

Medicaid and Minority Communities: Why Medicaid is So Important

Racial and ethnic minorities are projected to make up almost half of the U.S. population by the year 2050. Unfortunately, there are significant health disparities for minority populations in the US. Although there are many different reasons for minority health disparities, access to insurance is one of the most important pieces of the puzzle. The landmark Institute of Medicine (IOM) report *Unequal Treatment: Confronting Racial and Ethnic Disparities in Care* provides compelling evidence that *access to care* is the real key to closing the gap in health outcomes for all racial and ethnic groups. According to the report, ***the single most effective way to reduce racial and ethnic disparities in health is through the expansion and preservation of public programs like Medicaid.***

Medicaid is currently the largest source of health care funding for the poor in the U.S., serving one in six Americans or close to 53 million people.¹ Medicaid guarantees eligible individuals coverage for primary, acute and long-term care services. The program is run jointly by the federal and state governments, with each state administering its own Medicaid program under federal guidelines, and the federal government contributing more than half of the program's costs.² It is a vital safety net health insurance program that provides access to health care for the most vulnerable Americans, many of whom are racial and ethnic minorities.

Disparities in Health

The list of health disparities for minorities' health is long. African Americans, Latinos and American Indians are more likely to rate their health as fair or poor in comparison to whites.³ Rates of diseases such as cancer, cardiovascular disease, diabetes, tuberculosis and HIV/AIDS are higher for some or all racial and ethnic minorities. African American women, for example, have the highest rate of death from heart disease, breast and lung cancer, stroke, and pregnancy compared to women of all other racial and ethnic backgrounds.⁴

Disease and Conditions	White	Black	Hispanic	Asian American/Pacific Islander	American Indian/Alaskan Native	Other
Obesity	55.3%	65.8%	57.6%	35.9%	61.6%	54.3%
Mental Health	33.6%	34.4%	34.7%	31.3%	36.8%	41.4%
HIV/AIDS Distribution of reported cases	40.1%	39.9%	18.7%	0.8%	0.3%	0.2%

Note: All data was obtained from the Kaiser Family Foundation database *State Health Facts online* available at <http://www.statehealthfacts.org>

¹ IssuesPA, *Medicaid 101 – An Overview of a Federal-State Partnership*. at <http://www.issuespa.net/articles/10933/> (accessed June, 2005).

² National Health Policy Forum, *The Basics: Medicaid Financing*. The George Washington University, September 14, 2004. at http://www.nhpf.org/pdfs_basics/Basics_MedicaidFinancing.pdf

³ FamiliesUSA, Quick Facts: Disparities in Health, Minority Health Initiatives, January 2006.

⁴ *Making the Grade on Women's Health: A National and State By State Report Card* (Washington: National Women's Law Center, May 2004).

Disparities in Health Coverage

Racial and ethnic minorities make up one-third of the US population, but comprise 52% of the uninsured.⁵ Lack of health insurance is a significant barrier to obtaining medical services – a barrier that invariably leads to less care and worse health outcomes for many. In particular, the lower rates of employer-sponsored insurance for racial and ethnic minorities are striking.

Although 70 percent of whites are insured through an employer-sponsored health plan, less than half of African Americans and Hispanic – the two largest US racial and ethnic minorities – had such coverage in 2003.⁶

Insurance Coverage	White	Black	Hispanic	Other
Employer-Sponsored	69%	48%	40%	59%
Medicaid	9%	25%	22%	13%
Uninsured	13%	21%	34%	19%

Note: All data was obtained from the Kaiser Family Foundation database *State Health Facts* online available at <http://www.statehealthfacts.org>

Policy Solutions: Medicaid is Paramount

Public programs, specifically Medicaid, hold the greatest promise for helping to mitigate health disparities for racial and ethnic minorities. Medicaid covers half of African Americans below poverty and one in four Latino and Asian American/Pacific Islander children. The program is particularly important for these populations because of their higher rates of poverty.⁷ In fact, during the 2000 economic recession, which hit African Americans particularly hard, Medicaid played an important safety role by keeping workers who lost their jobs, and their job-based coverage, insured.

Medicaid has the potential to do even more to keep and expand health care coverage for minorities in the U.S. Nearly 8 in 10 uninsured African American children appear to be eligible for Medicaid and SCHIP but are not enrolled so improving enrollment procedures and outreach will help reduce the number of uninsured.⁸ It is estimated that 74 percent of the 23 million uninsured minority Americans could be covered using Medicaid and SCHIP.⁹

The Medicaid program has faced severe challenges in the last year. The federal Deficit Reduction Act of 2005 cut Medicaid funding and also allowed for changes to the program that have already resulted in decreased benefits and higher costs for some beneficiaries.¹⁰ States, on their own, have reduced benefits to enrollees and even cut thousands of individuals from the program altogether. It is important that cuts to this federal-state program be stopped and, ideally, reversed as Medicaid provides vital health care to millions of individuals.

⁵ (2003) Kaiser, March 2005

⁶ US Census Bureau, "Health Insurance Coverage: 2004," *Current Population Survey 2004*

⁷ For example, African Americans are three times more likely to be in poverty and half of all African American families have family incomes less than 200% FPL. Kaiser Commission on Medicaid and the Uninsured, *Health Insurance Coverage and Access to Care Among African Americans*, The Kaiser Family Foundation, June 2000.

⁸ *Going Without: America's Uninsured Children* Washington: Robert Wood Johnson Foundation, August 2005

⁹ *FamiliesUSA, Improve Public Programs Improve Minority Health*, January 2006

¹⁰ For more information on the effects of the Deficit Reduction Act, please see *Medicaid Cuts: Benefits May Be Reduced for Women* at http://www.nwlc.org/pdf/FSMedicaidandtheDRA_04.21.06.pdf