NATIONAL WOMEN'S LAW CENTER
EXPANDING THE POSSIBILITIES

MEDICAID AT 50

Celebrating Medicaid's Contributions to Women's Economic Security

Introduction

For fifty years, Medicaid has provided low-income women with essential health insurance coverage. Medicaid covers a comprehensive range of services – birth control, maternity care, prescription drugs, hospitalization, long-term care, and more – that addresses women's major health needs throughout their lives. Women of all ages and health circumstances rely on Medicaid to pay for their health care, and a growing body of research has demonstrated how important Medicaid coverage is to enrollees' access to care, overall health, and mortality rates.[1]

At the same time, Medicaid has played a critically important role in advancing women's economic security. Through a combination of financial protections and affordable health insurance coverage, the Medicaid program ensures that low-income women and their families are protected from medical debt and bankruptcy, as well as out-of-pocket costs that would otherwise discourage them from seeking needed health care. By providing health coverage to women and their families that is not tied to employment, Medicaid allows women to seek positions that may offer higher wages or better opportunities, and it also has improved the economic security of future generations. Medicaid's coverage of birth control allows women to determine whether and when to start a family, expanding their educational and career opportunities. And Medicaid payments to health care providers directly support women's jobs.

This paper provides an overview of Medicaid's contributions to women's economic security in the areas of financial protections, economic mobility, and birth control coverage. After this overview, this paper presents more detailed information about Medicaid's role in women's employment, including current state-by-state estimates of Medicaid-supported women's jobs as calculated by the National Women's Law Center (NWLC).

Medicaid Covers Women Across Life Stages and Health Needs

Over time, Medicaid eligibility has grown from individuals who receive cash assistance, such as the former Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI), to encompass a wide range of low-income women, including women with particular health conditions, such as pregnancy or breast cancer, or specific health needs, such as family planning or long-term care services. In addition, states may now cover low-income women regardless of their family structure or health status, notably through the Affordable Care Act's (ACA) Medicaid eligibility expansion. This means that Medicaid provides health insurance to women in many stages of their lives and meets many different health needs.[2] Before the ACA eligibility expansion, Medicaid provided health insurance to more than ten percent of adult women in the United States, and approximately 72 percent of women covered by Medicaid were of reproductive age, while nearly 20 percent were 65 or older.[3]

Medicaid and Women's Economic Security

Medicaid Keeps Women and Families from Medical Debt and Bankruptcy

The Medicaid program provides several important financial protections to women and their families. First, by holding health insurance, women and their families are protected from the significant financial risk of poor health, and do not need to take on the burden of medical debt when they face a serious illness. In fact, research has shown a significant relationship between Medicaid coverage and reduced likelihood of personal bankruptcy related to out-of-pocket health care spending – the authors of one study estimate that a 10 percentage-point increase in Medicaid eligibility would result in an 8 percent reduction in bankruptcy.[4] Other analyses find that Medicaid coverage "nearly eliminate[s]" catastrophic medical expenditures for low-income families, defined as out-of-pocket expenses that exceed 30 percent of family income, and significantly reduces medical debt.[5]

In addition, Medicaid places important limits on patient copayments and coinsurance. States may not require Medicaid beneficiaries to pay more than five percent of family income on premiums, copayments, and coinsurance for all family members, and federal law prohibits states from requiring cost-sharing for particular services or for certain categories of enrollees.[6] For example, states may not require adults with incomes below 150 percent of the poverty level

to pay premiums, nor may they charge pregnant women cost-sharing for most services.[7] States also may not require enrollees to pay cost-sharing for certain services, such as family planning and emergency services.[8] In addition, copayments for many services cannot be more than a nominal amount for individuals with incomes under poverty. These cost-sharing limits also apply to managed care plans that provide Medicaid coverage under contract with the state.[9] This means that women and their families do not face significant out-of-pocket costs for routine preventive care, pregnancy, and other regular health care needs. One analysis estimates that, on average, cost-sharing and other out-of-pocket costs would increase three-fold for adults with Medicaid coverage if they instead held employer-sponsored health insurance, and that their out-of-pocket spending would be nearly four times higher if they were uninsured.[10] In addition, states must cover certain preventive services without cost-sharing for enrollees in the Medicaid expansion – thereby expanding prevention coverage and reducing cost-sharing responsibility for these evidence-based services.

Medicaid also includes important protections for the "community spouse" when one partner needs nursing home-level long-term care. Medicaid eligibility rules require individuals who need long-term services and supports to pay for a significant portion of their care, with Medicaid covering the rest of their costs. However, the law requires the state to "disregard" a portion of the couple's monthly income and assets, including the couple's home, to support the spouse who remains at home.[11] Without this protection, a couple would need to dedicate more of their income and assets to nursing home or other long-term services and supports before Medicaid coverage would apply – effectively leaving the spouse living in the community in financial jeopardy. This protection is particularly important to women, who are more likely than their spouses to remain living in the community.[12]

This level of financial protection is particularly important for the lower-income – and thus more financially vulnerable – women and their families who are covered through Medicaid. Lower-income individuals and families are less able to withstand the financial shock of high out-of-pocket health care spending that can accompany serious illness or disability. At the same time, decades of research have shown that lower-income individuals are more likely to go without necessary health care services when faced with significant out-of-pocket payments for these services.[13]

Medicaid Fosters Economic Mobility for Women and Their Children

Medicaid, which offers health coverage that is not tied to a particular employer, has given low-income women greater ability to change jobs and pursue new opportunities without losing health insurance for themselves or their families. For example, research has found that expansions of children's Medicaid eligibility in the 1990s resulted in mothers leaving cash assistance and entering the labor force, in part because they knew their children would hold health insurance regardless of whether their employer offered health coverage.[14] Other studies examining the employment effects of Medicaid eligibility for parents have found higher rates of job mobility and overall employment for single mothers with Medicaid coverage.[15] In the wake of the ACA, which allows states to expand Medicaid eligibility for parents with higher incomes and to adults without children, this dynamic is likely to be even more pronounced.

Recent research has also found that Medicaid coverage improves economic mobility within the family. In particular, Medicaid coverage during pregnancy and the newborn's first year of life improves the likelihood that the child will experience upward mobility – that is, higher educational attainment, measured as college attendance, and increased income compared to her or his parents.[16]

Medicaid's Coverage of Birth Control Advances Women's Educational and Career Opportunities

Medicaid accounts for the largest share (75 percent) of all public spending on family planning services.[17] Women have Medicaid coverage for family planning regardless of how they qualify for Medicaid, and may also – at state option – hold Medicaid coverage for family planning services alone. The Medicaid statute reflects the federal government's commitment to ensuring that women with Medicaid have coverage for birth control and related services. Federal law not only requires states to cover family planning, but also ensures that federal matching funds pay 90 percent of the cost for these services.[18]

Birth control and other family planning services have a profound effect on women's economic security. Extensive research has demonstrated that, by delaying childbearing and enabling women to plan and space their pregnancies, birth control access facilitates women's educational attainment, improves women's employment opportunities, and increases women's earnings.[19] For example, women

who delay childbearing until their 20s are significantly more likely to have some formal postsecondary education than women who had children in their teens. Women who become mothers in their teenage years face significant challenges – studies have found that teen mothers are dramatically less likely to complete high school or college, compared to women who begin having children in their thirties.[20]

Birth control – by enabling women to invest in their education and their career – has also increased women's wages. For example, one study estimates that nearly one-third of the 1990s' reduction in the gender gap between men and women's earnings is explained by early access to the birth control pill.[21] Similarly, delaying childbearing leads to higher wages and lifetime earnings. Women frequently experience reduced immediate and long-term earnings related to having children. But women who gain crucial early work experience are able to mitigate the earnings loss that can accompany having a child – according to some research, women earn successively higher weekly wages for each year they delay childbearing.[22] Other studies have found that women who delay having children until their late 20s or later, in contrast to those who have children early, experience virtually no wage penalties when they do have children.[23]

By ensuring women's access to birth control, which improves women's ability to invest in their education and early work experience, and enhances women's life-long earnings, Medicaid plays a critical role in advancing the economic security of millions of lower-income women.

Medicaid is a Job-Creator for Women Workers

When Medicaid pays for a health service—a visit with a health professional, a laboratory test, a hospital stay, a home health visit—this payment supports the facility, agency, or medical practice that delivers the service. In turn, the individuals who provide this care receive a salary or other compensation. Altogether, the National Women's Law Center estimates that Medicaid spending supports nearly 4 million health sector jobs held by women. (See Table 1).

Women comprise a disproportionate share of workers in the health care industry. NWLC examined four subcategories of health care jobs in our analysis, and women represent the vast majority of workers in all of these subcategories. More specifically, women comprise 80 percent of ambulatory health care employees, nearly 77 percent of hospital employees, 80 percent of employees in nursing and residential care facilities, and 82 percent of employees in social assistance occupations.[24]

Looking at Medicaid alone, NWLC estimates that women workers comprise approximately 80 percent of the workers who fill Medicaid-supported jobs. At the same time, the health care industry employs more than 20 percent of all women in the workforce.[25] Medicaid's role as a health care payor positions the program as a job-creator for women workers.

Medicaid's role supporting women's health care jobs is most apparent in large states, such as California, New York, and Texas. Between these three states, Medicaid supports nearly 1.2 million women's jobs. But the nature of health care employment – with many workers directly interacting with a patient, whether to administer medication, take vital signs, or provide personal care such as bathing and dressing – means that Medicaid creates jobs in every state. Even in low-population states, Medicaid supports thousands of women's jobs – approximately 4,500 in Wyoming, 8,000 in North Dakota, and 5,300 in the District of Columbia.

Many of these jobs are health care support positions, such as medical assistants, home health aides, and nursing aides. Women fill the preponderance of lower-wage support occupations—for example, 88 percent of nursing, psychiatric, and home health aides are women.[26] Because Medicaid covers services that other payors typically do not cover and that are more likely to be delivered by women, such as long-term services and supports, women are also particularly dependent upon Medicaid, rather than private health insurance or Medicare, to fund their jobs.

Table 1.

State	Number of Medicaid-supported health sector jobs held by women
Alabama	47,225
Alaska	10,946
Arizona	74,870
Arkansas	39,089
California	439,882
Colorado	45,669
Connecticut	52,946
Delaware	10,596
DC	5,287
Florida	176,723
Georgia	89,868
Hawaii	14,305
Idaho	15,895
Illinois	164,515
Indiana	76,587
Iowa	36,023
Kansas	29,191
Kentucky	56,852
Louisiana	83,351
Maine	24,240
Maryland	67,938
Massachusetts	99,822
Michigan	123,504
Minnesota	86,026
Mississippi	45,192
Missouri	72,755
Montana	10,209
Nebraska	17,042
Nevada	15,584
New Hampshire	10,156
New Jersey	100,056
New Mexico	29,733
New York	471,353
North Carolina	106,391
North Dakota	8,049
Ohio	178,779
Oklahoma	45,359
Oregon	43,464
Pennsylvania	207,594
Rhode Island	15,564
South Carolina	50,821
South Dakota	6,303
Tennessee	69,259
Texas	283,072
Utah	22,101
Vermont	1,967
Virginia	64,476
Washington	64,395
West Virginia	27,711
Wisconsin	66,054
Wyoming	4,522
United States	**3,909,308**

Conclusion

Over the last 50 years, Medicaid has grown to cover more than ten percent of American women and to finance health care services across the life span. Beyond the improvements in health, access to care, and mortality rates that can be attributed to this program, Medicaid makes important contributions to women's economic security. By funding their jobs, covering critical health care services, including birth control, reducing their out-of-pocket health care payments, and protecting their families from bankruptcy, Medicaid is woven into women's lives. As it continues filling these critical roles in the years to come, it will remain part of the warp and woof of America's health and economic fabric.

Technical Appendix for Job Estimates

Overall Approach

We used state-by-state multipliers from the Commerce Department's Bureau of Economic Analysis to translate Medicaid spending into the jobs created by this spending. We then relied on the Bureau of Labor Statistics' data on the gender breakdown of jobs within the health care sector to determine the number of women's jobs Medicaid supports.

Expenditure Data

We used state-by-state CMS-64 expenditure data for 2013 to estimate the number of women's jobs supported by Medicaid. These reports capture both state spending and federal matching payments. We deflated state-by-state spending to 2010, and broke it into four categories: Ambulatory Health Care Services, Hospital Services, Nursing and Residential Care Facilities, and Social Assistance. We used the North American Industry Classification System (NAICS) definitions of these industries to categorize spending across these categories. Most Medicaid spending fell cleanly into these categories. We excluded spending on prescription drugs, medical devices, medical equipment, and Medicare Part A and Medicare Part B from this analysis, and we allocated managed care organization payments across the four categories based on the distribution of national health care spending.

Multipliers

We used the RIMS II 2010 (Regional Input-Output Modeling System) economic model created by the Bureau of Economic Analysis. We used state-by-state Type 1 annual multipliers for four health industry sectors – Ambulatory Health Care Services, Hospital Services, Nursing and Residential Care Facilities and Social Assistance – and applied these multipliers to state spending in each sector to estimate the total number of health sector jobs Medicaid supports.

Gender Breakdown of Health Sector Jobs

We used data from the Bureau of Labor Statistics Current Employment Survey to determine the gender distribution of each of the four sub-industries. We then applied this percentage to the total number of Medicaid-supported health sector jobs in each state. This approach assumes that the gender distribution within job categories remains consistent across states and that the gender distribution within Medicaid-supported jobs mirrors the gender distribution of these jobs within the health sector as a whole.

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Endnotes

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