Minorities More Likely to Fall Into ACA Coverage Gap

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In states such as North Carolina that decided not to expand Medicaid under the Affordable Care Act, the percentage of minorities who remain uninsured will be higher than that of whites.

By Brenda Porter-Rockwell

Glenn Scott and her husband, Glenn Jeter, were once both busy working professionals. She was a city planner and he worked at IBM. Scott, who gave up her career to home school their 11-year-old autistic son, is now a part-time mystery shopper. Jeter, 59, was laid off from IBM a few years ago and currently makes $9 an hour as a security guard.

“Now we’re poor. You never feel poor when you have a job. Then one day you realize you are,” Scott said.

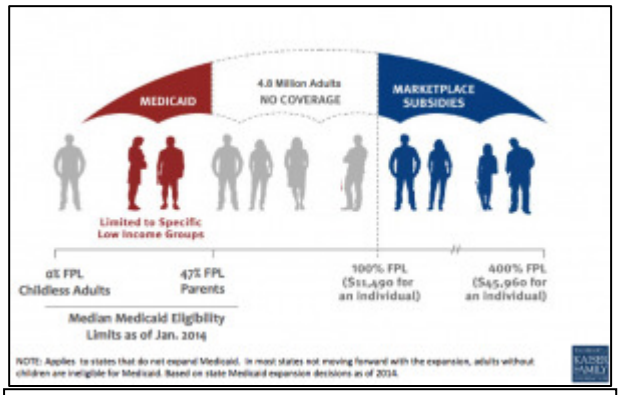
The Raleigh residents, previously uninsured, qualified for subsidies on the Health Insurance Marketplace as part of the Affordable Care Act, accepting a silver plan from Coventry Health with a monthly premium of $22.54.

“I felt relieved,” said Scott about securing coverage.

Lydia Griffith, however, does not feel relief. She is among the 377,000 North Carolinians the N.C. Institute of Medicine estimates fall into a coverage gap created when North Carolina did not expand Medicaid as part of the ACA (commonly known as Obamacare). These are people who are not income eligible for government subsidies that would help offset the cost of policies.

They're also not eligible for Medicaid because they don't fall within North Carolina's strict coverage rules for adults.

"I don't feel good about it," said Griffith, a 57-year-old Fayetteville resident who is single and, like Scott and Jeter, black. "How can you feel good about not having health coverage?"



In states without Medicaid expansion, millions of adults will not qualify for the program, while still not making enough to qualify for subsidies.
Diagram courtesy Kaiser Family Foundation.

The nonpartisan Kaiser Family Foundation estimates there are 2.6 million people of color (1.3 million blacks, 1 million Hispanics and 300,000 other minorities) nationwide who will fall into the coverage gap, compared with 2.2 million whites. The ineligibility rates are highest in Southern states, KFF noted.

According to experts, because many minority groups are not qualifying for marketplace insurance, it will be even more difficult to improve public-health outcomes in those populations.

Addressing health disparities

Public-health experts contend that Medicaid expansion would be a step toward better public-health outcomes, especially in low-income, minority populations. According to KFF, it was estimated that at the end of 2012, the majority of uninsured, non-elderly persons in North Carolina were minorities – 44 percent Hispanic and 21 percent black – compared with 15 percent of whites.

By not expanding Medicaid, "North Carolina has been left out of a major health program," said Victor Schoenbach, an epidemiology professor at UNC-Chapel Hill. "There is no additional revenue for the state. North Carolina is forgoing millions in revenue and potentially offering fewer jobs in health care than expected."

Schoenbach said that many who work in public health believe a Medicaid expansion will help outcomes in minority communities. As an example, he pointed to the availability of additional health screenings, which could lead to earlier detection of chronic diseases like diabetes and high blood pressure.

"This offers a little bit of a reduction in stress factors for families. It's one thing to have an illness, but to have an illness and not know how to pay for care is even more stressful," Schoenbach said.

The ACA aimed to expand Medicaid coverage to low-income adults and set a national income eligibility level of $15,856 for an individual and $26,951 for a family of three, which translates to 138 percent of the federally designated poverty level.

Doughnut hole

In North Carolina, Medicaid only covers children in low-income families, the elderly or people with disabilities. Eligibility levels for adults are generally set very low and vary from state to state.

In 2008, the N.C. State Center for Health Statistics and Office of Minority Health and Health Disparities estimated that 21 percent of black families in North Carolina were living below the federal poverty level ($21,834 annual income for a family of four), compared with 6.7 percent of whites.

As part of the Medicaid expansion, the federal government would finance the full cost of expanding the program to everyone under 138 percent of the federal poverty through 2016; after that, the government's share of the costs would be incrementally reduced to 90 percent in 2020. The expansion was intended to be national, covering low-income individuals, with subsidies for people with higher incomes.

But in June 2012, a U.S. Supreme Court ruling made Medicaid expansion optional for states.

"While the Supreme Court overturned the mandatory Medicaid expansion, the rest of the coverage provisions remained intact," reads a report prepared by the N.C. Institute of Medicine on the Affordable Care Act. "Children in families with incomes no greater than 200 percent of the federal poverty level (FPL) will continue to be eligible for Medicaid or North Carolina Health Choice, North Carolina's Child Health Insurance Program (CHIP)."

Griffith falls below the poverty line. She works 12 hours a week at a local church, making only about $9,000 a year. She has been at her job for 12 years and had worked 20 hours a week before her hours were cut a few months ago.

Although black Americans have the same or lower rate of high cholesterol as their non-Hispanic white counterparts, they are more likely to have high blood pressure, another ailment both Scott and Griffith are attempting to manage.

Griffith said she manages her high blood pressure by visiting a community health center run by the Cumberland County Department of Social Services. Each visit costs her $130.

"Right now, my options for my own doctor are limited. Not that the doctors at the center aren't good, but I would like to be able to pick out my own doctor," she said.

Glenn Scott has been managing her high blood pressure for years, as well as diabetes. Those ailments, along with cardiovascular disease, are three of the top diagnoses affecting black Americans at a greater frequency than whites. According to the U.S. Department of Health and Human Services, blacks are twice as likely to be diagnosed with diabetes as non-Hispanic whites.

In addition, blacks are more likely to suffer complications from diabetes, such as end-stage renal disease and lower-extremity amputations.

“The [ACA] is a win-win for our patients to finally get access to affordable health insurance,” said Janice Collins-McNeil, a nursing professor at Winston Salem State University.

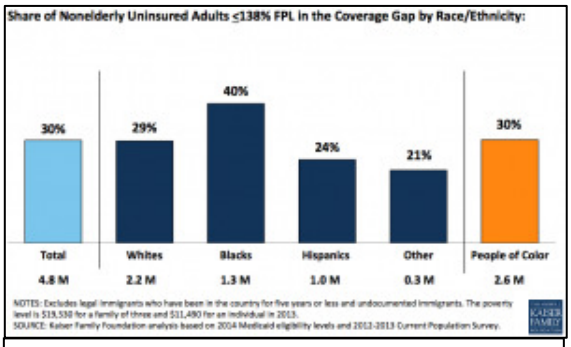
“What is very important to note is that what is covered under this act is a strong emphasis on preventive-care services for those leading health indicators that disproportionately affect black people,” said Collins-McNeil, who also works in private practice in Charlotte.

Most health plans under the ACA must cover a set of preventive services like shots and screening tests at no cost.

Denise Chantal Howard, a nurse practitioner, said she sees a high percentage of minority patients who are affected by the absence of Medicaid expansion. She’s a full-time practitioner in a low-cost community health clinic for the uninsured in Charlotte and an adjunct clinical faculty member at Winston-Salem State University.

According to Howard, 43 percent, or 800 of 1,400, of the patients at the clinic fall into the coverage gap.

“What that means for us is that we will continue to provide continuity of care, but those patients may not have access to specialist referrals if needed, certain diagnostic tests or surgeries,” Howard said.



More racial and ethnic minorities will remain uncovered in states that chose not to expand Medicaid under the Affordable Care Act.
Graph courtesy Kaiser Family Foundation

Income levels

For some, securing a health plan has taken more than one pass on the exchange.

Madison Hardee, a health navigator and staff attorney at Legal Services of Southern Piedmont in Charlotte, said she recently met with a woman who needed extra help after starting an online marketplace application.

The woman’s income-verification documentation indicated that she earned about $10,000 annually. That was too little to receive a subsidy and she didn’t qualify for Medicaid. The plan options offered to her were unaffordable.

“So we had a conversation about other sources of income she may have. She told me she did some babysitting from time to time and that she also braids hair,” Hardee explained. “We were able to count that as income, which put her over the poverty line and made her eligible for marketplace coverage with substantial financial assistance.”

But others, Hardee said, will go without health insurance as a result of falling into the coverage gap.

“Those are the hardest cases for us as navigators,” she said. “There’s always going to be some people who even when we look at their entire income, they cannot get over the poverty line.”

For those cases, she said, they’ll provide a referral to a free clinic and tell them that if their income rises above the poverty line they’ll be eligible for a special-enrollment period and a subsidy.

‘Pay now or pay later’

Of the 19 states that did not expand Medicaid, about five are said to be reconsidering that decision in time for the new enrollment dates in November. North Carolina is not among those states having that conversation. And that, some public-health experts have said, is a mistake.

“Essentially, it’s a matter of do we pay now or pay later?” Howard said. “Do we want to invest in preventive care and detection or have hospitals go bankrupt because of unpaid bills that patients with catastrophic illness cannot afford to pay?”

Added Schoenbach: “This decision puts pressure on institutions who won’t get the Medicaid money. Some providers have a disproportionate amount of Medicaid patients and rely on Medicaid billing, which they’re not getting.”

“I’d say we pay for preventive care now rather than later,” said Collins-McNeil.

While the official enrollment period for health care coverage for 2014 has ended, there is no deadline for eligible people to enroll in Medicaid.

Tagged ACA, Affordable Care Act, African Americans, Department of Health and Human Services, diabetes, health disparities, high blood pressure, high cholesterol, Medicaid expansion, Obamacare, PPACA, prevention, Winston-Salem State University