

Unauthorized immigrants prolong the life of Medicare Trust Fund

June 23 2015

Unauthorized immigrants pay billions more into Medicare's Hospital Insurance Trust Fund each year than they withdraw in health benefits, according to research from Harvard Medical School, the Institute for Community Health and the City University of New York School of Public Health at Hunter College. The study appeared last Thursday as an "online first" article in the *Journal of General Internal Medicine*.

In 2011 alone, unauthorized immigrants paid in \$3.5 billion more than they utilized in care. Unauthorized immigrants generated an average surplus of \$316 per capita to the Trust Fund, while other Americans generated a deficit of \$106 per capita. The authors conclude that reducing unauthorized immigration would worsen Medicare's financial health.

Payroll taxes are the major revenue source for the Trust Fund, which mostly pays hospital bills. Unauthorized immigrants often pay these taxes, usually under a borrowed or invalid Social Security number. Unauthorized immigrants are mostly working age, have high rates of labor force participation, and hence contribute substantial [payroll taxes](#). Medicare outlays for unauthorized immigrants are low because they are ineligible for Medicare benefits.

The study authors examined Medicare Trust Fund contributions and expenditures for each year from 2000 through 2011. They analyzed data from the Census Bureau's Current Population Survey to calculate tax contributions, and used the Medical Expenditure Panel Survey to

determine medical expenses paid by Medicare.

The study found that immigrants contributed a surplus of between \$2.2 billion and \$3.8 billion per year, or a total of \$35.1 billion from 2000-2011. Had unauthorized immigrants neither contributed to nor withdrawn from the Trust Fund during those 11 years, it would become insolvent in 2029 - one year earlier than currently predicted.

"For years I have seen my unauthorized immigrant patients be blamed for driving up [health care costs](#)," said lead author Dr. Leah Zallman, a faculty member at Harvard Medical School, researcher at the Institute for Community Health and primary care physician at Cambridge Health Alliance. "Yet few acknowledge their contributions. Our study demonstrates that in one large sector of the U.S. health care economy, unauthorized immigrants actually subsidize the care of other Americans."

Senior author Dr. Steffie Woolhandler, professor of [public health](#) at City University of New York and lecturer in medicine at Harvard, said: "The numbers contradict the myth that unauthorized immigrants are a drain on the [health](#) system. Reducing immigration would worsen Medicare's financial woes."

More information: "Unauthorized Immigrants Prolong the Life of Medicare's Trust Fund," by Leah Zallman, M.D., M.P.H., Fernando A. Wilson, Ph.D., James P. Stimpson, Ph.D., Adriana Bearse, M.S., Lisa Arsenault, Ph.D., Blessing Dube, M.P.H., David U. Himmelstein, M.D., Steffie Woolhandler, M.D., M.P.H. *Journal of General Internal Medicine*, June 18, 2015.

Provided by Physicians for a National Health Program

Citation: Unauthorized immigrants prolong the life of Medicare Trust Fund (2015, June 23)
retrieved 18 April 2024 from

<https://medicalxpress.com/news/2015-06-unauthorized-immigrants-prolong-life-medicare.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.