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HEALTH CARE DISPARITIES and THE MEDICAID EXPANSION:

Extending health insurance coverage likely to reduce long-standing differences in health and health care by race

BY BRENNA ERFORD BURCH

Contact:

BRENNA E. BURCH
Policy Analyst

919/856-2176
brenna@ncjustice.org

Budget & Tax Center

a project of the

north carolina
JUSTICE CENTER

P.O. Box 28068
Raleigh, NC
27611-8068

www.ncjustice.org

KEY FINDINGS

- **Racial disparities in health outcomes—as indicated by mortality rates, infant mortality rates, and other key health indicators—and access to health care, such as access to a primary care doctor, have persisted for many years in North Carolina, with inconsistent or little improvement under the current health care system.**
- **A greater share of people of color are uninsured than whites, and this lack of insurance is one reason for the continued disparities in access to health care in communities of color.**
- **Under the Affordable Care Act, long-standing racial and ethnic differentials in health insurance coverage are poised to shrink due to the expansion of insurance coverage to hundreds of thousands of individuals and families, particularly through the Medicaid expansion.**
- **North Carolina must implement the Medicaid expansion responsibly and effectively in order to reduce racial health disparities and reap the benefits of improved health outcomes and resulting cost savings.**

Racial Disparities in Access to Health Care and Health Outcomes

Like most states, North Carolina has persistent racial disparities in access to health care and overall health outcomes. In North Carolina, 71.7 percent of African Americans under the age of 65 reported they had some form of health insurance, compared to 82.9 percent of whites in North Carolina. Latinos and American Indians in North Carolina are more likely than whites or African Americans to be uninsured and to have been unable to see a doctor in the last 12 months because of the cost.[1,2]

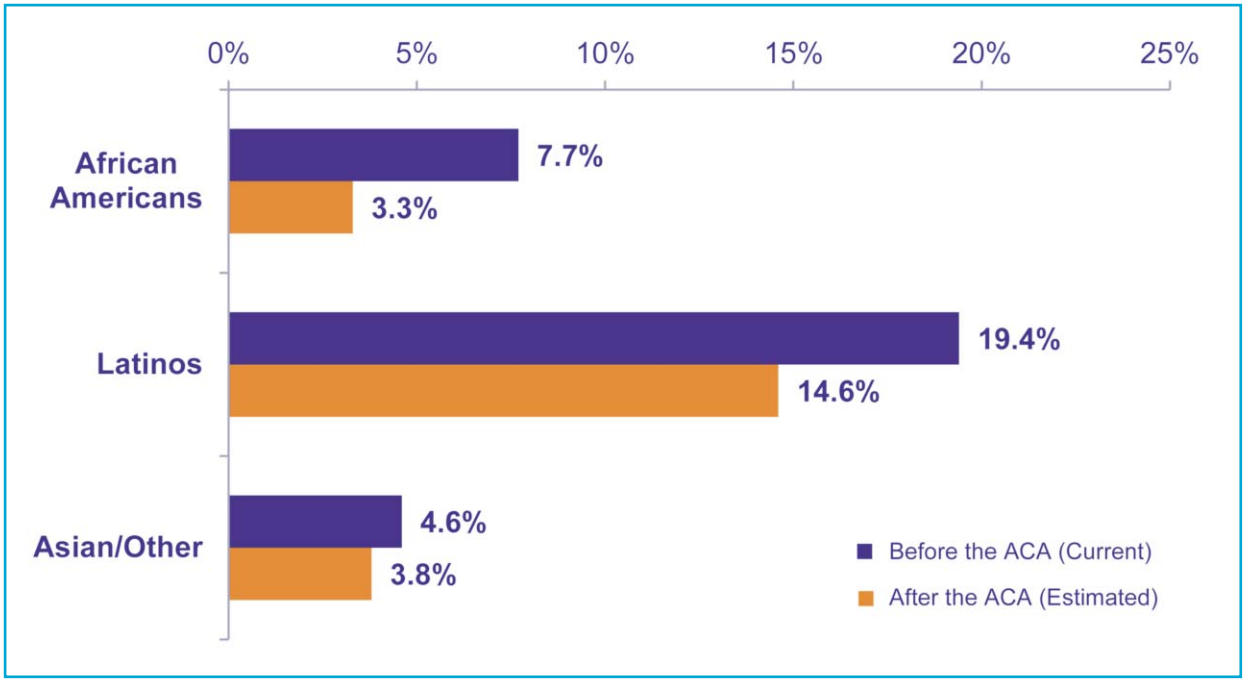
Health insurance facilitates entry into the health care system, and uninsured people are less likely to receive medical care and more likely to have poor health.[3] In 2010, African Americans in North Carolina were more than twice as likely as whites to report that they did not have one person they considered to be their personal doctor or health care provider,[4] and Latinos in North Carolina were more likely than whites or African Americans to lack a regular source of health care.[5]

Lack of insurance and lack of access to care for minorities in North Carolina contributes to poorer health outcomes in communities of color, as measured by mortality rates, infant mortality rates, and prevalence of certain common and preventable diseases such as diabetes and stroke. For example, African Americans are three times more likely to die from heart disease compared to whites, and on average, minorities with heart failure are younger than whites with the same condition.[6]

Because health insurance is so important to accessing health care and improving health outcomes, the expansion of Medicaid under the Affordable Care Act (ACA) promises to improve the health of North Carolina's minority communities.

FIGURE 2:

Health Insurance Coverage Differential by Race, Before and After the Medicaid Expansion in 2014



▲ THE UNINSURANCE RATE FOR MINORITIES IS HIGHER THAN IT IS FOR WHITES - *by 7.7% for African Americans, 19.4% for Latinos, and 4.6% for Asian Americans, American Indians, and people of more than one race. The Affordable Care Act will reduce the difference in the uninsurance rate between minorities and whites significantly, primarily through the Medicaid expansion. While the uninsurance rate for all racial and ethnic groups is expected to drop dramatically when the ACA is fully implemented in 2014, this chart specifically illustrates the estimated change in the difference between the percent of whites and minorities who are uninsured, both before and after 2014.*

SOURCE: Clemans-Cope, Lisa, et al, May 2012. The Affordable Care Act's Coverage Expansions Will Reduce Differences In Uninsurance Rates By Race And Ethnicity. Health Affairs, Vol. 31 No. 5. Project HOPE: Bethesda, MD.

Minorities Likely to Benefit from Medicaid Expansion

The Affordable Care Act directs states to expand Medicaid to cover nonelderly individuals with modified adjusted gross incomes up to 138 percent of the federal poverty level (FPL). Actuarial estimates prepared by Milliman, Inc. for the NC Department of Insurance project that 488,867 people in North Carolina will gain health insurance coverage through Medicaid in 2014.

Driven largely by the Medicaid expansion, the ACA is projected to significantly cut the uninsured-rate differentials—the difference between the percentages of people who are uninsured in two given groups—of white Americans and minority groups. The ACA is estimated to cut the African American-white differential in uninsured rates by more than half, and the Latino-white coverage differential by just less than 25 percent.[7]

African Americans and Latinos are projected to have the largest absolute reductions in uninsured rates under the ACA compared to other racial and ethnic groups. Nationwide, the number of uninsured African Americans is projected to drop by 4 million people, or 11.8 percent. The number of uninsured Latinos is projected to drop by 5.9 million people, or 12.2 percent.[8]

In North Carolina, large gains in coverage through Medicaid and the Children's Health Insurance Program (CHIP, known as NC Health Choice in North Carolina) are projected to occur among African Americans. The share of African Americans covered by the two programs is projected to increase by 8.4 percentage points, to 36.5 percent, compared to projected increases in Medicaid/CHIP coverage of 5.7 percentage points for whites and 6.3 percentage points for Latinos.[9]

Research has found that racial and ethnic disparities in access to a regular source of care—such as a primary care physician—could be greatly reduced by bringing the insured rates among minorities up to that of white Americans.[10] Furthermore, research suggests that by increasing levels of health insurance coverage for racial and ethnic minorities, the United States could address roughly one-third of the disparity in access to care, which is a common key measure used to indicate health care disparities.[11] In 2010, 23.3 percent of North Carolina African Americans surveyed indicated that there was at least one time in the last 12 month that they needed to see a doctor but could not because of the cost, compared to 14.3 percent of whites.[12] Instances where medical care was foregone due to cost were even more common among Latinos and American Indians in North Carolina than for African Americans.[13]

State Must Make Medicaid Enrollment Successful In Order to Reduce Disparities

North Carolina must take specific actions to implement the Affordable Care Act in order to extend these health benefits to traditionally underserved communities. Research suggests that gains in health insurance coverage among African Americans would be particularly enhanced by effective Medicaid and CHIP outreach and enrollment efforts. Although a relatively large share of African Americans are predicted to gain coverage through enrollment in these programs, the majority of those who will not gain coverage will be eligible, but not enrolled.[14]

Healthier North Carolinians and communities with equal access to quality health care will save the state money in the long term. While "hard" cost estimates for persistent racial health disparities are difficult to develop, the cost of poor health among uninsured people of all races nationwide was estimated at nearly $125

billion in 2004.[15] The potential cost savings from extending health insurance coverage to all North Carolinians and improving health outcomes will significantly reduce the overall cost of health care to state and local governments.[16]

Conclusion

The Medicaid expansion, as part of health reform, holds tremendous potential to reduce long-standing racial health care disparities by extending insurance coverage to traditionally underserved communities throughout North Carolina. However, the success of this policy will depend heavily on effective outreach by the state to enroll thousands of eligible adults and children in the program. The success of the expansion – and its potential as a long-term cost savings measure – is dependent on large-scale participation. The social and economic benefits of a healthier population are indisputable, and as such, policymakers should seize this opportunity to do right by communities of color and implement the Medicaid expansion in an effective and timely manner in 2014.

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1 North Carolina Department of Health and Human Services, Office of Minority Health and Health Disparities and North Carolina State Center for Health Statistics. Minority Health Facts: Latinos/Latinos — July 2010. Estimates have been derived from weighted multi-year responses to the North Carolina Behavioral Risk Factor Surveillance System (BRFSS) survey due to small sample limitations for Latino/Latino respondents in single-year data.

2 North Carolina Department of Health and Human Services, Office of Minority Health and Health Disparities and North Carolina State Center for Health Statistics. Minority Health Facts: American Indians — July 2010

3 U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, March 2010. National Healthcare Disparities Report 2010. Washington, D.C.

4 North Carolina Behavioral Risk Factor Surveillance System (BRFSS), 2010 survey results. 16.7% of whites responded "No" to the question "Do you have one person you think of as your personal doctor or health care provider?" compared to 27.4% for African Americans.

5 North Carolina Department of Health and Human Services, Office of Minority Health and Health Disparities and North Carolina State Center for Health Statistics. Minority Health Facts: Latinos/Latinos — July 2010. Estimates have been derived from weighted multi-year responses to the North Carolina Behavioral Risk Factor Surveillance System (BRFSS) survey due to small sample limitations for Latino/Latino respondents in single-year data.

6 Bahls, Christina, October 6, 2011. Achieving Equity in Health: Racial and ethnic minorities face worse health and health care disparities – but some interventions have made a difference. Health Policy Brief, Health Affairs, Project HOPE: Bethesda, MD.

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8 Ibid

9 Ibid

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11 Ibid

12 North Carolina Behavioral Risk Factor Surveillance System (BRFSS), 2010 survey results.

13 See North Carolina Department of Health and Human Services, Office of Minority Health and Health Disparities and North Carolina State Center for Health Statistics. Minority Health Facts: Latinos/Latinos — July 2010, and North Carolina Department of Health and Human Services, Office of Minority Health and Health Disparities and North Carolina State Center for Health Statistics. Minority Health Facts: American Indians — July 2010.

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15 Hadley, J., and Holahan, J., May 10, 2004. The cost of care for the uninsured: what do we spend, who pays, and what would full coverage add to medical spending? The Henry J. Kaiser Family Foundation, Kaiser Issue Update: Washington, DC.

16 Burch, Brenna Erford, August 2012. BTC BRIEF: The Medicaid Expansion - A Transformative and Fiscally Sustainable Policy for North Carolina. Budget and Tax Center, North Carolina Justice Center: Raleigh, NC.

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