

Issue Brief: Section 1011 Funds for Treating Undocumented Aliens

Section 1011 of the Medicare Modernization Act, which provides \$250 million per year for fiscal years 2005-2008 for payments to eligible providers for emergency health services provided to undocumented aliens. Two-thirds of the funds are to be divided among all 50 states and the District of Columbia based on their relative percentages of undocumented aliens; one-third is to be divided among the six states with the largest number of undocumented alien apprehensions. Payments are made directly to hospitals, certain physicians, and ambulance providers. On July 21, the agency published a "proposed implementation approach" and requested that comments be submitted by August 16. At that time the agency also announced that it would hold a second Open Door Forum on August 2. Although the MMA requires that a process for providers to request payments from the funds be established by September 1, 2004, none has yet been published.

The AAMC and others strongly opposed CMS's proposal to require providers to query patients directly about their immigration status, since this is likely to result in fewer undocumented aliens seeking treatment. On October 1, CMS Administrator Dr. Mark McClellan issued a letter stating that "providers will not be asked--and should not ask--about a patient's citizenship status in order to receive payment under this program."

Due to this change, a previously published data collection instrument that was to be used to all providers seeking Section 1011 funds, will not be part of the final policy.

As soon as a comprehensive review of all comments is completed, a final policy will be released.