We conducted a cost-benefit analysis of extending access to Get Covered Illinois, the Illinois health insurance marketplace, to undocumented immigrants. There are currently 550,000 undocumented Illinois residents, comprising around 4 percent of the state population. Over half are uninsured.

The ACA expanded health insurance coverage through the creation of state-based exchanges, or “marketplaces,” where individuals and businesses can shop for health insurance. Qualifying citizens are eligible for subsidies from the federal government to help pay the cost of coverage or care. Two types of subsidies are available: premium tax credits and cost-sharing subsidies. The exchanges have been successful in creating new insurance options for consumers and in reducing the number of uninsured. Nearly six in ten exchange enrollees were previously uninsured.

But the undocumented are one of the few groups explicitly excluded from ACA provisions. Undocumented residents are ineligible for premium tax credits and cost-sharing, and cannot purchase insurance through exchanges. Moreover, the undocumented are largely ineligible for Medicaid. When they need care, the undocumented rely on safety-net providers: public and private hospitals, Federally Qualified Health Centers, low-cost clinics, community health centers and emergency departments.

To calculate the benefits of expanding access to Get Covered Illinois, we built on an analysis of a large randomized trial of Oregon’s 2008 Medicaid expansion. Recalibrating those findings for Illinois, we estimated $1,921 in cost-savings and $961 in benefits per enrollee. On the cost side, we used the average value paid in premium subsidies in Illinois in 2014, which is $2,424 per enrollee, and found that cost-sharing subsidies cost $778 per enrollee.

We then estimated the number individuals who could be eligible for insurance under this proposal. Out of the 310,000 undocumented uninsured Illinois residents, 278,656 met the age and income requirements for eligibility.* Among uninsured legal permanent residents in Illinois (another group of interest in this extension scenario), 58,268 would be eligible. In total, there may have been as many as 336,924 eligible residents.

Since many factors may affect the take-up rate (e.g., technological and language barriers, lack of eligibility knowledge, identity and income verification issues), we estimated total benefits and costs under three different take-up rate assumptions: 75 percent, 50 percent, and 25 percent. In the high take up rate scenario, we found that 252,694 residents would enroll in the exchange, leading to negative $80 million in net benefits. In the medium take up rate scenario, 168,463 residents would enroll, leading to negative $54 million in net benefits. In the low take up rate scenario, 84,231 residents would enroll, leading to negative $28 million in net benefits.

We also conducted a sensitivity analysis to account for the potential impact of variables beyond the scope of our analysis, and the possibility that cost-savings and benefits levels may be different than anticipated. We estimated the potential cost of “switchers” – insured individuals who may drop their current coverage in favor of purchasing a plan on the exchange. In addition, we discussed the potential societal value of this program above and beyond the direct monetary costs and benefits.

* For our purposes, we included undocumented residents who earn less than 100 percent of the Federal Poverty Level as eligible, although their Medicare eligibility may typically exclude them from participating in the exchanges. Excluding the poorest share would specifically hurt a generally protected group.