NCLR
NATIONAL COUNCIL OF LA RAZA

THE FUTURE OF MEDICAID: STRATEGIES FOR STREGTHENING AMERICA'S VITAL SAFETY NET

Submitted to:

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Introduction

I submit this testimony on behalf of the National Council of La Raza (NCLR), the largest national Latino civil rights and advocacy organization, which is dedicated to improving life opportunities for more than 40 million Latinos who live and work in the U.S. As an umbrella group with more than 300 affiliates, we hear directly from the community about the troubled state of health care and the importance of a strong safety-net system. As a result, we have a deep commitment to promote policies that preserve Medicaid and enhance the quality of care given to Latinos under this program. While the future of Medicaid is under discussion, there has been little examination of the effectiveness of Medicaid for Latinos who have a great deal at stake in this policy discussion.

The Health Status of Latinos

The Latino population currently faces a number of significant health challenges and disparities. Latinos experience disproportionately high rates of diabetes, asthma, HIV/AIDS, tuberculosis, and heart disease. Young Latinos who account for one in every five children in the U.S., struggle with these and other serious health risks, including the highest teen birth rate in the nation and high rates of mental illness and depression. Many of the health concerns that plague the Latino community could be prevented or more effectively managed given access to quality health care. Unfortunately, there are significant barriers that too often stand between Latinos and their ability to access such care.

Hispanic Americans, at 13% of the U.S. population, have become the largest minority group in the country. However, despite their high work participation rates, they are also more likely to lack health insurance than any other group of Americans; for example, 33% of Latinos in the U.S. are uninsured, compared to 19% of non-Hispanic Blacks and 10% of non-Hispanic Whites. Similarly, 24% of Latino children lack health insurance, a rate nearly twice that of any other group. Latinos in the U.S. face numerous barriers to health coverage and additional obstacles to actual care for those who are covered. These include lack of affordability, eligibility bars for immigrants – including those lawfully present in the U.S. – structural barriers within individual health programs, language access, and cultural competency among providers. As a result of the lack of continual care and issues related to being uninsured, many Hispanics do not have access to appropriate preventive care, which could ameliorate the severity of preventable or manageable conditions like diabetes and heart disease.

Latinos and the Medicaid Program

Due to the low rates of employer-based coverage in Latino families and the high cost of private health insurance, many qualified low-income Latinos have used Medicaid as an important access point to health care for their family. The most recent report by the Centers for Medicare & Medicaid Services (CMS) notes that more than 10 million Latinos living in the U.S are qualified for Medicaid. In many states, Latinos make up a sizeable portion of the population that uses Medicaid. For instance, according to a Georgetown Health Policy Institute analysis, more than half (52%) of all Medicaid-eligible persons in California are Latino.

Since the Medicaid program is a significant safety-net for Latinos, it is impossible to overstate the importance of this program to the Latino community. Therefore, NCLR strongly opposes

budgetary plans that alter access to the program by dramatically cutting funding for Medicaid, including $10 billion in funding reductions instructed by Secretary of Health and Human Services Michael Leavitt to a newly authorized Medicaid Commission. The proposal, which is more than the President's FY 2006 Budget Request, would prevent Medicaid from assisting low-income beneficiaries. Cuts of this magnitude would compromise Medicaid's mission by removing poor and vulnerable persons from the program, despite their inability to afford the expense of health coverage.

In addition, some state and federal proposals which purport to increase flexibility, will, if enacted, cause dramatic cuts in services. One such proposal models Medicaid after the State Child Health Insurance Program (SCHIP), allowing states to make more decisions about patient eligibility and capping funds available to states. While SCHIP is an important program that helps to protect the health and well-being of children, its goals are substantially different from the goals of Medicaid. SCHIP is a program that often serves uninsured children and adults living at or above the poverty level. On the other hand, the Medicaid program seeks to provide a health care service for those living in destitution or those with extreme health care needs, such as persons with HIV/AIDS or a disability. Under a program modeled after the SCHIP block grant, the federal government could cap payments to states resulting in the less coverage for individuals would be served, even when demonstrating eligibility. In addition, groups covered under the optional categories of Medicaid would be at risk of losing benefits as states would have the flexibility to reduce coverage for many individuals currently receiving Medicaid.

Furthermore, NCLR cannot support a reduced benefits package that does not provide a complete health care plan. Prevention and comprehensive treatment plans are the primary way to ensure that health costs are controlled and to encourage people to maintain healthy lifestyles. Reduction in benefits package which deprive beneficiaries of needed care would be fiscally unwise and unethical.

Finally, NCLR cannot support proposals that shift the burden of cost to the patient. Increased cost-sharing will deter Medicaid beneficiaries from using vital resources, resulting in the aggravation of existing health conditions. Cost-sharing would particularly impact Latinos who, according to the U.S. Census, experienced an overall 2.6% decline in income in 2003 and made $14,780 less on average than non-Hispanic Whites in the same year. Increased health care costs for those in poverty would increase the burdens on household budgets sustained by families who already worry about having the resources to cover basic needs.

Enhancing the Medicaid Program

There are a numbers of ways the Medicaid program could be strengthened to both increase the health of recipients through preventive services and help to cut the costs created by unnecessary care or exacerbated health conditions.

Restore Access to Medicaid for Recent Legal Immigrants

Due to restrictions imposed by the 1996 "welfare reform" law, legal immigrants are ineligible for Medicaid and other federal means-tested public benefits for five years after they have entered the country. Even after the five-year bar, immigrants face numerous barriers that hinder them from participating in the program. Thus, many low-income immigrants and their families suffer from

a lack of coverage from any source. Without access to care, many immigrants rely on emergency health services for routine health care, increasing costs for all consumers. In addition, because many immigrants live in households that contain non-citizens and citizens alike, there are often many citizen family members, primarily children, who do not apply for programs for which they are eligible for fear that this will expose ineligible immigrant family members to the authorities. Immigrants should not be penalized simply because of their legal immigrant status. They contribute tax dollars to the very programs from which they are barred. Congress should enact new eligibility laws that provide all uninsured individuals affordable access to vital services and include a full repeal of anti-immigrant eligibility restrictions. For instance, Congress could immediately take steps to enact the "Immigrant Children's Health Improvement Act" (H.R. 1233, S. 1104), which would allow states to provide health care coverage to legal immigrant children and pregnant women through Medicaid and SCHIP.

Reduce Barriers that Affect Quality of Care

Currently, approximately 21 million persons living in the U.S. have language barriers that can hinder their ability to interact with the U.S. health care system. NCLR recommends that CMS develop comprehensive practices to ensure that linguistically appropriate services are provided during the Medicaid enrollment process. In addition, CMS should enforce patient rights under Executive Order 13166 and the Civil Rights Act of 1964, ensuring linguistically appropriate care is given to Medicaid recipients. These measures will enable more eligible limited-English proficient (LEP) patients to be enrolled, increasing both the efficiency and quality of care for LEP Medicaid patients.

In Medicaid, many eligible LEP persons face problems during their first attempts to access the program, due to pervasive lack of translated forms and interpreters. In a Kaiser Family Foundation poll, an overwhelming number of Spanish-speaking parents (46%) failed to enroll their eligible children in Medicaid due to lack of materials in their language. Half of all the surveyed uninsured persons eligible for Medicaid said they were much more likely to go through the enrollment process if they could speak to someone in their primary language. At a minimum, CMS should take steps to translate essential resources, such as template enrollment forms, and outreach to communities where with significant LEP populations.

In addition, the Medicaid program should take steps to ensure that providers receiving Medicaid funds are providing the appropriate language services to their patients. The absence of language services in health care settings diminishes the quality of health care for LEP individuals. A Kaiser Family Foundation/Pew Hispanic Center survey showed that 29% of Latinos had difficulty communicating with health care providers because of language barriers. Another study found that over one quarter of LEP patients who needed, but did not get, an interpreter reported they did not understand their medication instructions, compared with only 2% of those who did not need an interpreter and those who needed and received one. Providing language access will help to increase the chance that patients follow the medical regimen recommended by their health care provider and reduce waste and error that comes as a result of poor communication in health care settings.

Increase Preventive Education
Currently, within the health care system "sick care" is emphasized much more often than the promotion of healthy lifestyles, prevention of disease, and proactive treatment of illness. In the Latino community, we have seen many negative health outcomes that result from this approach to health. For instance, Latinas are less likely to obtain common medical procedures, such as mammograms. Thus, while Hispanic women have fewer instances of breast cancer, they are more likely to be diagnosed with an advanced stage of the disease. Medicaid should institute programs that increase awareness of procedures for early detection of disease, ensuring that health conditions can be more easily managed and cost for treatment is reduced. Furthermore, culturally competent and linguistically appropriate curricula should be developed to inform the Latino public about health conditions and preventable diseases. For example, there is an increasing need to promote healthy pregnancy practices in the Latino community. Latinas are less likely than non-Hispanic White women to secure prenatal care during the first trimester, increasing the cases of low-weight births and infant mortality. Many of these complications could be diminished if outreach and prevention efforts were increased.

Preserving Medicaid's Integrity
Medicaid is an efficient program; however, like all programs it should be scrutinized to determine best practices. Any attempts to streamline the program should be made without loss of benefits that would be detrimental to beneficiaries.

Maintaining Judicial Protections
As a civil rights organization, NCLR believes that all rights of due process should be upheld. Ensuring that Medicaid recipients are able to report and act upon violations of law will ensure that state Medicaid programs are conforming to the rules issued under the federal law. Continuing to do so will decrease the amount of error and abuse under the program. NCLR opposes any measures that seek to neutralize or place time limits on consent decrees. Consent decrees are carefully negotiated agreements that ensure compliance from local, state, and federal government agencies. Furthermore, NCLR feels that those who support limitations on current consent decrees are misguided by believing that such laws would increase their ability to administer the Medicaid program. Rather, it becomes incentive for plaintiffs to enter into endless litigation to ensure that a case judgment is upheld over time.

Reform of the Drug Rebate Program
Medicaid spending on prescription drugs outpaced other spending under the program by 7% during 2000-2002. A recent Government Accountability Office (GAO) stated that inadequacies were found in the prescription drug rebate program, resulting in inconsistent practices to determine price of drugs and lowering the sum of rebates returned to states. In addition, there continue to be manufacturers that delay the issue of drug rebates or withhold them permanently. In Medicaid, there are opportunities to strengthen oversight of the Medicaid prescription drug rebate program or reform the program in such a way that CMS can better negotiate drug prices. Immediately, CMS should issue clearer guidance to ensure that the prices used to calculate rebates are determined in a consistent manner and should also monitor and enforce the issuance of rebates. In addition, NCLR believes CMS should explore reform or elimination of the drug rebate program, which would allow the Department of Health and Human Services to negotiate the price of prescription drugs prior to drug purchase. The ability to negotiate for such a large

pool of patients could bring heavy discounts on prescription drugs, helping to increase savings for the Medicaid program.

The national debate on Medicaid reform should not move forward without addressing concerns of the Latino community. NCLR is committed to working with key stakeholders in Medicaid reform to ensure that equitable and affordable access to health care is assured for all low-income families in the U.S.

Thank you for your consideration of these views.