

At Risk in the Budget Battle: Health Care for Communities of Color

Congressional leaders are working on a plan to reduce the federal deficit. And while the media have focused attention on the services and programs that may be cut under a deficit reduction plan, there has been relatively little discussion about how these cuts would affect communities of color. Many of the programs lawmakers are considering cutting, in particular Medicaid, Medicare, and the Affordable Care Act, are extremely important in ensuring that communities of color have access to health care.

Compared to whites, people of color, particularly blacks and Latinos, are less likely to have a usual source of care; more likely to suffer from chronic diseases, such as diabetes and asthma; more likely to be uninsured; and more likely to be economically vulnerable. As a result, Medicaid, Medicare, and provisions in the Affordable Care Act play a significant role in helping many people of color get the care they need. Cuts to these programs and services would be devastating.

As our leaders negotiate a budget deal, it is crucial that they take into account the impact that cuts would have on communities of color. Cuts to Medicare, Medicaid, and the Affordable Care Act would seriously harm progress toward reducing health disparities and advancing health equity. This fact sheet explores what is at stake.

► **Medicaid is an important safety net for people of color.**

Cuts to federal Medicaid spending will shift costs to the states, leading to reduced benefits and/or loss of coverage for beneficiaries, which could affect entire communities. Millions of people of color rely on Medicaid to keep them healthy. Losing coverage could result in declining health, which can lead to fewer work hours and lost educational opportunities, hurting the economic futures of many families.

- More than one in four blacks (28.6 percent) and Latinos (27.6 percent) and about one in seven Asian Americans (14.3 percent) rely on Medicaid for their health coverage as compared to about one in 10 whites (11.2 percent).¹
- Medicaid helps more than half of all black and Latino children and more than a quarter of Asian American children get the care they need.²

- Medicaid helps many blacks and Latinos manage their chronic illnesses more effectively, reducing the risk of complications and preventing them from going into debt due to high medical costs.
 - About one in four blacks with diabetes and Latinos with diabetes rely on Medicaid to get the care they need.³ More than one in five blacks with heart disease, and nearly one in four Latinos with heart disease rely on Medicaid to get care.⁴
- Black and Latino Medicare beneficiaries make up a large proportion of the low-income population that is eligible for both Medicare and Medicaid, known as dual eligibles. Medicaid provides supplemental coverage for this population and helps cover cost-sharing and premiums.
 - Approximately 24 percent of black and 34 percent of Latino Medicare beneficiaries received supplemental coverage through Medicaid, compared with 9 percent of white beneficiaries.⁵

▶ **Medicare is an important source of coverage for millions of people of color who are over 65 or have disabilities.**

While people of color make up a small share of all Medicare beneficiaries, this program is critical to improving access to medical services for these communities.

- Medicare serves people of color of all ages: 2.2 percent of black Medicare beneficiaries and 7.3 percent of Latino Medicare beneficiaries are children under the age of 18.⁶
- Nearly half (45.8 percent) of all Latinos with disabilities are covered by Medicare.⁷
- Medicare gives financial support to urban and rural health care providers, enabling them to provide free or discounted care to millions of uninsured and underinsured Americans.

▶ **The Affordable Care Act will help eliminate disparities in coverage and quality of care.**

The Affordable Care Act will provide premium tax credits on a sliding scale to help individuals and families with incomes between 133 and 400 percent of poverty (\$30,657 to \$92,200 for a family of four in 2012) afford health coverage in the state insurance exchanges.

- Half of the 19 million uninsured adults with incomes between 133 and 399 percent of the federal poverty level are people of color.⁸ The premium tax credits will help them gain access to care.

The Affordable Care Act will assist small employers with 25 or fewer employees by providing subsidies and tax credits to help make coverage more affordable.

- This provision will help expand coverage to many working adults in minority populations, who are more likely to be employed by a small firm that does not offer health coverage.⁹

The Medicaid expansion allowed under the Affordable Care Act will cover individuals and families with incomes below 133 percent of the federal poverty level (\$30,657 for a family of four in 2012) and will substantially benefit people of color. However, cuts to Medicaid funding will shift costs to states and put at risk their willingness to move forward with an expansion.

- If states choose to expand their Medicaid program, as allowed under the Affordable Care Act, the share of blacks and Latinos covered by Medicaid and the Children's Health Insurance Program (CHIP) is projected to increase.¹⁰
- Coverage through a newly expanded Medicaid program would account for about half of newly insured Latinos.¹¹

The Affordable Care Act includes provisions that will address health disparities by making changes in the delivery of care.

- Nearly half of black adults (48 percent) suffer from chronic diseases, compared to just more than a third of the general population (39 percent). The Affordable Care Act creates an Innovation Center charged with investing in care innovations, such as community health teams to improve the management of chronic disease.
- In 2011, more than one in four patients served by community health centers were black and more than one in three were Latino.¹² The Affordable Care Act increases funding to community health centers by \$11 billion over five years. That includes \$1.5 billion to build new sites.
- Latinos make up 16.7 percent of the population, but only 5.5 percent of physicians. Blacks make up 14.1 percent of the population, but only 6.3 percent of physicians.^{13, 14} The Affordable Care Act provides \$85 million in support for programs to diversify the health care workforce.
- The Affordable Care Act invests in data collection and research focused on disparities in health and health care to help us better understand the causes of disparities and how to create effective programs to eliminate them.

Protecting Medicaid, Medicare, and the Affordable Care Act in budget negotiations is vital to preserving the health of communities of color and advancing health equity.

Endnotes

¹ Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica C. Smith, *Income, Poverty, and Health Insurance Coverage in the United States: 2011* (Washington: U.S. Census Bureau, 2012), available online at <http://www.census.gov/prod/2012pubs/p60-243.pdf>.

² Census Bureau, *Current Population Survey 2012 ASEC Supplement, Table H108: Health Insurance Coverage Status and Type of Coverage by Selected Characteristics for Children Under 18 (All Children): 2011* (Washington: U.S. Census Bureau, 2012), available online at <http://www.census.gov/hhes/www/cpstables/032012/health/toc.htm>.

³ Families USA, *Medicaid: A Lifeline for Blacks and Latinos with Serious Health Care Needs* (Washington: Families USA, 2011), available online at <http://familiesusa2.org/assets/pdfs/medicaid/Lifeline-Blacks-and-Latinos.pdf>.

⁴ Ibid.

⁵ Ibid.

⁶ Kara D. Ryan, *The Role of Medicare in Hispanics' Health Coverage* (Washington: National Council of La Raza, 2012), available online at <http://www.nclr.org/images/uploads/publications/StatisticalBriefHispanicsMedicare.pdf>.

⁷ Ibid.

⁸ Kaiser Family Foundation, *Health Reform and Communities of Color: Implications for Racial and Ethnic Disparities* (Menlo Park, CA: Kaiser Family Foundation, 2010), available online at <http://www.kff.org/healthreform/upload/8016-02.pdf>.

⁹ Ying Lowrey, *Minorities in Business: A Demographic Review of Minority Business Ownership* (Washington: U.S. Small Business Administration, 2007).

¹⁰ Lisa Clemans-Cope, Genevieve M. Kenney, Matthew Buettgens, Caitlin Carroll, and Fredric Blavin, "The Affordable Care Act's Coverage Expansions Will Reduce Differences In Uninsurance Rates by Race and Ethnicity," *Health Affairs* 31, no. 5 (2012): 920-930, available online at <http://content.healthaffairs.org/content/31/5/920.full.pdf+html>.

¹¹ National Council La Raza, *A Profile of Latino Health Insurance Gains Under the Affordable Care Act* (Washington: NCLR, 2012), available at http://www.nclr.org/images/uploads/publications/Profile_Latino_Insurance_Gains_June2012.pdf.

¹² National Association of Community Health Centers, *America's Health Centers: 2011* (Bethesda, MD: National Association of Community Health Centers, 2011), available online at <http://www.nachc.com/client/America'sCHCsFS.pdf>.

¹³ Laura Castillo-Page, *Diversity in the Physician Workplace: Facts & Figures 2010* (Washington: Association of American Medical Colleges, 2010), available online at <https://members.aamc.org/eweb/upload/Diversity%20in%20the%20Physician%20Workforce%20Facts%20and%20Figures%202010.pdf>.

¹⁴ Census estimates for population, 2011, available online at <http://www.census.gov/newsroom/releases/archives/population/cb12-90.html>.



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