



Highlights of [GAO-04-472](#), a report to congressional requesters

UNDOCUMENTED ALIENS

Questions Persist about Their Impact on Hospitals' Uncompensated Care Costs

Why GAO Did This Study

About 7 million undocumented aliens lived in the United States in 2000, according to Immigration and Naturalization Service estimates. Hospitals in states where many of them live report that treating them can be a financial burden. GAO was asked to examine the relationship between treating undocumented aliens and hospitals' costs not paid by patients or insurance. GAO was also asked to examine federal funding available to help hospitals offset costs of treating undocumented aliens and the responsibility of the Department of Homeland Security (Homeland Security) for covering medical expenses of sick or injured aliens encountered by Border Patrol and U.S. port-of-entry officials.

To conduct this work, GAO surveyed 503 hospitals and interviewed Medicaid and hospital officials in 10 states. GAO also interviewed and obtained data from Homeland Security officials.

What GAO Recommends

GAO recommends that the Secretary of Health and Human Services, in establishing a payment process under recently enacted legislation, develop appropriate internal controls to ensure payments are made only for unreimbursed emergency services for undocumented or certain other aliens. The Centers for Medicare & Medicaid Services concurred with GAO's recommendation. Homeland Security also agreed with the report's findings.

www.gao.gov/cgi-bin/getrpt?GAO-04-472.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Janet Heinrich at (202) 512-7119.

What GAO Found

Hospitals generally do not collect information on their patients' immigration status, and as a result, an accurate assessment of undocumented aliens' impact on hospitals' uncompensated care costs—those not paid by patients or by insurance—remains elusive. GAO attempted to examine the relationship between uncompensated care and undocumented aliens by surveying hospitals, but because of a low response rate to key survey questions and challenges in estimating the proportion of hospital care provided to undocumented aliens, GAO could not determine the effect of undocumented aliens on hospitals' uncompensated care costs.

Federal funding has been available from several sources to help hospitals cover the costs of care for undocumented aliens. The sources include Medicaid coverage for emergency medical services for eligible undocumented aliens, supplemental Medicaid payments to hospitals treating a disproportionate share of low-income patients, and funds provided to 12 states by the Balanced Budget Act of 1997 (see table). In addition, the recently enacted Medicare Prescription Drug, Improvement, and Modernization Act of 2003 appropriated \$1 billion over fiscal years 2005 through 2008 for payments to hospitals and other providers for emergency services provided to undocumented and certain other aliens. By September 1, 2004, the Secretary of Health and Human Services must establish a process for hospitals and other providers to request payments under the statute.

Federal Funding Sources That Have Been Available to Help Cover Costs of Treating Undocumented Aliens

Program	Description
Medicaid	Covers emergency medical services for undocumented aliens who meet Medicaid eligibility requirements
Medicaid disproportionate share hospital payments	Provides supplemental payments to certain hospitals serving a larger number of low-income patients
Balanced Budget Act of 1997	Made \$100 million available to 12 states in fiscal years 1998 through 2001 for emergency services furnished to undocumented aliens

Source: GAO.

Border Patrol and U.S. port-of-entry officials encounter aliens needing medical attention under different circumstances, but in most situations, Homeland Security is not responsible for aliens' hospital costs. The agency may cover medical expenses only for those people in its custody, but border officials reported that sick or injured people they encounter generally receive medical attention without being taken into custody.