\$299,447,148
Outpatient hospital	\$11,200,000	\$13,248,238	\$24,845,002	\$26,084,046
Professional and other services	\$53,700,000	\$20,778,110	\$16,591,396	\$19,043,497
Vendor Drug	\$124,500	\$159,096	\$93,345	\$97,954
<b>(A) Sum of Expenditures</b>	<b>\$317,324,500</b>	<b>\$309,195,758</b>	<b>\$340,733,067</b>	<b>\$337,672,645</b>
<b>(B<sub>1</sub>) Estimated amount paid for services to undocumented immigrants</b>	<b>\$ 200 million</b>	<b>\$ 195 million</b>	<b>\$ 215 million</b>	<b>\$ 221 million</b>
<b>(B<sub>2</sub>) Texas' share of TP 30 expenditures*</b>	<b>39.23%</b>	<b>31.74%</b>	<b>32.68%</b>	<b>40.79%</b>
<b>(C) TEXAS' SHARE OF EXPENDITURES</b>	<b>\$ 80 million</b>	<b>\$ 62 million</b>	<b>\$ 71 million</b>	<b>\$ 90 million</b>

\*FY 2009 and 2011 represent years for which the Federal ARRA program reduced Texas' share of CHIP payments.

### III – Analytical Notes (Continued)

#### 2. Texas Family Violence Program

The Texas Family Violence Program (FVP) contracts with non-profit agencies in three categories (shelter centers, non-residential centers, and Special Nonresidential Projects [SNRPs]) across the state to provide essential services to victims of family violence. Core FVP services include shelter, 24-hour hotlines, emergency medical services, counseling, etc. In fiscal year 2013, the FVP funded 70 non-profit family violence shelters, 10 non-residential centers, and 16 SNRPs, providing comprehensive family violence services to victims, with a total budget of \$25,484,083. State general revenue and Temporary Assistance for Needy Families (TANF) converted to Title XX accounted for about \$20 million (\$20,139,326) of the program’s total spending for direct services. Services are provided without any financial eligibility testing and are free of charge.

The FVP does not ask victims of family violence about their residency status. Therefore, the portion of the \$20 million in FVP expenditures attributable to undocumented immigrants must be estimated. According to the U.S. Census Bureau’s *American Community Survey (ACS)* for Texas, approximately 26.4 million individuals resided in Texas in 2013. HHSC Strategic Decision Support estimates based on 2012 Department of Homeland Security reports, that in 2013 1.88, or 7.1 percent, of these residents were undocumented. The total estimated state cost for direct FVP services to undocumented immigrants in fiscal year 2013 was:

$$\begin{array}{r}
 \text{Texas Family Violence Program budget } (\$20 \text{ million}) \\
 \times \\
 \text{Estimated Percent of Undocumented Immigrants in Texas } (7.1\%) \\
 = \\
 \mathbf{\$1.4 \text{ million}}
 \end{array}$$

<b>Comparison of Estimates in Previous Reports and Current Estimate</b>				
	<b>SFY 2007</b>	<b>SFY 2009</b>	<b>SFY 2011</b>	<b>SFY 2013</b>
Texas Family Violence Program budget	\$ 17 million	\$ 19 million	\$ 18 million	\$ 20 million
<b>ESTIMATED COSTS FOR DIRECT FVP SERVICES TO UNDOCUMENTED IMMIGRANTS</b>	<b>\$1.2 million</b>	<b>\$1.3 million</b>	<b>\$1.3 million</b>	<b>\$1.4 million</b>

### III – Analytical Notes (Continued)

#### 3. Texas Children's Health Insurance Program (CHIP) Perinatal Coverage

Texas CHIP Perinatal Coverage provides prenatal care to low-income women living at up to 200% of the Federal Poverty Level (FPL) who do not otherwise qualify for Medicaid, typically due to their citizenship status. Nearly all CHIP Perinatal Coverage enrollees are either documented or undocumented non-citizens. Since this program does not require citizenship documentation, there is no way to definitively report the number of undocumented immigrants served. Therefore, the portion of the \$204 million in CHIP Perinatal Coverage expenditures (which represents prenatal services only) in fiscal year 2013 attributable to undocumented immigrants must be estimated. Note: CHIP Perinatal Coverage expenditures were not included in the original Rider 59 report since, at the time of its completion, a full year of program data was not available.

According to the U.S. Census Bureau's *American Community Survey (ACS)* for Texas, approximately 2.87 million non-citizens resided in Texas in 2013. HHSC Strategic Decision Support estimates based on 2012 Department of Homeland Security reports, that in 2013 1.88, or 65.5 percent, of these residents were undocumented. Therefore, this brings the estimated amount paid for Texas CHIP Perinatal Coverage services to undocumented immigrants residing in Texas for fiscal year 2013 to about \$134 million:

$$\begin{array}{r}
 \text{Texas CHIP Perinatal Coverage Expenditures } (\$204 \text{ million}) \\
 \times \\
 \text{Estimated Percent of Non-Citizens Who Are Undocumented Immigrants } (65.5\%) \\
 = \\
 \mathbf{\$134 \text{ million}}
 \end{array}$$

The state shares the cost of the CHIP program with the federal government. Texas typically pays about 28.5 percent of expenditures. Therefore, the total estimated state cost for CHIP Perinatal Coverage to undocumented immigrants residing in Texas in fiscal year 2013 was about \$38 million.

$$\begin{array}{r}
 \text{Estimated CHIP Perinatal Coverage for Undocumented} \\
 \text{Immigrants Residing in Texas } (\$134 \text{ million}) \\
 \times \\
 \text{Texas Share of CHIP Expenditures } (28.5\%) \\
 = \\
 \mathbf{\$38 \text{ million}}
 \end{array}$$

<b>Comparison of Estimates in Previous Reports and Current Estimate</b>				
	<b>FY 2007</b>	<b>FY 2009</b>	<b>FY 2011</b>	<b>FY 2013</b>
Texas CHIP Perinatal Coverage expenditures	*	\$ 188 million	\$ 201 million	\$ 204 million
Estimated amount paid for services to undocumented immigrants	*	\$ 118 million	\$ 127 million	\$ 134 million
<b>Texas' share of the expenditures</b>	*	<b>\$ 33 million</b>	<b>\$ 35 million</b>	<b>\$ 38 million</b>

\* Expenditures for CHIP Perinatal Coverage were not included in the original 2008 Rider 59 report since, at the time of its completion, a full year of program data was not available.

## IV – References

The 2008-09 General Appropriations Act, H.B. 1, 80<sup>th</sup> Legislature, Regular Session, 2007 (Article II, Health and Human Services Commission, Rider 59).

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