

# High-Quality, Affordable Health Care for All:

## Good for Families, Communities, and the Economy



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This is one of a series of issue briefs dedicated to helping community leaders and policymakers bolster their campaigns and strategies with the economic case for equity. The issue briefs correspond with the 13 planks of the Marguerite Casey Foundation's [Equal Voice National Family Platform](#). Additional issue briefs can be found at [www.policylink.org/focus-areas/equitable-economy](http://www.policylink.org/focus-areas/equitable-economy).

PolicyLink is a national research and action institute advancing economic and social equity by **Lifting Up What Works**®.

Marguerite Casey Foundation exists to help low-income families strengthen their voice and mobilize their communities in order to achieve a more just and equitable society for all.

### Overview

The face of America is changing: more than half of Americans under age five are of color, and by 2044 we will be a majority people-of-color nation. But while communities of color are driving growth and becoming a larger share of the population, inequality is on the rise and racial inequities remain wide and persistent. Dismantling racial barriers and ensuring that everyone can participate and reach their full potential are critical for the nation's prosperity. Equity—just and fair inclusion of all—is essential to growing a strong economy and building vibrant and resilient communities. This issue brief describes how ensuring access to high-quality, affordable health care for all can benefit families, communities, and the economy.

## Why High-Quality, Affordable Health Care for All Matters

Healthy people are the foundation of thriving, productive economies, but Americans are less healthy than their counterparts in other nations, and wide inequities in health persist across the United States. People of color continue to face barriers to accessing quality health care and living in health-promoting environments—and they are less healthy as a result. These inequities can be seen across a range of health outcomes beginning at birth: infant mortality among African Americans is 11.2 per 1,000 live births, compared to 5.1 for White Americans.<sup>1</sup>

While individual health is determined by many economic, social, and environmental factors other than medical care, access to high-quality, affordable health care remains a critical factor for achieving good health. Too many people, especially

low-income people of color, lack access to affordable care. The passing of the Patient Protection and Affordable Care Act (ACA) in 2010 has expanded access to care, yet more work remains to be done. While the ACA has provided 16 million previously uninsured individuals with access to care, 31 million remain uninsured. The uninsured rate remains highest among communities of color: 13 percent of Blacks and 28 percent of Latinos, compared to 9 percent of Whites.<sup>2</sup>

Access to affordable, quality health care can improve overall health and well-being and help ensure that all community members can contribute to and benefit from economic growth and prosperity.

### The Costs of Inequity in Health Care

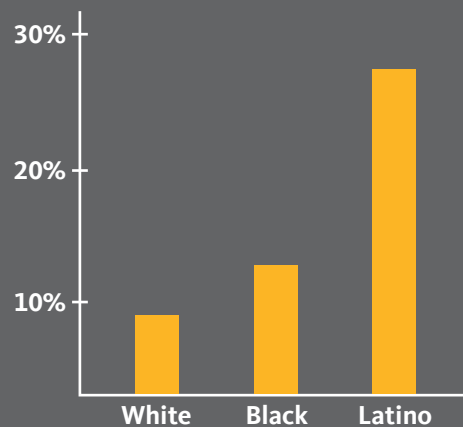
# \$82 Billion

The estimated cost to the U.S. economy due to health inequities by race (2009)

# \$22.3 Billion

Reduction in labor market productivity due to health disparities (2009)

U.S. adults without health insurance, by race (2015):



Sources: [National Urban League Policy Institute](#); [U.S. Census Bureau](#); [Office of the Assistant Secretary for Planning and Evaluation \(U.S. DHHS\)](#)

## The Economic Benefits of High-Quality, Affordable Health Care

Increasing equitable access to high-quality and affordable health care creates a number of economic benefits such as those described below.

- **More productive workers.** Eliminating health inequities could generate annual savings of \$57 billion in medical expenses paid by those experiencing poorer health and \$252 million in lost productivity due to absences from work.<sup>3</sup> In addition, increased access to preventive care helps reduce medical costs and boosts worker productivity.<sup>4</sup> Research suggests that even a modest reduction in avoidable risk factors could lead to productivity gains worth more than \$1 trillion annually.<sup>5</sup>
- **Increased security for entrepreneurs.** When health-care coverage does not depend on employment, workers have more flexibility to pursue entrepreneurship and self-employment without facing a loss of health insurance. An estimated 1.5 million more Americans will become self-employed because of the ACA.<sup>6</sup> In addition, health-care reform will benefit the people of color who have driven recent U.S. growth in entrepreneurship—despite facing barriers to accessing capital—often because they have been shut out of the labor market.<sup>7</sup>
- **More jobs, earnings, and tax revenues.** A review of 32 studies in 26 states demonstrated that Medicaid expansion under the ACA will create a net benefit for the economy through increased tax revenues and job creation.<sup>8</sup> When millions of new patients gain access to health care, care-related industries expand; this effect is multiplied through the growth of related supplier, vendor, and support service jobs and revenues, as well as increased household spending, all of which generate additional tax proceeds. California, which expanded Medicaid, is expected to bring in up to \$242 million in additional tax revenue from the expansion by 2019.<sup>9</sup> In contrast, researchers estimate that by not expanding Medicaid, Alabama lost out on 31,000 jobs and \$10 billion in earnings.<sup>10</sup>
- **Reduced health-care costs.** Increased health-care coverage can help prevent or detect many chronic diseases such as obesity, heart disease, and diabetes. A healthier population would save billions of dollars in national health expenditures. For example, reducing obesity rates could save an estimated \$283 billion in national health expenditures over 10 years.<sup>11</sup> A 5 percent reduction in hypertension rates would save \$25 billion over five years.<sup>12</sup>

## Key Equity Challenges in Expanding Access to High-Quality, Affordable Health Care

To build an equitable health-care system, several challenges must be overcome.

- **Inequitable access to care.** Even with expanded coverage under the ACA, more than 30 million Americans remain uninsured. Insurance premiums and deductibles are still cost-prohibitive for many.<sup>13</sup> Two of five adults (41 percent) report they have not been able to get needed care because of the expense.<sup>14</sup> Medicaid expansion would allow for a greater number of low-income people to receive health-care coverage, but only 29 states have chosen to implement Medicaid health-care expansion, leaving four to six million eligible low-income adults uninsured.<sup>15,16,17</sup>
- **Higher health-care burdens.** Low-income Americans are more likely to spend 10 percent or more of their income on health-care costs. Mounting medical bills can make it difficult for families to pay for necessities such as food, heat, rent, and other obligations like credit cards and mortgages, and many families are forced to declare bankruptcy.<sup>18</sup> Approximately 60 percent of bankruptcies in the United States are related to medical expenses.<sup>19</sup>
- **Lower quality care.** In its 2013 National Healthcare Quality Report, the Agency for Health Care Research and Quality highlighted significant disparities in the quality of care received by communities of color based on several indicators including safety, effectiveness, and adequacy of the health system infrastructure. Blacks and Latinos received worse care than Whites for about 40 percent of indicators; American Indians and Alaska Natives received lower quality care for about 33 percent of indicators; and Asians received worse care than Whites for about 25 percent of indicators.<sup>20</sup>
- **Higher rates of preventable diseases.** People of color and low-income individuals suffer from higher rates of chronic conditions such as heart disease, diabetes, and obesity. Black adults are 50 percent more likely to die of heart disease or stroke than their White counterparts.<sup>21</sup> Adult diabetes is more prevalent among Latinos, Blacks, and those of mixed race than among Asians and Whites.<sup>22</sup> Diabetes is also more prevalent among adults with lower household incomes.<sup>23</sup>

## Strategies to Increase Health-Care Access for All

Communities and organizations are advancing a wide range of strategies to ensure high-quality, affordable care for all.

- **Focus on preventive health.** Quality preventive care leads to better health outcomes for all communities. Healthy communities begin by addressing the social determinants of health, and should also ensure that community infrastructure allows for walking and other physical activity and includes access to healthy foods and quality preventive health services.<sup>24</sup>
- **Expand health insurance coverage.** Medicaid and CHIP provide health coverage for millions of low-income families and together provide coverage to more than one in three children.<sup>25</sup> One of the most important features of the ACA is the federal government covering the cost of Medicaid expansion at the state level at 100 percent until 2016 and at 90 percent on a permanent basis. In the state of New York, all residents—not only U.S. citizens—are eligible for Medicaid benefits. This includes undocumented immigrants made eligible by Deferred Action for Parents of Americans and Lawful Permanent Residents (DAPA) or Deferred Action for Childhood Arrivals (DACA).
- **Invest in community health centers.** Community health centers play a vital role in providing essential health care to both insured and uninsured patients, including physical, dental, and behavioral health services.<sup>26</sup> An example is Puentes de Salud in South Philadelphia, which provides low-cost, high-quality health and social services to more than 3,000 residents, who are largely uninsured and undocumented residents, via a network of volunteer physicians, nurses, medical students, and undergraduates from the University of Pennsylvania.<sup>27</sup>
- **Increase health-care career pathways in communities of color.** Targeted outreach to communities that face various economic, linguistic, and transportation barriers to accessing high-quality health care is critical to boost overall health-care coverage. Increasing the community prevention workforce can help members of these communities access and use not only preventive health and wellness support but also job-training resources and other opportunities that promote workforce equity.

## Equitable Growth in Action Target Investments for Priority Health Areas

Although Minnesota is among the healthiest states in the nation, deep health inequities between people of color and White people in the state persist. To address the significantly higher rates of various conditions, diseases, and premature death among people of color, the Minnesota legislature enacted the Eliminating Health Disparities Initiative (EHDI) in 2001, directing both state and federal funding to increase health equity in eight priority areas: infant mortality, adult and child immunizations, breast and cervical cancer, HIV/AIDS and sexually transmitted infections (STIs), cardiovascular disease, diabetes, unintentional injuries and violence, and teen pregnancy. In a single program year, approximately 60,000 people of color received services. Within its first eight years, the EHDI showed that health inequities had been reduced in 23 of 45 indicators including cervical cancer incidence among African Americans (57 percent decrease), diabetes mortality among Latinos (46 percent decrease), and heart disease mortality among Native Americans (20 percent decrease).

**Source:** [Minnesota Department of Health](#)

## Learn More

- [Health Equity: Moving Beyond “Health Disparities”](#) Policy strategies for building health equity. (PolicyLink)
- [Families USA](#) Research and analysis for the health care movement.
- [Why Place and Race Matter](#) Analyzing place and race as social determinants of health. (PolicyLink)
- [Help on the Horizon](#) Report on the Commonwealth Fund’s Biennial Health Insurance Survey of 2010.
- [Breaking Barriers: Improving Health Insurance Enrollment and Access to Health Care](#) Analysis of the Patient Protection and Affordable Care Act. (Alliance for a Just Society)

## Acknowledgments

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## Notes

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