

MEDICAID EXPANSION IN FLORIDA: A LATINO PERSPECTIVE

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Summary and Key Findings

The current failure to expand Medicaid in Florida under the Affordable Care Act (ACA) has had a disparate, adverse impact on the health of the Latino[†] community:

- According to the Kaiser Family Foundation, nearly 200,000 Hispanics are in the coverage gap as a result of the state’s failure to expand Medicaid.¹
- Latinos are disproportionately represented among those in the Medicaid coverage gap. While Hispanics compose 23% of Florida’s population, they represent 26% of Floridians in the coverage gap.
- Thirty-six percent of nonelderly Latinos in Florida are uninsured—the third-highest rate of uninsured Latinos of any state in the country.²
- Lack of insurance and access to preventive care exacerbates health disparities for Hispanics, who are more likely to be confronted with diseases that require routine health management such as diabetes, kidney disease, and HIV/AIDS.

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† The terms “Hispanic” and “Latino” are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race.

In addition to reducing health disparities for Hispanics, expanding Medicaid carries broader socioeconomic benefits for Latinos and residents of the state. Medicaid expansion has the potential to:

- Improve the financial security of Latinos and other low-income Floridians by reducing the incidence of medical bankruptcies.³
- Create up to 121,000 new jobs and generate \$71 billion in economic activity during the first ten years. Latino workers in particular, who are disproportionately clustered in jobs that pay by the hour and are more vulnerable to income loss due to their own illness or that of a family member, stand to benefit.

Health care in general and Medicaid expansion in particular are priorities for Latinos. In fact, polling indicates that Medicaid expansion is a popular issue for Latinos in Florida and health care in general ranks highly among Latinos across the country.

Background

A key goal of the Affordable Care Act has been to increase the number of individuals with insurance through two primary pathways: private coverage purchased through the new insurance marketplace and increased eligibility for the Medicaid program. These new opportunities for insurance are particularly important for Latinos. In 2012, more than 15.5 million Latinos, including 2.5 million children, had no health coverage.⁴ This represents almost one-third of the total number of uninsured in the U.S.

The original design of the ACA required states to expand their Medicaid programs

to serve individuals under 65 with incomes below 138% of the federal poverty level who met certain qualifications. Medicaid is the nation's major public health insurance program for low-income Americans, covering more than 62 million low-income children, families, seniors, and people with disabilities.⁵ However, while the Supreme Court's 2012 ruling on the constitutionality of the ACA upheld Medicaid expansion, it limited the ability of the U.S. Department of Health and Human Services to enforce it. As a result, states now have the option to expand Medicaid, and Medicaid expansion has occurred on a state-by-state basis. As of May 2014, 23 states had not expanded their Medicaid programs, including Florida.

One consequence of the state-by-state expansion is that a swath of the population is shut out of an opportunity to obtain affordable coverage because it earns too little to qualify for the economic supports to purchase a private plan through the marketplace, yet too much to qualify for Medicaid under the state's current eligibility requirements. These individuals fall into a "coverage gap." In Florida, approximately 764,000 low-income Floridians fall into this gap. By expanding the Medicaid program, Florida can provide hundreds of thousands of its most vulnerable residents with an opportunity to be insured.

The authority to advance Medicaid expansion in Florida rests with the state's governor and legislative leaders. Whatever expansion plan is agreed upon, the state legislature must vote to approve it and the governor must sign off. Despite the introduction of Medicaid expansion legislation during the 2014 legislative session, no bills were scheduled

for a hearing. In fact, the Florida legislature adjourned for the 2014 session without accepting federal Medicaid funding, and assuming the legislature does not come back into special session this year and take action on Medicaid, legislative activity on the issue will remain dormant.

The Social and Economic Impact of Expanding Medicaid

Expanding Medicaid in Florida under the ACA would provide a number of important health and socioeconomic benefits to Latinos and other residents of the state.

Reducing Health Disparities for Latinos

With a population of 4.4 million Latinos, Florida has the third-largest Hispanic population in the country. Florida also has the third-highest rate of uninsured individuals of any state (29%). Currently, 36% of nonelderly Latinos in Florida are uninsured.⁶ Expanding Latino access to health coverage is therefore a particularly urgent priority in Florida, yet Florida has failed to expand its Medicaid program to nearly 200,000 low-income Latinos who otherwise would gain access to insurance. Hispanics represent 26% of Floridians who are in the coverage gap.

National data show that Latinos without health coverage are much less likely to have even the most basic access to care. For example, less than half (49.5%) of uninsured Latinos under age 65 had a usual source of health care in 2008, compared to 90% of Latinos covered by public or private health plans.⁷ Although Latinos are currently reported as healthier than the general population, the lack of access to preventive care and chronic disease management has exacerbated the burden of

certain health conditions, such as diabetes and asthma, within the Latino community.⁸

- Latinos are 70% more likely to develop diabetes than non-Hispanic Whites and are more likely to have end-stage kidney disease.
- Roughly 31.9% of Latinos were obese in 2010, compared to 26.1% of Whites. Latino children who are overweight or obese have high odds of developing heart disease, diabetes, and insulin resistance—conditions that often require lifetime management and may result in premature death.⁹
- According to the National Cancer Institute, Hispanic women contract cervical cancer at 1.6 times the rate of White women.¹⁰
- Latinos represented approximately 16% of the U.S. population but accounted for 21% of new HIV infections and 19% of people living with HIV in 2010.¹¹

When chronic conditions are not properly managed, individuals risk developing secondary conditions and experiencing poorer health outcomes. For example, Latinos with diabetes are more likely to develop kidney disease and risk foot amputations than their non-Latino White counterparts.¹² Moreover, seven in 10 deaths in the U.S. are related to preventable diseases such as obesity, diabetes, high blood pressure, heart disease, and cancer.

By expanding Medicaid, Florida will decrease health disparities between Latinos and other communities by providing more Latinos with access to preventive screenings, prenatal care, wellness checkups, and routine visits with physicians. Research suggests that increasing access to preventive care can also reduce

overall health costs: for example, 75% of all health care dollars are spent treating chronic

diseases, while only 3% of health care dollars go toward prevention.¹³

Maria, Hialeah, FL

By expanding Medicaid, the state would provide hundreds of thousands of Latinos, such as 46-year-old Maria from Hialeah, with the ability to access care. Maria worked at Sedano's Supermarket as a cashier, but recently she had to quit her job to take care of her ailing parents who are both suffering from chronic health issues, including Alzheimer's disease. Maria and her parents live on the Social Security check that her mother receives, which is less than \$800 per month. Since Maria is uninsured and suffers from chronic knee issues, she applied for coverage under the Affordable Care Act but did not qualify. Medicaid expansion would help Maria avoid making life-and-death decisions, such as choosing whether to pay for much-needed prescriptions or put food on the table. Maria falls into the health coverage gap—her income is too high to qualify for Medicaid in Florida, but too low to qualify for credits to purchase a plan through the marketplace. Medicaid expansion would help Maria avoid making life and death decisions, such as choosing whether to pay for much needed prescriptions or put food on the table. Unfortunately, there are thousands more people like Maria in Florida.

Investing in the Economy and Workforce

Not only would Medicaid expansion reduce health disparities for Latinos, it would also be a sound economic investment for the state. The business community in Florida has recognized the economic benefits of Medicaid expansion. The Florida Chamber of Commerce and its members have all called for the governor and the state legislature to accept Medicaid expansion dollars, saying that "healthcare is important to Florida's competitiveness – it's a major driver of our state's economy."¹⁴

- According to the Florida legislature's Social Services Estimating Conference, Medicaid expansion will cost \$1.7 billion while bringing in \$24.5 billion in federal funding to the state over ten years. In contrast, by not accepting federal Medicaid funding, Florida is losing out on almost \$7 million per day.¹⁵
- Medicaid expansion would bring additional savings to the state in the form of reduced state payments to safety net providers, decreased expenditures on state-funded programs for mental health and substance abuse services accessed by the uninsured, and decreased expenditures on the Medicaid Medically Needy Program, which currently costs the state \$500 to \$600 million annually.¹⁶
- The estimated \$24.5 billion that the federal government would spend in Florida from 2012–13 to 2022–23 would enable Florida industries to generate more than \$71 billion in revenue from goods and services produced and sold.
- Federal funding would result in over \$2.5 billion in indirect business taxes that would be paid to local, state, and federal governments.¹⁷

- The Florida Hospital Association and the University of Florida reported that the economic impact of this expansion will create 121,000 permanent jobs.¹⁸

With respect to workers, studies by the Centers for Disease Control and Prevention and the U.S. Department of Labor show that healthier workers are more productive and take less sick time, thus contributing to a more robust economy and a vibrant

future.¹⁹ Medicaid expansion is especially critical for Hispanic workers since they are disproportionately clustered in jobs that pay by the hour and do not offer insurance, such as retail, restaurants, child care, and construction. By 2050, one in three American workers will be Latino. Ensuring that Latino workers are healthy and productive is critical to the future prosperity of the state and the country as a whole.

Dr. Rivera, Poinciana, FL

Dr. Rivera has been a primary care physician for 34 years in Puerto Rico and Poinciana, Florida. He sees access to preventive care as one of the largest health care problems in Florida, given the lack of affordable health insurance. Many of his patients work part-time jobs in the Orlando metro tourism industry and do not have health insurance through their employer; consequently, many fall into the Medicaid gap. Even though Dr. Rivera provides a \$40 basic medical exam for his uninsured patients at the Poinciana Medical Clinic, many of them still go to the emergency room to get medical treatment, which he knows increases health care costs for others and does not solve the problem of preventing future medical conditions. Not having access to health insurance means his patients cannot afford to see a primary care physician regularly to manage chronic health conditions such as high blood pressure or diabetes. Moreover, Dr. Rivera believes that access to affordable health care also prevents uninsured or underinsured patients from going into medical debt, allowing them to focus on living healthier lives.

Increasing Financial Security for Latino Families

Having health insurance protects against costly medical bills and debilitating medical debt for Latinos and other Floridians. As noted earlier, Hispanics are more likely to lack health insurance, and studies show that uninsured people are more at risk of falling into bankruptcy than people with insurance.²⁰

- Medical debt contributes to almost half of all bankruptcies in the United States.²¹
- In 2010, 27% of uninsured adults used up all or most of their saving to pay

medical bills, compared to 7% of those with coverage.²²

- Almost one-quarter (23%) of uninsured nonelderly individuals have medical bills that they are unable to pay at all, compared to 6% of those with private insurance.²³
- Studies show that extending coverage to parents provides economic security to the entire family. Twenty-three percent of Floridians who fall in the coverage gap are adults with dependent children.²⁴

Since Hispanics suffer from certain illnesses at higher rates than other populations, the instability of being uninsured is not just problematic for Latino families—it threatens

their livelihood. Medicaid expansion increases the likelihood that Latino families can see a doctor or buy medication without going into debt.

Miguel and Christina, Orlando, FL

Since July 2013, Miguel and Christina have run Old Harbor Financial, a full-service financial services company that also provides advice on health, dental, and life insurance policies, with six agents covering the entire state of Florida. Having worked in the health insurance industry for many years, Miguel and Christina are well acquainted with the situations of uninsured and underinsured individuals. They commonly hear horror stories of how a lack of health insurance devastates families physically, emotionally, and financially. Miguel and Christina believe that everyone should have access to affordable health insurance so that individuals can get the preventative medical treatment they need and avoid facing similarly tragic situations.

Health Care Is a Priority for Latinos

While the evidence supports Medicaid expansion as greatly benefiting the overall health and well-being of Latino families, it is also clear that health care is a priority issue among Latinos.

- According to polling, 66% of registered Latino voters in Florida support Medicaid expansion.²⁵
- Gallup polling shows that 21% of all registered Latino voters in the country ranked health care as more important than any other issue. This should not be surprising, as Latinos are one of the most uninsured and underinsured groups in Florida and across the country.²⁶

Conclusion

There are 3.9 million nonelderly uninsured individuals in Florida, including over one million Latinos.²⁷ Expanding the Medicaid program under the Affordable Care Act would extend coverage to 764,000 people, including 200,000 Latinos. Medicaid expansion has the ability to reduce health disparities for Hispanics, strengthen the state's economy, and increase the financial security of vulnerable Latinos and other low-income Floridians.

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