FactSHEET

Understanding the New Health Reform Law

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How Health Reform Helps Native Hawaiians and Other Pacific Islanders

The historic health reform law, signed by President Obama, moves our nation toward a health care system that covers many more people, reforms the insurance industry, improves the quality of care, and curbs rising costs. The benefits and protections the new law provides are critical to promoting health equity among communities of color. As the law moves toward eliminating disparities, Native Hawaiians and other Pacific Islanders stand to gain from its health reform provisions—both from those that will affect all communities but have a disproportionate impact on communities of color, and from those that are designed specifically to eliminate health disparities.

Expands Access to Coverage

The new health reform law will significantly expand access to affordable health coverage, which is especially important for Native Hawaiians and other Pacific Islanders. In 2008, nearly 17 percent of Native Hawaiians and other Pacific Islanders were uninsured compared to a national average for all racial and ethnic groups of 15 percent and 11 percent for non-Hispanic whites.[1] Health reform will expand coverage by doing the following:

- ### Expanding Medicaid

  Under the new law, Medicaid coverage will be expanded to cover children and adults with incomes up to 133 percent of the federal poverty level—roughly $14,403 for an individual and $24,352 for a family of three in 2010.[2] Approximately 90,800 legally present, non-elderly Native Hawaiians and other Pacific Islanders will be newly eligible for Medicaid.[3] This Medicaid expansion, which will go into effect in 2014, will provide coverage to many Native Hawaiian and other legally present Pacific Islander individuals and families who would otherwise go without quality, affordable health coverage, particularly adults without dependent children. However, legal immigrants who have been here less than five years will continue to face unfair barriers to obtaining coverage through Medicaid (although states have the option to eliminate this barrier for legally residing pregnant women and children eligible for Medicaid or CHIP).

  Health reform also increases funding to the Territories, such as Guam, for providing medical assistance for newly eligible adults, and it increases the federal medical assistance percentage (FMAP). The legislation appropriates $6.3 billion to the Territories for Medicaid and $1 billion to make coverage more affordable for individuals entering the exchange.

- ### Creating New Marketplaces

  The new law will also expand coverage through the creation of state health exchanges for individuals who do not qualify for Medicaid or who cannot get affordable coverage from their employer. Beginning in 2014, these exchanges will allow individuals to shop for insurance and easily compare prices and benefits. To ensure that health insurance is affordable, the law will provide refundable tax credits to offset a portion of the cost of health insurance premiums. These tax credits will be available to individuals and families whose incomes fall between 133 percent and 400 percent of poverty ($14,403 to $43,320 for an individual and $24,352 to $73,240 for a family of three in 2010) and who purchase coverage through an exchange. [4]

  Legal immigrants will be eligible to purchase coverage through the exchanges and receive tax credits for that coverage without being subject to a waiting period. Under reform, it is estimated that over 85,300 legally present, non-elderly Native Hawaiians and other Pacific Islanders will be eligible for premium tax credits.[5]

These historic coverage expansions should have a significant impact on Native Hawaiians and other Pacific Islanders with low or moderate incomes.

Eliminates Discrimination Due to Pre-Existing Conditions

The new law offers critical protections to individuals, including many Native Hawaiians and other Pacific Islanders, who have pre-existing conditions today—as well as to those who are healthy now but who may develop a health problem as they grow older. Under health reform, no individual with a pre-existing condition will be denied coverage, charged a higher premium, or sold a policy that excludes coverage of essential health benefits simply because he or she has a pre-existing condition, such as cancer or heart disease. According to a recent report by Families USA, slightly fewer than one in six non-elderly Native Hawaiians and other Pacific Islanders (14.5 percent) has a condition that, without health reform, could lead to a denial of coverage.[6]

Increases Funding for Community Health Centers

Community health centers play a critical role in expanding access by serving as a trusted safety net, especially for communities of color. Typically located in medically underserved areas, community health centers provide culturally and linguistically appropriate care to all residents regardless of insurance status, citizenship status, or ability to pay. Of those who used community health centers in 2008, approximately 4 percent were Asian or other Pacific Islander.[7] Beginning in fiscal year 2011 and continuing through 2015, the health reform law will appropriate $11 billion to community health centers for the services they provide and for construction and renovation.

Undocumented immigrants will remain ineligible for public benefits and will be barred from purchasing insurance through the exchanges. Community health centers, therefore, will continue to play a critical role as the safety net for our most vulnerable populations, including those who will continue to lack access to care.

Increases Workforce Diversity

It is projected that, within the next 32 years, people of color will make up the majority of the population.[8] As health reform expands coverage, it will be increasingly important to make sure that the health care workforce is diverse and addresses the needs of all individuals. Current data show that of the 2009 medical school graduates in the United States, the District of Columbia, and Puerto Rico, only 46 of the 16,500 graduates were Native Hawaiian or other Pacific Islander.[9] On the other hand, in 2008, 5.8 percent of registered nurses were Asian, Native Hawaiian, or Pacific Islander.[10] Although this number is high when compared to the total population of Asians and Native Hawaiian or Pacific Islanders, the data do not account for the variations between subpopulations, some of which may have disproportionately fewer registered nurses.

The health reform law will fund scholarships, grants, and loan repayment programs for health care professionals, and it will provide continuing education support for health professionals who serve minority and underserved populations. It will also offer grants to improve health care services, increase retention, and increase the representation of minority faculty members and health professionals. These provisions will improve access to the health care system and enhance the practice environment by making sure that care is culturally appropriate.

Improves Data Collection

It is well known that disparities in health exist across racial and ethnic minority groups, but there is limited coordination, documentation, and analysis of data that examine the nature of health disparities by race and ethnicity. Collecting and reporting these data are crucial for identifying and monitoring the health problems that exist among Native Hawaiians and other Pacific Islanders and for developing the proper solutions to eliminate disparities in communities of color.

The health reform law requires that, by no later than 2012, data be collected and reported by race, ethnicity, sex, disability, and primary language for participants at the smallest geographic level possible for all federally conducted or supported health care or public health programs. This is especially important for identifying and examining variations between subpopulations such as Native Hawaiians and other Pacific Islanders who are often classified under the broader Asian and Pacific Islander category. Data and analyses will also be available to agencies within the Department of Health and Human Services (HHS) as well as to other federal agencies, nongovernmental organizations, and the public.

Promotes Culturally and Linguistically Appropriate Services

Effective communication among patients, health care providers, and insurance companies is essential to the timely delivery of quality health care. In order for proper care to be provided and received, it is critical that patients understand information—written and verbal—from physicians and insurance companies.

While the health reform law does not address language access services in Medicaid and Medicare, it does include some provisions pertaining to language services in the exchanges and the appeals process. The new law specifies that plans in the exchanges must develop explanation and summary of coverage documents and appeals process information that are uniform and that are culturally and linguistically appropriate. The legislation also provides grants for training health care providers in culturally appropriate care and services.

Supports Community Health Workers

Often seen as a trusted source for information among some Native Hawaiian and other Pacific Islander communities, community health workers are able to provide a unique link between members of the community and health care services. Since community health workers are part of the community, they can provide information and resources in a culturally appropriate manner. Currently, community health workers do not receive dedicated funding and are not provided sufficient support to carry out their work.

The health reform law provides additional support to community health workers through grants to divisions of a state, a public health department, a free health clinic, a hospital, or a federally qualified health center that hosts community health workers and promotes positive health behaviors and outcomes in medically underserved communities, especially communities of color. The legislation also provides funding for the training, supervision, and support of community health workers for fiscal years 2010 through 2014.

Conclusion

Although addressing disparities was not the primary focus of health reform, the legislation does take steps in the right direction to address disparities among communities of color. In addition to covering millions more people, reducing costs, and improving quality, health reform addresses widespread inequities that result in racial and ethnic health disparities. The coverage expansions, together with many other provisions, will significantly affect Native Hawaiians and other Pacific Islanders, and other communities of color. However, monitoring how provisions are being implemented to ensure reform is meeting the needs of all communities will be essential. Moving forward, it will be critically important for advocates to provide public comment on federal regulations and to inform communities of the opportunities to have their voices heard. Only then can we ensure that Native Hawaiians and other Pacific Islanders are able to benefit from the new law and that we continue to build upon this foundation to advance health equity.

Endnotes

[1] Families USA's Minority Health Initiatives, *Health Coverage in Communities of Color: Talking about the New Census Numbers* (Washington: Families USA, September 2009), available online at http://www.familiesusa.org/assets/pdfs/minority-health-census-sept-2009.pdf.

[2] Assistant Secretary for Planning and Evaluation, *The 2009 HHS Poverty Guideline*s (Washington: Department of Health and Human Services, April 2010), available online at http://aspe.hhs.gov/poverty/09poverty.shtml. Note that federal poverty guidelines are different for Hawaii than for the contiguous United States. In Hawaii, 133 percent of the federal poverty level is equal to approximately $16,600 for an individual and $28,000 for a family of three in 2010.

[3] Special data run for Families USA by The Lewin Group, June 30, 2010, on file at Families USA.

[4] Assistant Secretary for Planning and Evaluation, op. cit. Note that federal poverty guidelines are different for Hawaii than for the contiguous United States. In Hawaii, 133 to 400 percent of the federal poverty level is equal to $16,600 to $49,800 for an individual; and $28,000 to $84,200 for a family of three in 2010.

[5] Special data run for Families USA by The Lewin Group, June 30, 2010, on file at Families USA.

[6] Christine Sebastian, Kim Bailey, and Kathleen Stoll, *Health Reform: Help for Americans with Pre-Existing Conditions* (Washington: Families USA, May 2010), available online at http://www.familiesusa.org/assets/pdfs/health-reform/pre-existing-conditions.pdf. It is important to note that the analysis from the report looked only at those people who have been diagnosed with a pre-existing condition. Research shows that there are significant disparities in access to care and the delivery of care across racial and ethnic groups, which may in turn lead to differing rates of diagnosis.

[7] National Association of Community Health Centers, *United States at A Glance, 2009* (Washington: National Association of Community Health Centers, 2009), available online at http://www.nachc.com/client/documents/United%20States%20FSv2.pdf.

[8] Families USA's Minority Health Initiatives, *Health Coverage in Communities of Color: Talking about the New Census Numbers* (Washington: Families USA, September 2008), available online at http://www.familiesusa.org/assets/pdfs/minority-health-and-the-census-numbers.pdf.

[9] Association of American Medical Colleges, *Total Graduates by US Medical School and Race and Ethnicity, 2009* (Washington: Association of American Medical School, 2009), available online at http://www.aamc.org/data/facts/enrollmentgraduate/table30-gradsschlraceeth09-web.pdf.

[10] Health Resources and Services Administration, *The Registered Nurse Population: Initial Findings from the 2008 National Sample Survey of Registered Nurses* (Rockville, MD: Health Resources and Services Administration, March 2010), available online at http://bhpr.hrsa.gov/healthworkforce/rnsurvey/initialfindings2008.pdf .

Minority Health Initiatives
Families USA
1201 New York Avenue NW, Suite 1100 ■ Washington, DC 20005
Phone: 202-628-3030 ■ Email: info@familiesusa.org ■ www.familiesusa.org