

Report To Congress.
Assessment of the Total Benefits and Costs of Implementing Executive Order
No. 13166:
Improving Access to Services for Persons with Limited English Proficiency

March 14, 2002

EXECUTIVE SUMMARY

Executive Order No. 13166 (Improving Access to Services for Persons with Limited English Proficiency) (Aug. 2000) is designed to improve access to federally conducted programs and activities and programs and activities of recipients of Federal funding for persons, who as a result of national origin, are limited in their English proficiency (LEP). The Administration has emphasized the importance of ensuring that LEP individuals receive appropriate language assistance services and has commenced an effort to implement the Executive Order's provisions. In order to accomplish that goal in an efficient and effective manner, the federal government should create clear and uniform standards defining how federal agencies and recipients of federal funds should implement the Order. Many entities, such as schools, local police departments, doctors, and hospitals, may receive funding from multiple federal agencies. It is critical that these recipients be able easily to understand and implement with policies issued by multiple agencies, so that LEP individuals receive language assistance in a uniform and consistent manner.

Pursuant to Congressional mandate, this report assesses the total costs and benefits of providing language-assistance services under the Executive Order.¹ OMB has (i) reviewed the

¹ The FY 2002 Treasury and General Government Appropriations Act included a provision directing the Office of Management and Budget to submit a report to the Appropriations Committees assessing the total benefits and costs of implementing Executive Order 13166. The relevant language in the appropriation law states, "... That of the amounts appropriated, not to exceed \$6,331,000 shall be available to the Office of Information and Regulatory Affairs, of which \$1,582,750 shall not be obligated until the Office of Management and Budget submits a report to the Committees on Appropriations that provides an assessment of the total benefits and costs of implementing Executive Order No. 13166: Provided further, That such an assessment shall be submitted no later than 120 days

published literature, (ii) surveyed federal and state agencies, (iii) solicited public comment through a *Federal Register* notice, (iv) devised rough numerical estimates of national costs and qualitative assessments of national benefits, and (v) performed case studies of the potential impact of the Executive Order in four sectors of American society: healthcare, welfare, transportation, and immigration.

The report focuses on the benefits and costs of providing language-assistance services to LEP persons pursuant to Executive Order 13166 and the Title VI regulations. In simple terms, benefit-cost analysis compares what has occurred or is expected to occur with a given policy change to what would have occurred in the absence of that change.² Under the Executive Order, “[e]ach Federal agency shall prepare a plan to improve access to its federally conducted programs and activities by eligible LEP persons.” In addition, “[e]ach agency providing Federal financial assistance [to hospitals, universities or a myriad of other state and other entities] shall draft Title VI guidance.”

Federal agencies are currently in the process of implementing this Executive Order. Because of a lack of baseline information, we are currently unable to evaluate the incremental benefits or costs of implementation of the Executive Order. Thus, to assess the benefits and costs of LEP plans generally, this report uses data and assumptions about different types of language-assistance services that are being provided or that could be provided to LEP individuals in a variety of contexts.

The benefits of language-assistance services for particular LEP individuals, while not readily quantifiable in dollar units, can be significant. Improved access to a wide variety of

after enactment of this Act.” This report responds to this congressional request by using available data to estimate benefits and costs.

² OMB’s March 2000, “Guidelines to Standardize Measures of Costs and Benefits and the Format of Accounting Statements.”

services – ranging from the delivery of healthcare and access to food stamps to motor vehicle licensing and law enforcement – can substantially improve the health and quality of life of many LEP individuals and their families. Moreover, language-assistance services may increase the efficiency of distribution of government services to LEP individuals and may measurably increase the effectiveness of public health and safety programs.

The twenty most common foreign languages spoken in the United States are, in order of frequency, Spanish, French, German, Italian, Chinese, Tagalog, Polish, Korean, Vietnamese, Portuguese, Japanese, Greek, Arabic, Hindi, Russian, Yiddish, Thai, Persian, French Creole, and Armenian. Although there are many different native languages spoken by LEP persons, Spanish is by far the most common. Accordingly, agencies should strongly consider making services for Spanish-speaking LEP individuals a substantial focus of their LEP plans.

The costs of enhanced language assistance are difficult to quantify, but may also be significant. Based upon the limited data available and the range of assumptions set forth herein, we anticipate that the cost of LEP assistance, both to government and to the United States economy, could be substantial, particularly if the Executive Order is implemented in a way that does not provide uniform, consistent guidance to the entities that it covers. Of the economic sectors examined in the report, provision of language services could be most costly for the healthcare sector. This conclusion is tempered by the fact that many government agencies and private entities that serve a significant LEP population have already taken certain steps to provide language services. To the extent that such services are already being provided, the economic impact of implementing the Executive Order will depend upon the cost of any additional steps taken. Unfortunately, there was insufficient data to make a proper determination regarding current levels of language assistance provided by these entities, and we were unable to

take into account in our cost estimates current levels of language assistance. Accordingly, the estimates herein address the overall cost of LEP assistance, not the possible additional costs that may ultimately be required to implement the Executive Order and agency guidance.

In sum, the ultimate benefits and costs of the Executive Order will depend on how it is implemented, a process that we understand has begun among the Federal agencies. We hope that this Report will assist Congress and provide these agencies with information that will be useful to them as they take steps to implement the Executive Order.

INTRODUCTION

The FY 2002 Treasury and General Government Appropriations Act included a provision requiring the Office of Management and Budget to report to the Appropriations Committees an assessment of the total benefits and costs of implementing Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency). The Order is designed to improve access to federally conducted programs and activities and programs and activities of recipients of Federal funding for persons, who as a result of national origin, are limited in their English proficiency (LEP). The Order requires each Federal Agency providing federal financial assistance to publish guidance explaining federal-funds recipients' obligations under Title VI regulations and to describe the steps recipients may take to satisfy these obligations. The Order also requires Federal Agencies to develop a plan to ensure appropriate LEP access to their own federally conducted programs and activities.

The Executive Order gave the Department of Justice (DOJ) the responsibility of assisting agencies in developing the plans and guidance documents mandated by Executive Order 13166. Title VI regulations as well as the Executive Order specifically require "reasonable steps to ensure meaningful access." What constitutes "reasonable steps to ensure meaningful access" turns on a consideration of the totality of the circumstances. DOJ has identified a four-factor analysis to help agencies determine whether this standard has been satisfied. These four factors are (i) the number or proportion of LEP individuals, (ii) the frequency of contact with the program, (iii) the nature and importance of the program, and (iv) the resources available and costs.

To date, ten agencies have published LEP guidance: Corporation for National and Community Service, Department of Education, Department of Justice, Department of Health and

Human Services, Department of Labor, Department of Transportation, Department of Treasury, General Services Administration, National Aeronautic and Space Administration, and National Science Foundation.¹ These guidance documents, however, are not entirely uniform. Some rely on DOJ's four-factor test; others do not. Since certain State or private entities receive funds from multiple federal agencies, such entities could conceivably be subject to inconsistent guidance and obligations.

On October 26, 2001, DOJ issued a memorandum clarifying questions raised regarding Federal Agencies' responsibilities under the Executive Order. The memorandum directed agencies that have issued LEP guidance documents to notify the Department of Justice and publish a notice asking for public comment on the guidance documents they have issued. Agencies that had not yet published guidance documents were to submit agency-specific guidance to the Department of Justice. DOJ continues to work with federal agencies to develop these documents.

OMB has undertaken this benefit-cost analysis in a four-month period. OMB has (i) reviewed the published literature, (ii) surveyed federal and state agencies, (iii) solicited public comment through a *Federal Register* notice, (iv) devised rough numerical estimates of national costs and qualitative assessments of national benefits, and (v) performed in-depth case studies of the potential impact of the Executive Order in four sectors of American society: healthcare, welfare, transportation and immigration. In addition, this report has been reviewed by three peer reviewers.

¹ See <http://www.usdoj.gov/crt/cor/13166.htm>

METHODOLOGY

Data Collection Efforts

To assess the benefits and costs of implementing Executive Order 13166, a significant amount of data is required. Agencies are currently in the process of implementing the Executive Order. Because of a lack of baseline information on benefits and costs, we are at present unable to evaluate the incremental benefits or costs of implementation. Thus, this report instead uses data and assumptions about different types of language-assistance services that are being provided or could be provided to the LEP population. This Report follows a multi-faceted approach to data collection:

1. Literature Review: We reviewed numerous studies relevant to our assessment, many of which were recommended to us by public comments and federal agencies, including:
 - Existing studies of the benefits and costs of improving the quality of communications and interactions between LEP individuals and the federal government or federally funded services through the use of oral and written translation services.
 - Existing studies of the benefits and costs of increased provision of English instruction and the returns to proficiency in English.
 - Existing studies of similar language or translation issues in the international arena, (*e.g.* Canada, European Union, United Nations, and the Organization for Economic Cooperation and Development [OECD]).
 - Existing studies of the LEP population, including their characteristics and the services that they typically need and access.

2. Agency Data Call: Federal agencies were asked to provide information about the number or proportion of LEP individuals served, their frequency of contact with the agency/program, the nature and importance of the agency/program, and the resources available and costs.

Specifically, we asked the following of all federal agencies:

Figure 1.1: Agency Data Call

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| <p><u>Number or Proportion of LEP Individuals:</u></p> <ul style="list-style-type: none"> • Does your agency have a working definition of “Limited English Proficiency”? If so, please provide. • How many LEP persons are served by the agency? What proportion of the population served by the agency are LEP individuals? How does this vary by program? Please explain. • How many different languages does your agency’s clientele speak? What are they? |
| <p><u>Frequency of Contact with the Program:</u></p> <ul style="list-style-type: none"> • How many “encounters” does your agency typically have (per month and/or per year) with LEP individuals served? What is the nature of these encounters? Are they typically in-person, over the phone, or by form (email or mail)? • How much time do LEP individuals spend accessing the services your agency provides (preferably on a per person basis)? Do LEP individuals typically spend more or less time per encounter than non-LEP persons served by the agency? How does this vary by program? |
| <p><u>Nature and Importance of the Program:</u></p> <ul style="list-style-type: none"> • What are the major programs serving LEP individuals in your agency? How many are served overall in each program? Are there specific programs that serve high numbers of LEP individuals? Please provide a breakdown by major program, if available. • What special services are typically provided by the agency for LEP individuals? How does this differ by major program? |
| <p><u>General Information:</u></p> <ul style="list-style-type: none"> • Is your agency aware of any existing studies of the benefits and/or costs of improving the quality of communications and interactions between LEP individuals and the federal government or federally funded services? If so, please provide copies or citations/references. • Please provide several examples of “real-world” case studies that illustrate the benefits and costs of providing translation services to LEP individuals, as envisioned by Executive Order 13166, and related agency guidance. We are seeking examples from multiple perspectives, including LEP individuals, federal agencies/recipients of federal funds, and the international context. |

While it was useful to collect information from agencies on a variety of topics related to Executive Order 13166, it was not possible to rely solely on the federal agencies for data regarding the benefits and costs of Executive Order 13166 implementation. The federal agency data call revealed significant gaps not only in the information available on the benefits and costs of Executive Order 13166, but also on the more basic questions of the number of LEP individuals served and costs of the services that were provided before the Executive Order was adopted. Thus, precise baseline data on pre-Executive Order conditions, necessary information to conduct a benefit-cost analysis of the Executive Order, are lacking. Indeed, most agencies are in the very early stages of their implementation process, and few, if any, have collected data on benefits and costs. This data gap only widened as we attempted to understand the benefits and costs at the State/community and business level where various entities such as law enforcement organizations, non-profit organizations, schools and firms accept federal funding and are therefore affected by the Executive Order and related guidance documents. Despite the lack of complete data from all agencies, we obtained relatively useful data to inform our report. Agency information was used to provide context for our assessment, and was supplemented by information obtained through the literature review and public notice.

3. Federal Register Notice and Outreach Activities: On November 30, 2001, we placed a notice in the Federal Register seeking information to inform the development of this report. The public was given 30 days to provide comments and information in response to the notice. We received approximately 450 comments from individuals and organizations, which are summarized in the Public Comment section. The Federal Register notice provided an

explanation of the assessment being conducted and requested that the public offer assistance by providing relevant information. We also encouraged commenters to provide qualitative or descriptive information in cases where quantitative information was not available or useful.

The specific topics about which we sought assistance from the public are as follows:

Figure 1.2: Federal Register Questions

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| By what method may one quantify the numbers of LEP individuals and which languages they speak? |
| How may one understand the number of different languages spoken by LEP individuals, and their geographic distribution? |
| How may one characterize the interactions of LEP individuals with both federal and federally funded entities? For example, how frequently do LEP individuals interact with government at all levels? What types of government services do LEP individuals typically access? Are there types of services that LEP individuals access more or less frequently than non-LEP individuals? |
| How may one determine the benefits and costs of improving English language proficiency among LEP individuals? |
| By what means may one understand and quantify the level of services provided by the government or government-funded organizations to address the special needs of LEP individuals prior to Executive Order 13166? To what extent will changes be necessary to achieve full compliance with Executive Order 13166 and related guidance? |
| How may one quantify and describe the costs to the federal government or recipients of federal funds of providing oral and written translation services? |
| How may one quantify and describe the benefits to LEP individuals and society as a result of having oral and written translation services available, in accordance with Executive Order 13166? |
| By what method may one identify any existing studies of the benefits and costs of improving the quality of communications and interactions between LEP individuals and the federal government or federally funded services? Are there comparable studies of similar language or translation issues internationally (e.g. Canada, European Union, United Nations, and OECD)? Where can these studies be found? |
| By what method may one identify any existing studies of the benefits and costs of improving the quality of communications and interactions between LEP individuals and the federal government or federally funded services? Are there comparable studies of similar language or translation issues internationally. Where can these studies be found? |
| By what method may one identify “real-world” case studies that illustrate the benefits and costs of providing translation services to LEP individuals, as envisioned by Executive Order 13166, and related agency guidance? It is important to consider examples from multiple perspectives, including LEP individuals, federal agencies/recipients of federal funds, and the international context. |

By what method may one identify existing academic research and “real-world” case studies from the following sectors: health, social services/income maintenance, education, transportation, law enforcement, and trade? Are there recommendations from additional sectors or perspectives from which to address this issue?

By what method may one identify any other information or resources that the public believes will assist in the effort to assess the benefits and costs of Executive Order 13166?

In addition to soliciting information through the Federal Register notice, we also discussed the benefits and costs of Executive Order 13166 with several small groups of representatives from organizations that had commented on the Federal Register notice.

Case Studies

We also developed case studies to gain a better understanding of the benefits and costs of Executive Order 13166. While they do not yield representative data, the case studies provide real-world insight and serve as a check on aggregate estimates of total benefits and costs developed through modeling and assumptions. These areas included transportation, welfare, immigration, and healthcare. Each case study is discussed in more detail in the sections below. The case studies are designed to highlight how Executive Order 13166 might impact services provided across a spectrum of service delivery systems.

Figure 1.3: Summary of Case Studies Examined

| Case Study Type | Characteristics |
|------------------------------|---|
| Motor Vehicle Administration | A relatively low intensity interaction with a relatively large percentage of the public on a periodic basis. Services are not for specialized populations. Interaction is relatively important, (e.g., determining whether an individual may drive legally). Services are delivered by State or local government agency. |
| Healthcare System | Can be a relatively high intensity interaction (hospital stay) or a low intensity interaction (one time trip to a clinic for an immunization). Relevant to all segments of the population. Services sometimes provided by State or local government. However, services are often delivered by private providers who receive payment from Medicare or Medicaid on behalf of the patients, making them recipients of federal funds. |

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| Welfare/Food Stamp Offices | A relatively high intensity interaction. Must see a large number of persons on a regular basis (re-certification every 3-6 months). Relevant to a specialized portion of the public (i.e., those comprising the low-income community). Services delivered by State or local government agency. |
| Immigration/INS | Can be a relatively high intensity interaction. Immigration process may require great deal of paperwork and take many years. Relevant to immigrants and their families or sponsors. Services delivered by the federal government. |

AN APPROACH TO UNDERSTANDING THE POTENTIAL COSTS AND BENEFITS OF IMPLEMENTING EXECUTIVE ORDER 13166

The discussion below is organized into four main topics. First, we briefly consider the nature of the LEP population in the United States. Next, we turn to an evaluation of four “case studies” that consider the potential costs and benefits of implementing the Executive Order in the economic sectors of transportation, welfare, immigration, and healthcare. We then use a different approach to cost estimation and develop a range of aggregate estimates for the incremental cost of serving LEP persons. Finally, we consider various steps that agencies may wish to take in order to serve the LEP population most efficiently.

1. The LEP Population

To assess the costs and benefits of implementing the Executive Order, an initial question is what constitutes a person with “limited English proficiency.” LEP individuals are persons who do not speak English as their native language and who have a limited ability to read, speak, or understand English. Whether a person is considered LEP in a particular circumstance may vary, however, depending on the type and degree of English skills necessary to participate in specific programs and services. In some cases, English-speaking ability may be less essential than reading and writing skills (*e.g.*, where participation in a program or activity requires reading and filling out a form). In other cases, speaking skills may be as important or even more important than reading and writing skills (*e.g.*, a hospital emergency room).

Determining the size of this population is difficult. The Census, including Census block-level data, may provide a rough, though possibly inaccurate, measure. The Census survey, however, does not address reading and writing skills. Many educated immigrants may have poor English speaking ability yet have substantially better skills in verbal understanding, writing, and

reading English. On the other hand, many people speak and understand English well, but have limited English reading and writing skills.

Another conceivable measure may be drawn from immigration data. These data can occasionally be useful as a rough proxy for the LEP population because immigrant status and English proficiency may be strongly (though not perfectly) correlated variables. However, only a portion of foreign-born persons are LEP. As of March 2000, about 10.4% of the United States population was foreign born.

The most common foreign languages spoken in the United States are, in order of frequency, Spanish, French, German, Italian, Chinese, Tagalog, Polish, Korean, Vietnamese, and Japanese (see Figure A.1 in Appendix A). However, given that many individuals speaking a foreign language at home are also proficient in English, the most common native languages spoken by the LEP population differ from the distribution of all foreign languages spoken in the United States. Although there are many different native languages spoken, Spanish is by far the most common language spoken by LEP individuals, surpassing the total of all others combined. Accordingly, agencies should strongly consider making services for Spanish-speaking LEP individuals a substantial focus of their LEP plans.

The LEP population consists primarily of adults, since those who are born or come to the United States as children typically become fluent in English. Adult immigrants to the United States who are deficient in English skills confront economic hardships. Limited English proficiency can be a significant barrier to employment, restricting employment to low-skill, low-wage jobs where English proficiency is not required.

2. Case Studies

Our analysis focuses on the benefits and costs of providing language-assistance services to LEP persons as contemplated by Executive Order 13166. Benefit-cost analysis typically requires comparison of what occurred or is expected to occur given a policy change with the counterfactual – that is, what would have occurred in the absence of the change.¹ Because of a lack of baseline information, we are at present unable to evaluate the incremental benefits or costs of implementation of the Executive Order. Instead, our assessment of benefits and costs will focus on specific types and degrees of language-assistance services for the LEP population.

Potential Benefits of Executive Order 13166

While it is not possible to estimate, in quantitative terms, the value of language-assistance services for either LEP individuals or society, we are able to discuss the benefits of the Executive Order qualitatively.

We identified two general categories of benefits that eligible LEP individuals experience when they receive meaningful access to federally-conducted programs or activities or to the programs or activities of recipients of federal financial assistance. First, LEP individuals may experience the intangible but very important benefit connected with the fulfillment of a legal right. Second, LEP individuals may benefit from an increase in access to federally-conducted programs or activities or to the programs or activities of recipients of federal financial assistance.

Government and American society likewise may benefit from Executive Order 13166. Increasing access to government programs may lead to cheaper, more targeted early intervention, avoiding long-term and more costly services to government and society. For example, the use of primary healthcare services aimed at prevention or early detection and treatment of disease could

¹ “Guidelines to Standardize Measures of Costs and Benefits and the Format of Accounting Statements.” Office of Management and Budget, March 2000.

reduce the cost of late-stage disease treatment or emergency visits. Additionally, education or training programs could potentially lead to decreased costs for social service benefits such as Temporary Assistance for Needy Families (TANF), Food Stamps, and Medicaid.

Other efficiency gains may also result from the Executive Order. Providing language-assistance services to LEP individuals could decrease the amount of time that an LEP individual must interact with the benefit agency.² If forms are translated or bilingual staff is available to assist the individual, LEP interactions could take less time than requiring the LEP person to make multiple trips to the provider's office for services. This could benefit both the individual and the agency. More standardized provision of language services, moreover, may likewise lead to efficiency gains for the organizations providing them. "Patchwork" policies that have existed in the past, such as heavy reliance on telephonic interpreter services, could be reduced once formal policies are put in place. Finally, increased access to LEP services may reduce the harms associated with language constraints and improve the efficiency of the flow of goods and services from federally-conducted and federally assisted programs and activities to the intended recipients.

Illustrations of Benefits in Selected Sectors

The benefits discussed above are clearly very difficult to quantify in units comparable to the costs of the Executive Order. Instead, we provide illustrations of the potential benefits of the Executive Order for each of the four sectors examined in this report.

² "State Government Survey of State Departments, Agencies, and Programs: Persons with Limited English Proficiency." Preliminary report, December 21, 2001. The state of Maryland just completed this study of the state's ability to provide equal access to public services to LEP persons. The study found that of the state's departments, agencies, and programs encountering LEP clients, 28% reported delays in the provision of services due to language barriers, while 72% reported no delays.

Case Study I: Transportation

By requiring Federally funded DMVs to provide language assistance services, Executive Order 13166 might provide the following benefits:

- Access: LEP individuals could have greater access to DMV services, enhancing their ability to obtain a valid driver's license or other documentation.
- Efficiency: LEP services could improve the efficiency of interactions with DMVs and LEP persons. For example, a greater number of forms translated increased the chances that an LEP individual entering a DMV office would be able to read, understand, and complete a required form in a shorter amount of time. The use of bilingual staff in DMV offices could reduce the time per interaction because the bilingual staff can answer questions immediately without having to schedule a future meeting or call to request telephonic interpreter services. This time savings might also benefit the DMV, reducing cost to the DMV offices. However, these savings could be offset to some extent by the increased cost of providing more translation services (*e.g.* bilingual premiums for staff, paying for written translations, and use of paid interpreters.)

Case Study II: Food Stamps

By requiring Federal agencies to take reasonable steps to provide language assistance in the context of the Food Stamps program, Executive Order 13166 might foster the following benefits:

- Access: Anecdotal evidence points to increased utilization of social services, such as Food Stamps, by LEP individuals when bilingual services are made available. Without language assistance services, LEP individuals might be discouraged from completing the application process since they may be unable to communicate with the food stamp office. Increased

access to the food stamp program could enhance the diets of the entire LEP household, resulting in both immediate and long-term health benefits.

- Efficiency: An interview between an LEP food stamp applicant and the food stamp worker may take longer to complete and lead to errors in eligibility determination and payment levels if there are communication problems. While an eligibility interview for an LEP individual utilizing an interpreter could take longer than the same interview for a non-LEP individual, time would also be saved as a result of a decreased need to reschedule appointments and other activities around the LEP individual's ability to supply a translator. Based on anecdotal evidence obtained from the States of Texas and California, the use of a translator could double the amount of time taken for an eligibility interview with an LEP individual as compared to the same interview with a non-LEP individual, due to the need to restate both questions and answers. In contrast, the use of bilingual staff persons would minimize this time delay.

Case Study III: Immigration

By requiring INS to take reasonable steps to provide meaningful access to immigration programs and activities, Executive Order 13166 may provide the following benefits:

- Access: Given the complexities of immigration law and regulation, clarity in the application procedures for benefits might allow individuals to access these services better and better understand the requirements for obtaining immigration benefits. This increased access to information could better enable LEP individuals to comply with immigration law and other requirements.
- Efficiency: A greater understanding of the immigration system, requirements, and rules may mitigate the number and/or frequency of immigration violations. Individuals often are

not aware of the necessary procedures that must be followed to maintain a certain status, and consequently fall out of legal status due to a missed application filing or appearance at an INS service center. Reducing immigration violations would benefit the agency by reducing the cost of immigration proceedings. In addition, it would allow for otherwise eligible non-immigrants and immigrants to lawfully remain in the United States.

Case Study IV: Healthcare

The benefits of providing language services in the healthcare sector include increased access of LEP individuals to quality healthcare and better communication with healthcare professionals. Among Hispanics, those whose primary language is English find it easier to understand materials from the doctor's office than those who speak primarily Spanish, with 51 percent of English-speakers able to understand versus only 37 percent of Spanish-speakers.

Almost all individuals, LEP and non-LEP, need to access the healthcare system at multiple points in their lives. Making these interactions more effective and more accessible for LEP persons may result in a multitude of benefits, including: increased patient satisfaction; decreased medical costs; improved health; sufficient patient confidentiality in medical procedures; and true "informed consent" and understanding of other legal issues.

- Possible decreases in number and severity of misdiagnoses or other medical errors:

Individuals who have been the victims of medical errors may experience pain and suffering, and even death. Medical errors can be costly for the providers and insurance companies, and they can impart a large human cost as well. Some have estimated that 44,000, and possibly

up to 98,000 hospital deaths per year are attributable to medical errors.³ Medical errors can be extremely costly (estimated to be between \$17 billion and \$29 billion annually).⁴ It is not known if these adverse events are experienced in any large number by LEP individuals or whether LEP status has contributed to this problem to any significant degree. One small study found that patients who did not speak English as their primary language were more likely to report drug complications and other medical complications.⁵ Agencies should consider whether provision of language services to LEP individuals could help reduce medical errors by increasing the quality of information a provider obtains regarding their patient's condition. It may also be possible that language services to LEP individuals could decrease non-compliance with medical instructions, which can lead to severe consequences such as drug-resistant infections and unchecked progression of diseases.

- Increased patient satisfaction: LEP patient satisfaction with healthcare has generated a significant amount of literature.⁶ Language barriers appear to have a negative impact on patient satisfaction. For example, in a recent study, 33 percent of Hispanics cited communication problems with their doctor (versus 16 percent of non-Hispanic Whites). Similarly, data suggest that Hispanic and Asian American patients are less likely to find doctors' information very easy to understand.⁷ Despite apparent communication difficulties, less than one-half of non-English speakers who said that they needed an interpreter said that they were

³ "To Err is Human: Building a Safer Health System." National Academy of Sciences Report. National Academy Press: Washington, DC; 1999.

⁴ "To Err is Human: Building a Safer Health System." National Academy of Sciences Report. National Academy Press: Washington, DC; 1999.

⁵ Ghandi T.K., et al. "Drug Complications in Outpatients." *Journal of General Internal Medicine* 2000; 15: 149-154.

⁶ For example, consider "Providing Health Care to Limited English Proficient (LEP) Patients: A Manual of Promising Practices" published by the California Primary Care Association.

always or usually provided with one.⁸ Quality interpretation might decrease this satisfaction gap between LEP individuals and non-LEP individuals.

- Decreased medical costs (as unnecessary emergency room usage decreases with an increase in outpatient visits): At least one researcher has concluded that, when use of a trained interpreter is available, primary and preventive care increases, and ER use decreases significantly.⁹ When an ER visit does occur, the presence of a language barrier could increase the range and cost of diagnostic tests that are necessary and might increase the time that a patient remains in the ER.¹⁰ Certain research has suggested that interpreters decreased this cost-differential but did not have an effect on the longer length of stay.¹¹ The presence of a language barrier may also result in an increased probability of admission into the hospital, but that increased probability is significantly reduced (but does not disappear) with the presence of an interpreter.¹² Finally, emergency room patients who received interpretation services when necessary may be more likely to keep follow-up appointments and less likely to return to the emergency room within 30 days of the first visit.¹³
- True “informed consent” and understanding of other legal issues: Medical consent documents can be difficult to understand, even for native speakers. If medical procedures

⁷ Collins, Karen S., et al. “Diverse Communities, Common Concerns: Assessing Health Care Quality for Minority Americans.” The Commonwealth Fund., March 2002.

⁸ Collins, Karen S., et al. “Diverse Communities, Common Concerns: Assessing Health Care Quality for Minority Americans.” The Commonwealth Fund., March 2002.

⁹ Jacobs, Elizabeth J., et al. “Costs and Benefits of Interpreters.” Unpublished paper, Cook County Hospital/Rush Medical School, 2001.

¹⁰ Hampers, L.C., et al. “Language Barriers and Resource Utilization in a Pediatric Emergency Department.” *Pediatrics*, June 1999; 103 (6 Pt 1): 1253-6.

¹¹ Hampers, Lou. AAP Meeting 2000.

¹² Lee, E.D., et al. “Does a Physician-Patient Language Difference Increase the Probability of Hospital Admission?” *Academic Emergency Medicine*, March 1998; 5 (3): 277.

¹³ Bernstein, J., et al. “The Use of Trained Medical Interpreters Affects Emergency Department Services, Reduces Charges, and Improves Follow-Up.” Unpublished paper, Department of Maternal-Child Health, Boston University School of Public Health, 2000.

and associated documents, such as power of attorney forms, are successfully explained to LEP patients or their family members, legal and other problems might be avoided.

Potential Costs of Implementing Executive Order 13166

The provision of language assistance services to LEP individuals requires Federal agencies and federal-funds recipients to incur additional costs. Because sufficient information was not available on the cost of providing language-assistance services before and after issuance of the Executive Order, we were unable to evaluate the actual costs of implementing the Executive Order. Instead, this report uses assumptions about different types of language-assistance services that could be provided to the LEP population to assess costs. As the following case studies describe, additional costs could result from expenditures on translated documents, bilingual staff and associated premiums, contracts for oral interpreter services, agreements for telephonic interpreter services, a variety of capital investments, central planning and data collection, and additional staff time needed to serve LEP persons. In addition to these specific case studies, national cost estimates are also presented using aggregate United States data.

Case Study I: Transportation

Introduction

The Department of Motor Vehicles (DMV) State offices are utilized by most adults in the United States. DMVs provide a wide array of important functions, including driver licensing and vehicle registration. In fact, about 191 million drivers were licensed and 218 million vehicles

were registered in 2000.¹⁴ Among numerous other services, DMVs also often record vehicle ownership, maintain driving records, provide emissions testing, and issue non-driver identification cards.

To accurately assess the costs of implementing Executive Order 13166 in the DMV sector, information about the level of services already provided to LEP individuals prior to implementation of Executive Order 13166 (*i.e.*, the “baseline”) and the level of services contemplated by Executive Order 13166 is needed. Because such information is unavailable, we must make assumptions for the purposes of estimating any benefit and cost figures.

State DMVs appear to provide varying levels of language services, depending on the funding resources available and the diversity of their respective population. Largely because of the Dymally-Alatorre Bilingual Services Act and the diversity of the state population, California, in particular, has taken numerous steps to ensure that its services are accessible to LEP individuals. California has also calculated the annual expenditures for the provision of language services.

Dymally-Alatorre Bilingual Services Act

The Dymally-Alatorre Bilingual Services Act,¹⁵ enacted in 1973, requires state and local agencies in California to ensure that they provide information and services in the various languages of their constituents. In particular, when state and local agencies serve a “substantial number of non-English speaking people,” they must: (i) employ a “sufficient number of qualified bilingual staff in public contact positions,” and (ii) translate documents explaining available services into the languages of their constituents.

¹⁴ *Highway Statistics 2000*, United States Federal Highway Administration.

¹⁵ California Government Code § 7290 et seq.

For state agencies, the Act defines several of the above terms and phrases. A “substantial number of non-English speaking people” consists of 5 percent or more of the people served by any local office or facility of a state agency. “Qualified bilingual staff” are employees who have passed written or oral examinations that certify their ability to speak, write, and understand another language. “Public contact positions” are those in which employees meet, contact, and deal with the public while performing the agency’s function. To determine whether a state agency serves a “substantial number of non-English speaking people,” each local office must conduct a biennial survey to determine the language assistance needed. The Act also requires the State Personnel Board to provide technical assistance to state agencies and oversee the statewide language survey.

California Department of Motor Vehicles

The California DMV complies with the Act by recruiting and hiring qualified bilingual persons to ensure a satisfactory level of service for California’s diverse non-English speaking population. Bilingual needs are identified by biennial statewide language surveys and ongoing needs assessments. Each of the approximately 310 field offices throughout the state conducts a language survey for a two-week period. During the survey period, each public contact employee records each public contact as well as the constituent’s language. If the percentage of contacts in a non-English language exceeds five percent, the field office is mandated to provide some bilingual services and printed materials in that respective language. DMV unit managers are responsible for alerting department administration when they perceive that a language need is not being met.¹⁶ From the most recent language survey, the California DMV estimates 273,684,211

¹⁶ California State Auditor, “Dymally-Alatorre Bilingual Services Act: State and Local Governments could do more to address their clients’ needs for bilingual services,” November 1999. The California State Auditor notes that this informal approach may be inadequate because some field managers may not actually request the translated materials.

public contacts per year. Of that total, about 52 million (19 percent) are estimated to be non-English customer contacts.¹⁷

The DMV attempts to address customers' language needs uniformly, regardless of office size. For larger offices, language needs are met by employing the mandated number of bilingual staff, along with the provision of other language services such as interpreters and translated material as needed. For offices with 25 or fewer equivalent full-time employees, language needs are met by one or more of the following methods: hiring bilingual staff, using contracted telephone interpretation services, using bilingual staff in other locations for interpretation services, and providing written translated material.

Transportation Costs at a National Level

The total annual cost for the California DMV to provide language services is about \$2.2 million. (This number was derived from the California DMV's response to Dymally-Alatorre compliance questions for an Assembly Budget Hearing and an estimate of language survey costs.) Although we do not conclude or assume that this same level of service would be appropriate in every State under the Executive Order, we think it is helpful to understand the costs of California's plans. If the entire nation employed the California system, we might estimate the national costs as follows. Using data from the Census Bureau, we calculated that there may now be 4,311,169 individuals in California who would indicate that they speak English less than "well."¹⁸ Extrapolating that information to the national level, it appears that this California population represents about 26 percent of all individuals who report speaking

¹⁷ Phone conversations with California DMV, Human Resources Division. December 10 & 11, 2001.

¹⁸ This number represents the estimated number of persons in California who report speaking English less than well who are California LEP persons 18 years and older in 2000. To arrive at this number, the number of LEP persons

English less than “well” nationwide (16,520,770).¹⁹ If one assumes that the California DMV costs of \$2.2 million per year represent about 26 percent of total costs, costs for all states to provide the same level of DMV language services as California would be about \$8.5 million per year. The above estimates assume a constant cost to provide language-assistance services to each LEP individual. In reality, the cost of providing language-assistance services to each LEP individual would vary by State for a number of reasons, most notably due to the demographic differences among states and the variety of services that might be appropriate for differing concentrations of LEP populations.

This is only a rough estimate, of course, and may overstate actual costs. As discussed above, to estimate the costs of implementing Executive Order 13166, one must have data regarding the level of services already provided to LEP individuals prior to implementation of Executive Order 13166 and the level of services contemplated by Executive Order 13166. Our analysis assumes that no language services are being provided. If one assumes that a substantial level of language-assistance services are already being provided, then the cost in the DMV sector would be considerably lower.

Case Study II: Food Stamps

Background

According to the Food Stamp Act of 1977, the purpose of the Food Stamp Program is “to permit low-income households to obtain a more nutritious diet by increasing their purchasing power.” The Food and Nutrition Service is the agency within the United States Department of Agriculture responsible for implementing the Food Stamp Program, which provided

18 years and older who reported speaking English less than well in 1990 was multiplied by California’s 18.9 percent growth rate over the past decade to arrive at 4,311,169 LEP persons.

¹⁹ This number includes only individuals 18 years and over.

approximately 17.3 million people with food assistance in 2001. The Food Stamp Program provides benefits either electronically or through coupons via a network of retail stores across the nation. Federal, State and local governments share the costs of administering the program, typically with the federal government paying 50 percent of program administrative costs and 100 percent of program benefits.²⁰ Because food stamps are widely available to most people who meet the income and resource standards set by Congress, the Food Stamp Program serves a broad spectrum of the low-income population. In fiscal year 2000, the average food stamp household contained 2.3 persons, had a gross monthly income of \$620, and received approximately \$158 in monthly food stamp benefits.²¹

Since the passage of the Food Stamp Act in 1977, the Food Stamp program has required its services to be accessible to non-English speakers. The regulatory requirement is intended to ensure that individuals who do not speak or write English are not prevented from accessing needed food services because of language barriers. The regulation states, “[w]here a significant proportion of the population of the area served by a local agency is composed of non-English or limited English speaking persons who speak the same language, the State agency shall take action to ensure that Program information... is provided to such persons in the appropriate language orally and in writing.”²²

Food Stamp Costs at a National Level

Each of the approximately 4,000 food stamp program offices nationwide is required to assess the language usage of the community it serves. If the percentage of contacts in a non-English language exceeds five percent, the local office is required to provide applications and other printed materials in that particular language, as well as oral translation. Because translation

²⁰ 7 CFR. 273.10.Characteristics of Food Stamp Households: Fiscal Year 2000. *Mathematica* Policy Research, Inc.

services for LEP individuals have been mandated in the Food Stamp Program since its inception, Executive Order 13166 may have no additional impact on the benefits or costs of providing such language services.

This case study utilizes cost information obtained from State agencies and local food stamp offices in Texas and California. By using the data provided on expenditures as a benchmark, one can obtain an estimate of the costs of provision of services to LEP individuals in the Food Stamp Program. While the Food Stamp Program has not instituted a systematic means of evaluating the language needs of the communities it serves, evidence suggests that State agencies and local offices have typically provided significant levels of both oral and written translation services as a matter of customer service.

This cost estimate is based primarily on information provided by the California Department of Social Services and is comprised of: (1) written translation services (2) oral translation services (3) wage premiums paid to bilingual staff and (4) the opportunity cost of additional time spent in eligibility interviews with LEP individuals.

Food Stamp Program Language Services and Expenditures: Written Translation

The Food Stamp Program provides many forms and brochures to inform its clients of program benefits and requirements, and to enable them to provide the food stamp office with the information necessary to make accurate eligibility and benefit decisions regarding their case. While it is uncertain exactly how many forms and brochures have been translated and into how many different languages, we make assumptions based upon anecdotal information. For example, from July 1999 through June 2000, California's Department of Social Services has

²¹ Characteristics of Food Stamp Households: Fiscal Year 2000. *Mathematica* Policy Research, Inc.

²² 7 CFR. 273.10.

translated over 3,000 pages of written materials into 24 different languages.²³ Because in California the food stamp program is operated at the county, rather than State level, this does not represent the total number of documents translated, since some counties may translate additional forms. Several State commenters noted that they believed their States to be in compliance with Title VI of the Civil Rights Act of 1964, but are not certain about the scope of obligations under the Executive Order. Despite having some materials available in some foreign languages, certain State commenters suggested that Executive Order 13166 and the accompanying DOJ guidelines might require a more systematic approach to the provision of LEP services.²⁴

California pays approximately \$73,000 per year to provide written translations for the food stamp program. Extrapolating this figure to the national level yields \$1.86 million for written translation.²⁵ To the extent that California counties also provide written translation services in addition to these, written translation costs will be higher.

When calculating oral translation services, we take into account component costs, such as the wage differential typically paid to bilingual employees and the opportunity cost of the additional time spent with LEP clients that results from the need to translate conversations regarding eligibility, benefits, and other program requirements. Assumptions regarding the mix of oral translation services provided by each local food stamp office are necessary. We assume that 80 percent of eligibility interviews with LEP individuals will be conducted by bilingual case workers and that the other 20 percent of interviews will be conducted via language line

²³ Based on data provided by the State of California.

²⁴ Information provided by the State of Texas Department of Human Services.

²⁵ This assumes that the cost of written translation is heavily driven by the number of languages for which translation is necessary and that, on average other states will have to translate documents into half as many languages as California at half the cost. Therefore, the cost estimate is $(\$36,500 \times 49 \text{ other states}) + \$73,000 = \$1.86 \text{ million}$ for all states.

interpreters.²⁶ Reports from both Texas and California indicate that \$100 per month is a reasonable estimate of premiums paid to bilingual staff.²⁷ Since there is no national data on the number of bilingual public-contact staff in the Food Stamp Program, information on bilingual staff supplied by Orange County, California will be used to extrapolate to a national estimate.²⁸ The wage premium is multiplied by the number of staff who receives such payments in Orange County, California.²⁹ Therefore, the total cost of bilingual workers for the county is approximately \$428,000. Given that Orange County contains approximately 5.8 percent of California's LEP food stamp recipients, extrapolating to the entire State yields a total of \$7.4 million. Extrapolating nationally yields a total of \$21 million for bilingual premiums.³⁰

Evidence from California and Texas suggests that additional time is needed to conduct eligibility interviews with LEP individuals. This is the opportunity cost of the eligibility worker's time. When interpreters/translators are used, it could take twice as long to conduct interviews, due to the need to explain everything to the translator, who then relays the information to the LEP individual.³¹ Furthermore, a one-hour interview often takes an additional fifteen minutes or more, even when using a bilingual worker, because of the need to explain the meaning of technical terms and concepts that can be complex and difficult to translate. In order to ascertain the opportunity cost of this additional time, we must determine the time differential

²⁶ This assumption is based on the proportion of costs for language line and bilingual premium for Orange County, California and the further assumption that as the Executive Order is implemented, food stamp offices will find it more cost effective to utilize bilingual workers.

²⁷ The State of Texas reported that they pay a five percent bilingual premium on an average monthly salary of \$2,017. The State of California reported that they pay \$100 over base salary for all certified bilingual workers.

²⁸ In Orange County, California, bilingual premiums vary by type of public contact staff, and typically range from \$0.40 to \$1.15 per hour over salary. Based on information that was provided by the Orange County Food Stamp Office.

²⁹ Using the actual wage premium amounts for each class of public contact staff, one would obtain \$428,016 for the County. Based on information provided by the Orange County Food Stamp Office.

³⁰ Since California contains 26% of the LEP population that are over age 18 according to Census data (as 2000 Census data is not available, we applied a growth factor to 1990's numbers), a national estimate can be obtained by assuming that California's costs represent 26% of total costs nationally.

³¹ Based on information provided by local Texas Food Stamp office.

between the time required to interview the average person versus the time required to work with the LEP individual. We estimate that it takes an additional 0.8 hours per LEP individual per year.³² If we use Census data and assume that 4.1 percent of the population speaks English less than “well”³³ and that approximately 7.5 million households participate in the Food Stamp Program, we would estimate that there are 307,500 Food Stamp heads of households that are LEP.³⁴ Households were used rather than individuals because it is logical to assume that there will typically be one individual that interacts with the Food Stamp office on behalf of the family, which often consists of young children.

In addition to what would be spent each year on language services, equipment and automation expenditures may also be necessary to accommodate the additional tasks envisioned to implement Executive Order 13166. For example, Texas estimates that it will cost approximately \$1.2 million to upgrade its automation system to accommodate the tracking of language-related information. Once upgraded, the system would be able to inform systematic assessments of the language needs of the agency’s clientele and the services provided to them.

Further, additional telecommunications equipment, such as three-way speakerphones, may be needed to accommodate oral translation services. This is important because Texas and other States rely heavily on telephonic interpreter services for translation. These may cost from \$200 to \$400 per phone. Because these costs are ad hoc in nature and may vary widely, they

³² Assumes two interviews per LEP food stamp recipient household per year. Each interview averages one hour for non-LEP applicants.

³³ One of the questions on the decennial Census asks for the respondent’s ability to speak English, allowing four responses: very well, well, not well, and not at all. According to the Census survey data, approximately 4.1% of the population, or about 10.4 million people, speak English less than “well,” and approximately 7.65 percent of the United States population, or about 20 million people, report speaking English less than “very well.”

³⁴ Based on FY 2000 administrative data from the Food and Nutrition Service. Also, households were used rather than individuals because it is logical to assume that there will typically be one individual that interacts with the food stamp office on behalf of the family.

have not been factored into the national food stamp estimate. Below is a summary of the costs determined thus far.

Figure 2.1: Food Stamp/TANF Language Assistance Services and Costs

| Service | Explanation of Cost | Cost/Year |
|---|---|---|
| Written Materials | Average annual written translation costs: \$1.86 million ³⁵ | \$1.86 million |
| Oral Translation Services (Additional Cost to Govt. of LEP Interaction) | <u>Bilingual wage premium</u> : \$21 million ³⁶ <u>Language line expenditures</u> : \$2.3 million ³⁷ <u>Opportunity cost</u> : \$2.6 million | \$23.3 million |
| National Cost Estimate ³⁸ | <ul style="list-style-type: none"> • Cost of written materials: \$1.86 million • Cost of oral translation services: \$23.3 million • Total cost = \$1.86 million + \$23.3 million = \$25.2 million | \$25.2 million Opportunity costs = \$2.6 million |

³⁵ This assumes that the cost of written translation is heavily driven by the number of languages for which translation is necessary and that, on average, other states will have to translate documents into half as many languages as California at half the cost. Therefore, the cost estimate is $(\$36,500 \times 49 \text{ other states}) + \$73,000 = \$1.86 \text{ million}$ for all states.

³⁶ Based on Orange County's cost for bilingual workers of \$428,016 extrapolated by Orange County's share of the LEP population in California (5.8%) = \$7.4 million for California and \$28.4 million nationally. County costs include 112 bilingual staff at an additional \$2,392 per year, 175 bilingual staff at an additional \$1,248 per year, and 151 bilingual staff at an additional \$828 per year.

³⁷ Based on California information obtained from California and Orange County. Uses Orange Co.'s cost of providing language line services for LEP individuals in the food stamp and CalWorks programs (\$49,000) to serve approximately 5.8% of California's LEP individuals. When this number is extrapolated, we obtain an estimate of \$844,827 for the State $(\$49,000/5.8\%)$ and \$3.2 million for the nation $(\$844,827/26\%)$. 26% represents California's percentage of the LEP population over age 18 for 2000.

³⁸ In addition to the annual cost of providing language services, some States and localities will incur additional costs to upgrade their computer systems and purchase additional equipment. For example, Texas commented that they plan to spend approximately \$1,240,000 to upgrade their computer system to be able to identify LEP clients and the languages they speak. Also, California commented that additional speakerphones were needed in some offices at a cost of \$190 each in order to accommodate interpreter line services. In addition to the annual cost of providing language services, some States and localities will incur additional costs to upgrade their computer systems and purchase additional equipment. For example, Texas commented that they plan to spend approximately \$1,240,000 to upgrade their computer system to be able to identify LEP clients and the languages they speak. Also, California commented that additional speakerphones were needed in some offices at a cost of \$190 each in order to accommodate interpreter line services.

To estimate the costs of providing language assistance in the Food Stamp program, one would have to make assumptions about the following:

- Baseline level (level of services already provided to non-English speakers prior to implementation of Executive Order 13166); and
- Level of services contemplated by Executive Order 13166.

Assuming that no local Food Stamp offices have yet made any effort to make their services accessible to LEP individuals, costs could total approximately \$25.2 million. This cost estimate, however, does not reflect the level of language-assistance services that are already being provided, nor does it quantify the efficiencies associated with the widespread practice of interviewing applicants for Food Stamps to determine their eligibility for multiple assistance programs (*e.g.*, TANF and Medicaid) at the same time. To the extent that the Food Stamp households included in the numbers presented in this analysis also applied and were interviewed for other program eligibility determinations, this would represent a significant cost efficiency. These factors could reduce the overall estimate considerably.

Enforcement of the Food Stamp regulatory requirement that local offices provide bilingual services when the local LEP population achieves five percent of the overall population may have been hampered by the lack of systematic means to determine the size and proportion of LEP individuals in a service area. Rather, State and local offices may make these decisions on an ad hoc basis, perhaps a result of lawsuits or complaints.

Case Study III: Immigration

Historical INS Accommodations Provided to LEP Individuals

In 1999, INS conducted over 2 million interviews and inspected over 520 million people. Although INS does not have data on how many of these individuals were considered LEP, INS estimates that a majority of these individuals came from either English or Spanish-speaking countries.

The costs of providing language assistance in all INS services for individuals, regardless of English language ability, could be substantial. INS provides a spectrum of services to individuals in the United States, ranging from asylum proceedings to interviews for naturalization to processing of petitions at local service centers. A significant number of the agency's clients, who may speak one of over 50 different languages, are likely to be LEP individuals.

Currently, INS utilizes a translation service to provide both telephonic and on-site translation for its customers. Total telephonic translation, including translations taking place in airports and during asylum proceedings, were \$1.4 million dollars in 2001. In addition, INS provides a customer help line to provide immigration and other related information. INS receives between 600,000 and one million phone calls per month at its National Customer Service Center. Customers can ask for assistance in either English or Spanish. About 25 percent of callers opt for assistance in Spanish.³⁹ In October and November 2001, 8.54 percent of callers indicated that they called for someone other than themselves (*e.g.*, a family member or client) and, of this group, 15.25 percent indicated they called for that other person because he/she was not fluent in English or Spanish.⁴⁰ In total, therefore, 25 percent were Spanish speakers and 1.3 percent (15.25 percent of the 8.54 percent) were calls placed in English or Spanish for customers who

³⁹ This number is the cost of translation services contracted out to the Language Services of America, an outside translation service who provides the largest percentage of contracted translation services to the INS.

⁴⁰ Memo from INS official Michael Aytes dated 12/27/01.

spoke neither English nor Spanish.⁴¹ Languages of greatest use, in addition to English and Spanish include Hindi, Chinese, Tagalog and Arabic, with each representing on average 2% of all calls. With an average daily volume of about 40,000 calls, this represents between 1,200 and 4,000 calls per day in each of these four languages.

As an example, consider one INS regional office. The New York District Office houses an interpreter pool of over 120 permanent, intermittent and as-needed translators. These government employees provide a 24-hour/day service at a cost of between \$14.22 and \$26.04 per hour. Contracted on-site interpretations supplement these efforts and are provided for “credible fear” and “reasonable fear”⁴² interviews at a cost of approximately \$2 million annually. INS estimates the cost of providing interpreters at asylum interviews at \$3.5 million per year. This calculation is based on the current telephonic interpretation contract with Language Service of America, under which telephonic interpreter services cost \$1.79/minute. The average asylum interview is one hour in length; thus, the average cost of providing an interpreter to an asylum interview is \$107. If the number of interviews per year remains at 36,000, and approximately 90 percent of applicants require interpreters, then at the current contract prices, this cost would total \$3.5 million.⁴³

INS could incur further costs if it translated all forms into the languages of the LEP individuals it serves. INS has estimated that given its 123 public-use forms, translation costs fluctuate between \$189.00 and \$214.00 per document.⁴⁴ INS currently has 11 forms translated

⁴¹ Memo from INS official Michael Aytes dated 12/27/01.

⁴² Memo from INS official Michael Aytes dated 12/27/01.

⁴³ Memo from Michael Cronin to Merrily Friedlander, Chief, Coordination and Review Section (DOJ) dated 11/2/00.

⁴⁴ Memo from Michael Cronin to Merrily Friedlander, Chief, Coordination and Review Section (DOJ) dated 11/2/00.

into several different languages (see Figure 2.2); the decision to translate a document is made on a case-by-case basis.

Further, all immigration inspectors, detention officers, and deportation officers are taught Spanish as part of their officer training. Immigration inspectors and deportation officers, as well as special agents and border patrol officers must be fluent enough to pass a Spanish language test as a condition of employment.

Figure 2.2: Translated INS Public-Use Forms⁴⁵

| Form No. | Title | Foreign Languages |
|----------|--|---|
| AR-11 | Alien's Change of Address Card | Spanish, Chinese, Korean |
| I-9 | Employment Eligibility Verification | Spanish |
| I-90 | Application to Replace Alien Registration | Spanish, Arabic, Chinese |
| I-94 | Arrival/Departure Document | Arabic, Chinese, Creole, Danish, Dutch, French, Icelandic, Italian, Spanish |
| I-94W | Nonimmigrant Visa Waiver Arrival/Departure Document | Arabic, Chinese, Icelandic, Italian, Japanese, Spanish, Swedish |
| I-539 | Application to Extend/Change Nonimmigrant Status | Spanish, Chinese, Korean, Vietnamese, Russian |
| I-539A | Supplement A to Form I-539 Filing Instructions for V Nonimmigrant Status | Spanish, Chinese, Korean, Vietnamese, Russian |
| I-695 | Application for Replacement for Form I-688A Employment Authorization or Temporary Residence Card | Spanish, Chinese, Korean, Vietnamese, Russian |
| I-765 | Application for Employment Authorization | Spanish, Chinese, Korean, Vietnamese, Russian |
| I-821 | Application for Temporary Protected Status | Spanish |
| I-823 | Application - Alternative Inspection Service | French, Spanish |
| I-855 | ABC Change of Address Form | Spanish |

In addition to formal interactions with the public, INS conducts community outreach as a way to educate the public on immigration procedures and issues. INS has implemented a community relations program in districts and sectors throughout the country. Community

⁴⁵Translated as of December 2001

Relations Officers (CROs), particularly in areas with high immigrant populations, serve as a consistent point of contact for community groups, and meet regularly with external entities to identify immigration or INS-related issues or problems. CROs also identify local community-based organizations that work with or represent potential INS customers, and disseminate information to grassroots community groups. The program is in the process of producing simple English versions of INS materials and translating them into appropriate languages. The INS also houses a staff with both English and Spanish language ability in the press office. The bilingual staff ensures that the Spanish-speaking community is kept apprised of immigration issues, information, and announcements. There is minimal translation of information available online at INS's website.

Costs of serving LEP individuals affect four areas within INS: (1) Adjudications; (2) Asylum Proceedings; (3) Detention and Removal Proceedings; and (4) Inspections. Adjudications are determinations made regarding an individual's adjustment of status or naturalization. Asylum proceedings include asylum interviews to determine whether there is a credible fear or reasonable threat to an individual's welfare to warrant asylum in the United States. Detention and removal proceedings occur to determine whether an individual is unlawfully in the United States and should be removed from the country. Inspections occur at points of entry into the country, which include national borders and airports.

The Houston INS Field Office Example⁴⁶

Data on costs associated with these four areas within INS is not available. This report focuses on field office operations, which deal primarily with adjudications and asylum issues.

⁴⁶ Data is based on estimates provided by Roger Piper, Acting District Director, and Mariela Melero, Executive Liaison Officer, 12/18/01.

The population served by Houston represents approximately two percent of the total LEP population nationwide. In conjunction with services provided by INS headquarters, such as the translation of 18 forms into several languages, and a national customer service call center, with services in both English and Spanish, the Houston field office employs a 40 percent bilingual staff. Individuals with language ability other than English are proficient in Spanish, Chinese, Vietnamese, German, Urdu, Korean, and French. No additional compensation is given to individuals with bilingual abilities and the Houston office utilizes both on- and off-site translation contracted services, in the event that a bilingual staff member is unable to accommodate an LEP individual. These contracted services are not used frequently, because Houston has the capacity to deal with most of their LEP clients through their bilingual staff.

In addition, the Houston office has an agreement with the local media to provide immigration and naturalization information to the public. INS publishes a weekly Spanish column in the local newspaper, in addition to broadcasting a weekly radio show in Spanish on a local station and an informational television program on a Hindi-broadcast television network. There are no production costs to INS for the broadcasting or publication of these materials, as the local media feels that this is a service that its listening audience wants and needs. The Houston office employs an Executive Liaison to the public, who coordinates its public information efforts.

Immigration Costs on a National Level

In the United States, there are five languages (in addition to English) in which greater than two percent of the general public is proficient. These languages are Spanish, Chinese, French, Korean, and Vietnamese. Assuming that these languages are the focus of most oral and

written translations, at an average translation cost of \$200.00 per form per language, translation of all 123 forms into five additional languages would amount to \$147,600, assuming that no additional demand for forms would be incurred. This cost would therefore not be annual, but instead a one-time cost after which there would be minimal translation costs.

INS has provided cost estimates. For fiscal year 2001, INS conducted 61,958 asylum interviews. The asylum program office estimates that approximately 90% of applicants require interpreters, therefore calling for 55,762 instances where interpretation services would be used. The average asylum interview is one hour, with a cost per minute of translation of \$1.79. With an average cost for providing an interpreter calculated at \$107 per individual per hearing, the total cost each year for asylum proceedings is estimated at \$5,966,534. INS currently has bilingual staff in its field offices, detention and removal centers, and ports of entry. If 60% to 70% of cases could be accommodated by these bilingual employees, where no premiums are given for multilingual language skills, the costs of providing these services would be reduced to between \$1,789,960 and \$2,386,613.⁴⁷

In the adjudications arena, approximately 2 million interviews were conducted in the 2001 fiscal year. The adjudications program office estimates that approximately 90% or 1.8 million applicants require interpreters. With an average interview time of one hour, and cost per minute of translation at \$1.79, the approximate cost is \$107 per interview. The total cost of providing translation services for adjudication proceedings, therefore, is estimated at \$192,600,000. If 60% to 70% of these translations could be provided by bilingual employees,

⁴⁷ It is also possible that INS would have individuals whose sole responsibility was to provide interpretation services. For the purposes of calculating an estimate, we assumed that either employees would be bilingual or the \$1.79 per minute translation line would be used. The cost for hiring in-house interpreters would therefore fall between these two alternatives.

then the cost of contracted translation services would range between \$57,780,000 and \$77,040,000.

Individuals most frequently interact with the Immigration and Naturalization Service for inspections purposes at ports of entry. In fiscal year 2001, there were 510.5 million persons who underwent primary inspections. An additional 8.8 million individuals were referred to secondary inspections for administrative reasons. We assume that 88,715 non-administrative inspections, with a duration of one and a half hours, could require interpretation services. At \$1.79 a minute for translation services, the cost of providing language assistance is estimated at \$14,194,400. If 60% to 70% of these translations could be provided by bilingual employees, then the cost of contracted translation services would range between \$4,258,320 and \$5,677,760.

In the detention and removals sector, in fiscal year 2000, there were 161,572 total removals. Voluntary departures for fiscal year 2001 have amounted to 1,249,798⁴⁸ with aliens processed for removal under safeguard reaching 1,246,207⁴⁹. Total detentions in fiscal year 2001 have reached 32,865.⁵⁰ INS acknowledges that it is difficult to estimate the amount of time required to conduct interviews for each of the detention and removal actions. Sufficient time to process an interview for a removal may take up to two hours, whereas an interview for a non-docket controlled voluntary departure may only require half an hour. As a result, INS's estimate for interpreter services assumes one hour of interpreter services for each action in this sector. In addition, INS has based its calculations on the premise that half of all interviews require full interpreter services, assuming that a large proportion of individuals in these categories either can

⁴⁸ This number includes voluntary departures under docket control (relief from deportation granted by a judge or a district director) and non-docket control.

⁴⁹ This represents the number of aliens who depart the United States after having been apprehended more than 72 hours after entry.

⁵⁰ This number represents a snapshot of aliens in detention at the end of fiscal year 2001. The figure includes individuals both in proceedings and those held both in INS and non-INS facilities.

speak English proficiently or can be assisted by an available INS bilingual employee. At \$107 an hour⁵¹, the total cost of interpreter services is estimated at \$145,008,647.⁵² If 60% to 70% of these translations could be provided by bilingual employees, then the cost of contracted translation services would range between \$43,502,594 and \$58,003,458.

Figure 2.3: INS Costs -National Estimates

| | | |
|--|---|--|
| National Estimates provided by INS Headquarters | Translation of Documents | \$147,600 translation cost for existing documents |
| | National Call Center | \$6,900,000 ⁵³ |
| | Asylum Interviews Interpreter Services | \$1,789,960 - \$2,386,613 |
| | Adjudications Interviews Interpreter Services | \$57,780,000 - \$77,040,000. |
| | Inspections Interviews Interpreter Services | \$4,258,320 - \$5,677,760 |
| | Detention and Removal Interpreter Services | \$43,502,594 - \$58,003,458 |
| Total | | \$114,230,874 - \$150,007,831 annually plus \$147,600 one time translation form costs |

It is important to note the limitations of this cost estimate. First, it assumes that there are only five languages in need of oral translation. Second, the use of interpreter services, both on-

⁵¹ Based upon the translation cost of \$1.79 per minute, assuming a one hour interview.

⁵² \$107*[181,572+1,249,798+1,246,207+32,865]*50%.

⁵³ The National Customer Service Center provides toll free assistance in both English and Spanish. It is estimated that this is accessed 1.5 million times by callers nationwide, costing \$23,000,000 annually. At the time of publication, INS did not have data on the number of calls made in English and in Spanish. If 60% of these calls are made in English, the cost of providing this customer service line in Spanish would be \$6,900,000.

and off-site, has not been incorporated into the cost figures. The cost of bilingual staff is not reflected in these cost estimates because no premium is offered for bilingual ability, though these individuals do provide translation services and may save INS a substantial amount in additional contracted translation services. Third, the alternative of hiring employees to serve solely as translators was not explored in this cost analysis. This alternative may significantly mitigate costs by reducing the need to use contracted translators. Compensation for in-house translations is far less than contracted individuals, with hourly rates of on average \$26, compared to a contracted cost of \$107 per hour. A fourth limitation of this analysis is the reality of individuals who bring friends and family to provide translation services for them. As a result, the cost estimates as presented may be an inflation of the true fiscal burden that could be incurred.

Currently, INS has data on the number of individuals processed through each of the main areas of focus; however, data documenting the number of LEP individuals processed as a proportion of the total population served is unavailable. At this time, INS is unable to estimate the number of LEP individuals it currently serves.

Case Study IV: Healthcare

Medical Care

Almost all healthcare providers are required to provide appropriate services to LEP individuals. Hospitals currently are required to provide appropriate services to LEP individuals under the HHS Culturally and Linguistically Appropriate Services (CLAS) standards published in 2000⁵⁴, the Title VI regulations, and the Joint Commission on Accreditation of Healthcare

⁵⁴ HHS's CLAS standards were issued by the Office of Minority Health within the Office of Public Health and Science, within HHS' Office of the Secretary, and are based upon the requirements of Title VI of the Civil Rights Act of 1964, as well as other State and Federal laws. Some of the standards (that are based on Title VI) are mandatory for those receiving federal funds, while others are suggested.

Organizations (JCAHO) standards of care. Most outpatient hospital clinics, community health centers (CHCs), and private doctors' offices receive some funds from Medicare/Medicaid billing. Both the Title VI regulations and the CLAS standards on provision of LEP services would apply to these types of providers. Some Centers for Medicare and Medicaid Services (CMS) programs (such as State Children's Health Insurance Program [SCHIP], and Medicaid) may cover interpretation services.

Interpretation Services in the Healthcare Context

Throughout the country, there have been different efforts by healthcare providers to provide quality interpretation services to LEP individuals.

- Some hospitals, managed care organizations (MCOs), and providers offer a salary premium to their bilingual medical staff. Others do not offer a salary increase, but they still attempt to recruit bilingual staff from the community.
- Some medical schools, hospitals, and MCOs offer language classes to physicians and other medical personnel to allow them a sufficient ability to converse with the LEP individuals with which they most often come into contact.⁵⁵ These classes focus on obtaining the language abilities necessary to converse in a medical setting, as opposed to attempting to make the provider fully fluent for all settings. Studies such as Hampers et al have found that physician language-training programs resulted in a decreased use of outside interpreters, better medical histories obtained from the patient, and increased overall patient satisfaction.
- Non-profit organizations in some metropolitan areas have started "language banks" that recruit, train, and schedule interpreters in a variety of languages for doctors, hospitals,

⁵⁵ (Binder, Nelson, 1988; Hampers).

and other providers that need their services. The administrative costs are borne by the language bank themselves, and services are provided for a nominal fee. Anecdotal evidence, provided in listening sessions with advocates for LEP individuals, suggests that the average charge for this service runs at about \$20 per hour. No studies have been performed to determine use or availability of these language banks or actual cost.

- Some hospitals, MCOs, and university groups have organized volunteer interpreter services. Mainly staffed by bilingual individuals from the community or university staff and students, many of these groups provide instruction on interpretation (including terminology that a bilingual individual would not necessarily know, principles of confidentiality, etc.).
- Some facilities use “remote simultaneous interpretation” instead of traditional interpretation services such as having an interpreter physically present in the room or using a language line where an interpreter is available through a phone service. With this method, both the provider and patient are wearing headsets, and interpretation occurs almost immediately as the other participant speaks.

Costs of Providing Services

We estimate below the costs of interpretation for LEP individuals for ER visits, inpatient hospital visits, and outpatient physician visits. The overall estimate does not include costs to non-physician providers such as physical or occupational therapists, chiropractors, or mental health professionals except psychiatrists. It does not cover care that is not provided in an ER, hospital, or office visit (including phone call consultations). It also does not cover fixed-cost translations of forms and hospital signs.

It is important to note that we are estimating the costs of services that might be provided regardless of the ultimate payer. In many cases, the costs fall on the individual provider, clinic, or hospital, with little or no reimbursement from insurance providers or government programs. We assume that the costs will generally be the same regardless of who bears it. It should also be noted that we are not making any particular judgments about what a given agency's guidance should provide, although (as later discussed) we believe that consistency and uniformity in agency guidance may be critical to reducing costs.

It is difficult to estimate the breakdown of interpretation services that could be or are being used in an average hospital, clinic, or private office. However, we can make some assumptions based on anecdotal evidence from physicians, hospitals, and medical advocacy groups to use in calculating average costs for each healthcare sector. These assumptions differ based on the site of care. Some hospital emergency departments, inpatient units, and on-site clinics may have an infrastructure that allows staff interpretation in a majority of cases, either by medical staff or by a centralized interpretation office that employs professional medical interpreters. Many community health centers (CHCs) serve distinct low-income communities, and often employ staff from those communities. It may be possible that those CHCs serving areas that have a moderate or high level of LEP clients are providing staff interpreters in a high proportion of their LEP cases. However, doctors' offices may not have bilingual staff or staff interpreters unless they are serving a very high volume of LEP individuals from one language group. We assume that some individuals will request that a friend or family member serve as the interpreter instead of requesting a professional interpreter.

It is possible at hospitals, community healthcare centers, and private offices that translation services could be provided by medical staffs, professional interpreters, a language

bank, volunteer interpreters, friends or family, or commercial “language line” services.” Each of these interpretation services has a different cost associated with it. Providers will not incur additional costs based on the interactions of LEP individuals with trained medical staff that are (at least functionally) bilingual, except in those cases where the staff are paid a premium for their bilingual skills. This is because these staff would have been interacting with the individual based on their main duties regardless of whether or not the patient was LEP. Professional interpreters on staff will be paid an hourly wage (anecdotal evidence suggests that this wage is about \$20/hour) that would not be incurred in the normal course of business. In addition to their hourly wage rate, these staff interpreters will receive benefits, such as health insurance, which we estimate to be worth 30 percent of their salary, bringing the overall hourly cost of these translators to \$26. Language banks run by non-profit firms also have a cost of \$20 per hour, based on anecdotal evidence. The language line cost varies, depending on the monthly usage and the negotiated contract price (if the provider has entered into a contract with the provider). We have estimated that the average cost for this service could be \$132 per hour, but it could be less depending on the volume and duration of interpretation services needed.

Given these assumptions about the types of services that will be used to provide interpretation and the costs of those services, one may apply the assumptions to the data at hand for the various healthcare sectors that are examined. Again, we note that these estimates do not imply a particular LEP obligation in a particular setting. Instead, they simply summarize possible costs if the described assistance is provided.

Emergency Room Visits

There were 103 million visits to the Emergency Room in 1999.⁵⁶ Assuming an LEP population of approximately 4.1 percent of the total population,⁵⁷ this would translate to approximately 4.2 million individuals served. Further assuming an average interaction time in the ER of 10 minutes (that is, the time spent actively interacting with hospital staff, which would need to be translated, as opposed to time spent in the waiting room) yields a rough estimate of 704,000 hours of interaction time with LEP individuals in the emergency room. Given the assumptions about the breakdown of interpretation services above, the following costs might be possible:

Figure 2.4: Cost of LEP Services for ER Visits

| Visit | Explanation of Cost | Cost |
|-----------|--|---------------------------------|
| ER Visits | <p>For 704,000 hours of LEP interactions in the ER:</p> <ul style="list-style-type: none"> • 50% medical staff = No cost • 10% staff interpreters at \$26 per hr = \$1.8 million • 15% language bank at \$20 per hr = \$2.1 million • 5% language line at \$132 per hr = \$4.6 million • 10% volunteer interpreters = No cost to hospitals (see below) • 10% friends and family = No cost to hospitals (see below) | \$8.6 million costs to hospital |

Therefore, the overall costs of providing interpreter services for emergency room visits might be as much as \$8.6 million for hospitals. It is important to note that this estimate does not include the “opportunity” costs to volunteers, friends, or family members who might accompany and help LEP persons understand their healthcare situation. We do not estimate these

⁵⁶ National Center for Health Statistics Ambulatory Health Care Data. 17 August 2001. National Center for Health Statistics. <http://www.cdc.gov/nchs/about/major/ahcd/ercharts/htm>.

⁵⁷ See footnote 33.

“opportunity” costs here, but suspect they could be sizable in the aggregate. They would, however, be offset to the extent that the volunteer, friend, or family member would have accompanied and helped the individual, regardless of the need for language assistance. Obviously, changes in any of the assumptions underlying these calculations would affect the estimated cost of providing interpreter services for LEP emergency room visits.

Inpatient Visits

There were 32 million inpatient admissions in 2000, with an average stay of 4.9 days.⁵⁸ We assume an aggregate of one hour of daily interactions with medical staff that would necessitate an interpreter (including services such as rehabilitation, nutrition, and social work). This assumption of one hour of essential interactions would translate to 6.4 million hours of interpreted interactions with LEP individuals in the inpatient hospital units, assuming that the LEP population is 4.1 percent of the total population.⁵⁹

Again, given the assumptions about the interpretation services provided in a hospital setting, the following estimations can be made:

Figure 2.5: Cost of LEP Services for Inpatient Visits

| Visit | Explanation of Cost | Cost |
|---------------------------|--|----------------------------------|
| Inpatient Hospital Visits | <p><u>For 6.41 million hours of LEP interactions in the inpatient units:</u></p> <ul style="list-style-type: none"> • 50% medical staff = No cost • 10% staff interpreters at \$26 per hour = \$16.7 million • 15% language bank at \$20 per hour = \$19.2 million • 5% language line at \$132 per hour = \$42.3 million • 10% volunteer interpreters = No cost to hospitals • 10% friends and family = No cost to hospitals | \$78.2million costs for hospital |

⁵⁸ National Center for Health Statistics Ambulatory Health Care Data. 17 August 2001. National Center for Health Statistics. <http://www.cdc.gov/nchs/about/major/ahcd/ahcd1/htm>.

⁵⁹ 32 million inpatient admissions times 4.9 days times 4.1% LEP = 6.4

Therefore, the costs of providing services for inpatient hospital visits could be \$78.2 million for hospitals. Again, this figure does not incorporate an estimate of opportunity costs for assistance provided by volunteer interpreters, friends or family members.

Outpatient (Office-based) Visits

There were 921.4 million visits to outpatient providers,⁶⁰ which translates into 37.8 million visits by LEP individuals. One may assume that the doctor/patient interaction needing interpretation averaged about ten minutes or less. The breakdown of interpretation services will differ based on the type of provider. Many minorities and low socioeconomic status individuals are served by community health centers. As previously mentioned, many of these are actually chartered to target a certain type of population. For example, we talked to providers at a Community Health Center in San Francisco whose primary patient base was Asian. They provided comprehensive services for multiple Asian languages, mostly using bilingual staff. We assume that approximately 20 percent of LEP individuals go to CHCs, 15 percent go to outpatient clinics affiliated with a hospital, and 65 percent go to private physicians.

Overall, there are 6.3 million hours of LEP interactions for outpatient visits.⁶¹ Given the breakdowns above, Community Health Centers will have 1.3 million hours of LEP interactions annually, outpatient hospital clinics will have 0.95 million hours of interactions, and private providers will have 4.1 million hours of interactions.

Again, given the assumptions about the types of services that will be used for interpretation in each of these different healthcare settings and the breakdown of the settings for outpatient visits, the following calculations can be made:

⁶⁰ National Center for Health Statistics Ambulatory Health Care Data. 17 August 2001. National Center for Health Statistics. <http://www.cdc.gov/nchs/about/major/ahcd/outpatientcharts/htm>.

⁶¹ 921.4 million visits times 4.1% LEP times 10 minutes divided by 60 = 6.3

Figure 2.6: Cost of LEP Services for Outpatient Visits

| Visit | Explanation of Cost | Cost |
|--|--|-----------------------------------|
| Outpatient Visits to CHCs | <p><u>For 1.3 million hours of LEP interactions:</u></p> <ul style="list-style-type: none"> • 65 percent medical staff = No cost • 5% staff interpreters at \$26 per hour = \$1.6 million • 5% language bank at \$20 per hour = \$1.3 million • 5% language line at \$132 per hour = \$8.6 million • 10% volunteer interpreters = No costs to CHCs • 10% friends and family = No cost to CHCs | \$ 11.5 million cost to CHCs |
| Outpatient Visits to Hospitals | <p><u>For 0.95 million hours of LEP interactions:</u></p> <ul style="list-style-type: none"> • 50% medical staff = No cost • 10% staff interpreters at \$26 per hour = \$2.4 million • 15% language bank at \$20 per hour = \$3.0 million • 5% language line at \$132 per hour = \$7.1 million • 10% volunteer interpreters = No cost to hospitals • 10% friends and family = No cost to hospitals | \$12.4 million cost to hospitals |
| Outpatient visits to private providers | <p><u>For 4.1 million hours of LEP interactions:</u></p> <ul style="list-style-type: none"> • 25% medical staff = No cost • 5% staff interpreters at \$26 per hour = \$5.3 million • 20% language bank at \$20 per hour = \$16.2 million • 25% language line at \$132 per hour = \$135.4 million • 15% volunteer interpreters = No cost to providers • 10% friends and family = No cost to providers | \$156.9 million cost to providers |

Therefore, the costs of providing services for outpatient physician visits could total as much as \$180.8 million for providers, and \$29.1 million in opportunity costs to those providing free services. Again, this figure does not incorporate an estimate of opportunity costs for assistance provided by volunteer interpreters, friends or family members.

Possible Cumulative Costs of the Four Healthcare Sectors

Given the calculations of the four healthcare sectors, the possible cost to providers of providing interpretation services to LEP individuals might reach as much as \$267.6 million. This cost does not include translation of forms into multiple languages, although such cost is likely to be small compared to the total costs estimated. We emphasize that this a very rough estimate and does not account for the fact that many healthcare facilities have already taken substantial steps to address LEP issues.

Summary of Case Studies

The four case studies above reflect four different economic sectors. Many assumptions were necessary to arrive at the cost estimates above. Added together, the costs of the efforts outlined for all four case studies sum to \$538 million, which could represent a significant portion of the total costs of providing language assistance to LEP persons.

3. Aggregate National Estimate

We now turn to a top-down approach for estimating the total costs. The Executive Order affects two major aggregate categories: the public sector, which includes Federal, State, and local government and Federal funding recipients, with the largest easily being the healthcare sector.⁶² Using various assumptions, one may estimate the amount of government and healthcare services provided to LEP persons. Based on the sector analyses included in this report, we develop a range of estimates for the extra cost of serving LEP persons and apply this additional cost to an estimate of the cost of the proportion of government and healthcare services consumed

⁶² While there are funding recipients in a wide variety of fields, the public comments and our own research indicated that the costs to the healthcare sectors will greatly exceed the cost of all other sectors combined.

by LEP persons. This approach yields estimates that are not limited to specific programs or communities.

Federal, State, and Local Government

General government represents about \$1.14 trillion of GDP. This number represents the compensation of general government employees (including Federal, State, and local) plus general government consumption of fixed capital.⁶³ Assuming that, based on Census survey data, about 4.1 percent of the population may qualify as LEP,⁶⁴ their “share” of government services (assuming they receive the same level of service as the average person) is roughly \$46.7 billion.

Additional Cost of Serving LEP Persons

Given the limited amount of data and information currently available, it is difficult to accurately assess the additional cost involved with providing adequate access to LEP persons (“the LEP premium”). We have used the information available from the transportation, health, welfare, and immigration sector estimates to generate a range of incremental cost percentages.⁶⁵ As a general approach, we attempted to estimate the total cost to administer a program or service per person and the corresponding cost for language services per LEP person. Figure 2.7 illustrates how we used this approach to calculate an LEP premium and demonstrates the steps taken for this calculation. Applying this general approach to the DMV, Healthcare, and Food

⁶³ Economic Report of the President, February 2002.

⁶⁴ See footnote 34.

⁶⁵ Note that the California DMV also provided information on bilingual pay premiums, which can be used as an estimate for LEP premiums. The California DMV pays certified bilingual employees a \$100 per month pay differential. Since the average salary of state and local employees is about \$61,000 per year, the \$100 premium represents a 1.8 percent premium.

Stamp sectors, we estimate the LEP premium might range from 0.5 to 15 percent (see Figure 2.8). It is important to note that in these calculations, that no language assistance services are provided to LEP individuals.

Figure 2.7: LEP Premium Cost Calculation-DMV Example

| LEP Premium Cost Calculation: DMV Example | |
|--|---------------|
| <u>Step 1: Calculate Cost Per Public Contact</u> | |
| California DMV Budget: | \$688 million |
| Number of Public Contacts: | 274 million |
| Cost Per Contact = \$688 million / 274 million = \$2.51 | |
| <u>Step 2: Calculate Additional Cost Per LEP Contact</u> | |
| DMV Expenditure on Language Services: | \$2.2 million |
| Number of LEP Contacts: | 52 million |
| Additional Cost Per LEP Contact = \$2.25 million / 52 million = \$0.042 | |
| <u>Step 3: Calculate LEP Premium by Dividing Additional Cost Per LEP Contact by Cost Per Contact</u> | |
| <u>LEP Premium = \$0.042 / \$2.51 = 1.7 Percent</u> | |

Figure 2.8: Summary of Sector LEP Service Premium: Additional Cost of Services Per LEP Recipient

| Sector Estimate | Percentage Cost Increase⁶⁶ |
|--|--|
| Department of Motor Vehicles | 1.7 |
| Food Stamp Program | 15.0 |
| Immigration and Naturalization Service | See below ⁶⁷ |
| Healthcare | 0.5 |

Motor Vehicle Administration: The cost for the California DMV to provide services to all constituents was about \$687,262,000 for the current year. The DMV spends about \$2.2 million per year on language services. Based on biennial language survey data, the California DMV estimates that there are 273,684,211 public contacts per year. Of these contacts, about 52 million (about 19 percent of total contacts) are public contacts with LEP persons. By dividing total costs by total public contacts, we estimate that it costs the DMV about \$2.51 per contact. It costs an additional 4.2 cents (\$2.2 million / 52 million) per LEP contact, which corresponds to a 1.7 percent premium (4.2 cents / \$2.51).

⁶⁶ The reader might notice that the estimated LEP premium in the healthcare and motor vehicle sectors is lower than the food stamp program premium. This difference is likely attributable to how the premiums were calculated. The DMV and healthcare estimates compared the incremental costs of providing services to LEP persons to the entire budget or expenditure in the program or sector. The food stamp estimate compared the cost of LEP services to the administrative costs of the program, which is a smaller base compared to the entire budget or expenditure in the program or sector. (2) The difference in the nature and intensity of interactions with the public. In the DMV example, interactions are relatively short and uncomplicated. On the other hand, in the food stamp example, interactions are much longer and involve the exchange of complex financial and personal information. Rather than being representative of government interaction with the public, these two examples likely represent two extremes, within which most public interactions would fall.

⁶⁷ Although included in our case studies, INS has not been included in our calculation of a national estimate as it is less representative of government services because it serves such a disproportionate number of LEP individuals due to its large number of interactions with the immigrant community.

Healthcare: Again, we estimate that our economy spends about \$1.38 trillion per year on healthcare (13.5 percent of GDP * GDP). Based on data from the National Hospital Ambulatory Medical Care Survey, NHDS, NAMCS, and the NAHMCS, there are approximately 1,611,400,000 ER visits, inpatient hospital visits, outpatient physician visits, and dental visits. Healthcare costs are approximately \$856 per visit (\$1.38 trillion / 1,611,400,000 visits).⁶⁸ Using the data from our healthcare sector discussion, we estimate that healthcare providers could spend up to \$267.6 million on language services for approximately 66.1 million ER visits, inpatient hospital visits, outpatient physician visits, and dental visits by LEP persons. This represents about \$4.04 per visit (\$267 million / 66.1 million visits). This is a 0.5% (\$4.04/\$865) premium. While this is an average, the percentage premium will likely be lower for longer, more expensive high intensity interactions and higher for low intensity, less expensive interactions.

Food Stamp Program: The USDA budgets about \$2 billion to administer the food stamp program and provide services for all recipients. Because States share equally in the costs of administration, actual administrative expenditures are approximately \$4.1 billion. With 7.5 million households receiving food stamps, it costs about \$547 per household (\$4.1 billion / 7.5 million households) to administer the food stamp program. Using our estimates, the Food Stamp program would spend up to an additional \$25.2 million on language services. Because there are approximately 307,500 LEP households, LEP households might cost about \$82 more (\$25.2 million / 307,500 million LEP households), representing about a 15.0 percent premium (\$82 / \$547).

⁶⁸ This represents the average costs. The median costs are likely to be considerably lower.

A View of Costs on the National Level

We have assumed above that the portion of federal, state and local government services provided to LEP persons is about \$46.7 billion. As noted, the LEP “premiums” in our public sector case studies ranged from 0.5% in healthcare services to 1.7% in the DMV context, to 15% in the Food Stamp program. Recognizing that the healthcare services and DMV services are likely more representative of the government services typically received by the LEP population, we might assume that the actual cost “premium” per LEP persons across all government services is closer to the 1-2% estimate than to 15%. Although at this point we are unable to endorse as accurate any single summation of LEP-associated costs across all government or government-funded services, we suspect that the number may be less than \$2 billion, and perhaps less than \$1 billion.⁶⁹ We emphasize that this figure would correspond to the aggregate cost of providing language assistance to LEP persons. It does not necessarily represent the additional cost of implementing the Executive Order, which may be substantially less than these figures, since many steps have already been taken by federal agencies and recipients of federal funds to serve the LEP population. It is worth noting, moreover, that no estimate of this type can be entirely accurate without a full understanding of the effects of LEP obligations on recipients of federal funds (including healthcare entities). As addressed below, clear and uniform guidance that permits recipients to understand LEP obligations could help reduce the costs of implementation.

4. Serving the LEP Population Efficiently

As discussed, the actual cost of implementing the Executive Order will depend upon the level of services that were already in place at the time the order was issued. The actual costs,

⁶⁹This includes the 1-2% “premium” for government services and the \$267 million cost for the health care sector which represents the vast majority of costs for federal funding recipients.

moreover, also might be significantly reduced by proper implementation of the Order. There are two primary ways in which the costs associated with implementing Executive Order 13166 could be mitigated by the federal government: (1) creating uniformity among the federally conducted programs and activities and the programs and activities of recipients of federal financial assistance with regard to the provision of LEP services, while recognizing the need for flexibility to address local circumstances, and (2) facilitating availability of, and access to, telephonic interpretation services, along with stimulating increased and more efficient supply of these services.

Most federally conducted programs and activities and the programs and activities of recipients of federal financial assistance already provide language services to some extent on an ad hoc basis. Such policies, which often include heavy reliance on telephonic interpreter services, may benefit from a more uniform and standardized approach. Such standardized approaches may make greater use of lower-cost solutions.

Uniform approaches include consistent guidance from federal agencies, consistency in identifying best practices, and consistency in enforcement. Such uniformity might provide predictability and reduce legal and bureaucratic costs. The 10 agency-specific guidance documents already published set forth a variety of standards that federal-funds recipients should use in determining whether they have complied with Title VI's regulatory requirements. The Department of Justice's guidance document, for example, sets forth a four-factor analysis for determining what constitutes "reasonable steps to ensure meaningful access" for LEP persons. The Department of Health and Human Service's guidance to HHS funds recipients, however, expands DOJ's four factors to seven factors. Although most-if not all-of the seven factors resemble at least one of DOJ's four factors, the mere provision by one department or agency of

an LEP analysis that differs from an LEP analysis provided by another department or agency is likely to create some confusion, result in increased costs, and interfere with the receipt of language assistance services by LEP individuals. Such confusion is most likely to manifest with a recipient that receives federal financial assistance from more than one department or agency and is, thus, required to adhere to the guidance documents issued by those departments and agencies. One uniform set of guidance documents, with some flexibility to permit tailoring to each agency's specific recipients, may reduce implementation costs.

Another way in which the federal government might mitigate the costs associated with implementing Executive Order 13166 would be to take appropriate action to facilitate the availability of, and increased access to, telephonic interpretation and other interpretation and translation services. These services have clear economies of scale, especially for the less often encountered languages. The Executive Order, by stimulating increased demand for language services, may increase the size and efficiency of the language service industry, and agencies might consider steps to facilitate bulk discounted purchasing of such services by federal programs and recipients of federal funds. Agencies should endeavor to find creative ways, including through technology, to reduce the costs to funding recipients of obtaining necessary oral or written translation services.

CONCLUSION

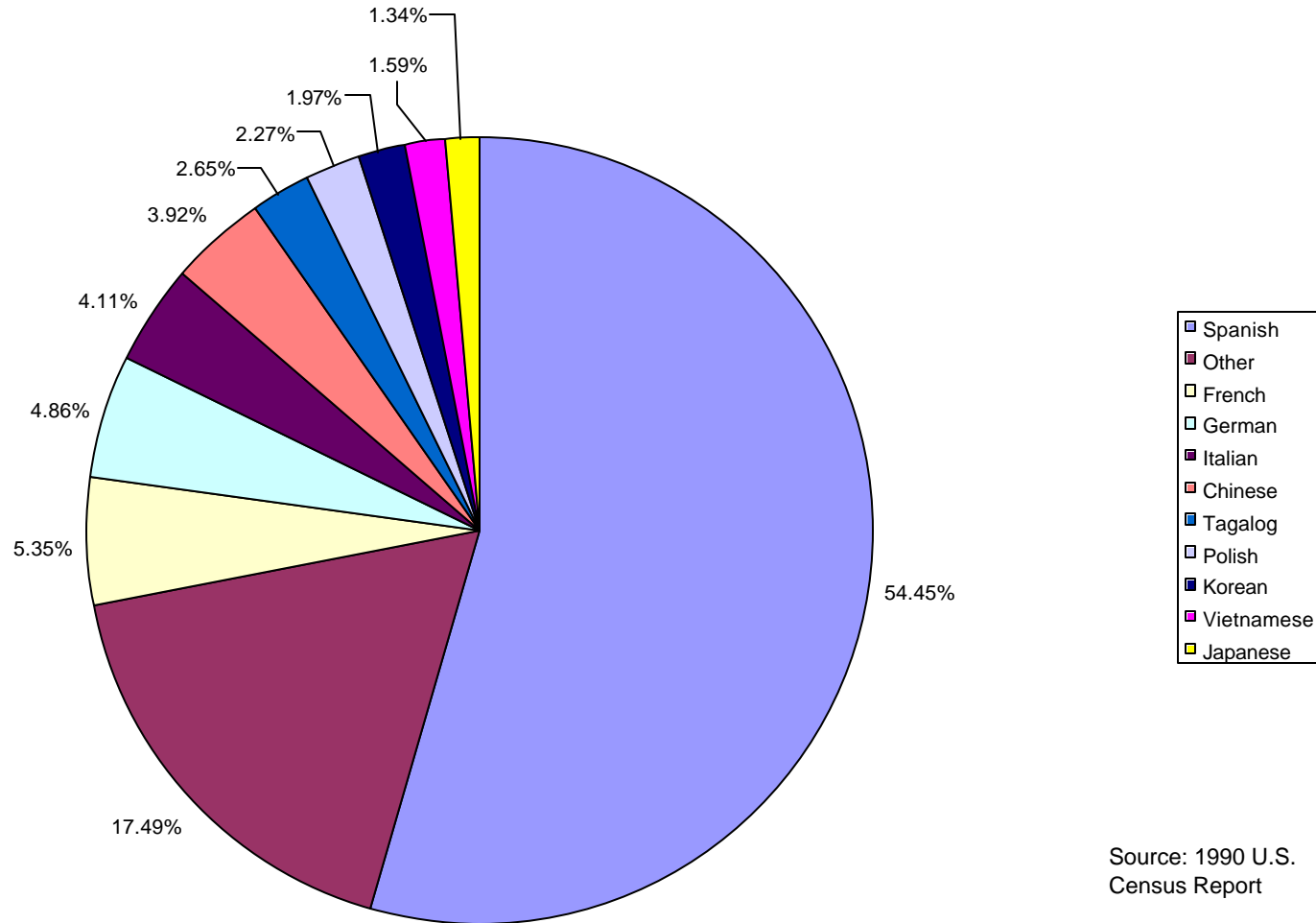
Federal agencies are currently in the process of implementing this Executive Order, and we were therefore unable to evaluate actual data relating to the benefits or costs of implementation. Instead, this report uses data and assumptions about different types of language-assistance services that could be provided to LEP individuals in a variety of contexts to assess the general benefits and costs of language assistance services.

The benefits of language-assistance services for particular LEP individuals, while not readily quantifiable in dollar units, can be significant. Such benefits may include improved access to a wide variety of services, more efficient distribution of government services, and more effective public health and safety programs.

The costs of enhanced language assistance are difficult to quantify, but may also be significant. The ultimate benefits and costs of the Executive Order will depend on how it is implemented, a process that we understand has begun among the Federal agencies. We hope that this Report will assist Congress and provide these agencies with information that will be useful to them as they implement the Executive Order.

APPENDIX A: DEMOGRAPHICS

Figure A.1: 1990 Distribution of Non-English Languages Spoken at Home



APPENDIX B: COMMENTS RECEIVED

Public Response Log

| Type of Org | Name of Org | Date | Comments |
|--------------------|--|-------------|---|
| Congress | Hispanic Caucus/Asian Pacific American Caucus (19) | 12/26 | Importance of LEP svcs & LEP svcs as rights not to be quantified |
| English Only Adv | Eagle Forum | 12/27 | Emphasize importance of assimilation & cost of Executive Order |
| English Only Adv | English First | | High Cost of Executive Order |
| English Only Adv | ProEnglish | 12/28 | Emphasize importance of assimilation & cost of Executive Order |
| English Only Adv | Public (350) | 12/31 | Emphasize importance of assimilation and/or express opposition to the Executive Order. |
| LEP Advocate | AARP | 12/21 | Emphasize importance of translation svcs to LEP persons |
| LEP Advocate | AHS | 12/31 | Health |
| LEP Advocate | Asian & Pacific Islander American Health Forum | 12/14 | LEP svcs as a right-not for quantification |
| LEP Advocate | Assn of Asian Pacific Community Health Orgs. | 12/28 | Emphasize importance of translation svcs to LEP persons |
| LEP Advocate | California Healthcare Interpreters Assn (2) | 12/14 | Stmnt that little LEP info exists to assess C/B |
| LEP Advocate | CBPP | 12/31 | Health |
| LEP Advocate | CLS-Philadelphia | 12/31 | General importance of svcs |
| LEP Advocate | CUNY | 12/28 | Health |
| LEP Advocate | F of F Workers | 12/31 | Importance of svcs |
| LEP Advocate | GBLS | 12/31 | TANF/FS |
| LEP Advocate | Individual | 12/31 | Importance of svcs |
| LEP Advocate | Lewis & Clark | 12/31 | Importance of LEP svcs, unemployment insurance |
| LEP Advocate | MALDEF | 1/3 | General |
| LEP Advocate | MANNA | 12/11 | Emphasize importance of translation svcs to LEP persons |
| LEP Advocate | Michigan Hispanic Social Svcs Org. | 12/20 | Emphasize importance of translation svcs to LEP persons |
| LEP Advocate | National Health Law Program | 12/28 | Emphasize importance of translation svcs to LEP persons & provide comparative info on svcs provided |
| LEP Advocate | National Latino Behavioral Health Assn (3) | 12/19 | Emphasize importance of translation svcs to LEP persons |
| LEP Advocate | Nat'l Asian Pacific American Legal Consortium | 12/28 | Emphasize importance of translation svcs to LEP persons |

| | | | |
|--------------|--|-------|---|
| LEP Advocate | Nat'l LEP Advocacy Task Force | 12/28 | Emphasize importance of translation svcs to LEP persons |
| LEP Advocate | Natl. Alliance for Hispanic Health (bunch of different groups) | 1/18 | Importance of svcs; Has attached files |
| LEP Advocate | NCPL | 12/28 | Food Stamp, work force |
| LEP Advocate | NELP | 12/31 | Labor Context |
| LEP Advocate | New York Lawyers for Public Interest | 12/28 | Emphasize importance of translation svcs to LEP persons & case studies |
| LEP Advocate | NHMA | 12/31 | Emphasize importance of translation svcs to LEP persons |
| LEP Advocate | NILC | 12/28 | General |
| LEP Advocate | Nizhoni Bridges, Inc. | 12/10 | Unresponsive |
| LEP Advocate | Project Vida | 12/19 | Emphasize importance of translation svcs to LEP persons |
| LEP Advocate | RIOS | 12/20 | Emphasize importance of translation svcs to LEP persons & case studies |
| LEP Advocate | Southern Poverty Law Ctr | 12/28 | Info on <i>Sandoval</i> Lawsuit |
| LEP Advocate | Translator and Interpreter | 1/1 | Importance of LEP svcs |
| LEP Advocate | Vosler | 12/31 | Translators needed |
| Local Govt | City of San Francisco | 12/26 | Translation cost estimate |
| Local Govt | Fresno County | 12/28 | Stmt that implementation difficult & costly |
| Local Govt | Marin County | 12/20 | Emphasize importance of translation svcs to LEP persons |
| Provider | AMA | 1/2 | Problems with implementing & costs |
| Provider | California Medical Association | 6/8 | cost concerns, cost estimates, suggestions |
| Provider | Center for Healthy Families & Cultural Diversity | 1/4 | Unfunded mandate, possible solutions |
| Provider | Children's Hospital-Seattle | 12/10 | Interpreter info. |
| Provider | El Centro "La Familia" | 12/20 | Emphasize importance of translation svcs to LEP persons |
| Provider | California Primary Care Association | 12/28 | Benefits of Executive Order, collection of best practices |
| Provider | John's Hopkins System | 12/27 | Interpreter info. |
| State Agency | AK | 12/30 | Unfunded mandate |
| State Agency | Alabama Dept. Industrial Relations Unemployment Comp | 12/20 | unfunded mandate, DOJ should take lead in providing generic LEP material, other federal agencies (like DOL should handle LEP negotiations |

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| State Agency | CA Dept. of Mental Health | 12/31 | Importance of svcs & challenges of compliance, specific threshold |
| State Agency | CO Refugee | 1/3 | Pro Executive Order |
| State Agency | Colorado Dept of Labor & Employment | 1/27 | cost estimates (used threshold mechanism) |
| State Agency | IL Dept. of Labor | 12/31 | Compliance difficulties, costs estimate (used threshold) |
| State Agency | Indiana Family Social Services Administration | 1/3 | Cost estimate |
| State Agency | Kansas Dept. of Social & Rehabilitation Services | 12/31 | Challenges of compliance, use of ESL |
| State Agency | Michigan Family Independence Agency | 1/16 | service area assessment problems, cost estimates |
| State Agency | Minnesota Dept. of Human Services | 12/27 | Info on translation svcs provided in response to lawsuit |
| State Agency | Montana Dept. of Labor & Industry | 12/28 | Translation cost estimate |
| State Agency | Nevada Dept of Employment Training & Rehab. | 12/19 | unfunded mandate, Executive Order unreasonably broad, cost estimates |
| State Agency | New Jersey DOL | 12/21 | Use data collected for working age LEP (not 5 and up), cost estimate, benefits |
| State Agency | North Dakota Job Service | 12/21 | unfunded mandate |
| State Agency | Ohio Dept. of Job & Family Services/Human Services | 12/27 | Translation cost estimate & info on svcs provided, plan of action |
| State Agency | Oklahoma Employment Security Commission | 12/21 | Stmnt that Executive Order is unfunded mandate |
| State Agency | Oregon Employment Dept | 12/31 | Cost estimate |
| State Agency | Pennsylvania Dept of Labor & Industry | 12/27 | Cost estimate & unfunded mandate, ambiguous guidance |
| State Agency | South Carolina Employment Security Commission | 12/19 | cost estimate |
| State Agency | Tennessee DOL | 1/7 | concern with costs |
| State Agency | Texas Dept of Human Services | 1/24 | unfunded mandate, cost estimates |
| State Agency | Texas Workforce Commission | 12/18 | Stmnt that data systems don't track LEP info, ambiguity of "LEP" |
| State Agency | Vermont Dept. of Employment & Training | 12/21 | cost concerns, limited # of LEP persons |
| State Agency | Washington State | 1/9 | nothing |
| State Agency | Wisconsin Dept. Health & Family Services | 1/8 | increased access, consistent guidelines for federal prog., cost estimate |
| State Agency | Wisconsin Dept. of Workforce Development | 12/28 | Translation cost estimate |
| State Agency | Wyoming Dept of Employment | 12/19 | cost estimate, high cost to modify existing technology |
| State Org | NASWA | 12/31 | Concern & implications/costs |

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| Study | "Citizen" | 12/29 | Mexican Immigration |
| Study | Boston U. School of Public Health | 12/13 | Emergency Care |
| Study | Canadian Embassy | 12/4 | Language policy |
| Study | Prof. Jacobs-Cook G Hosp/Rush Med Col | 12/28 | Interpretation in health |
| Study | Prof. Schneider-Inst for Health Policy | 12/31 | Medicaid & interpretation |
| Study | Resources for Cross Cultural Healthcare | 12/7 | Interpretation & health outcomes |
| Study | The Children's Hospital | 12/27 | Emergency Care |

