

DATA ANALYSIS

Job Loss: The Hidden Cost of Medicaid Cuts to Women

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Medicaid provides vital, affordable health coverage to over 60 million low-income individuals and people with disabilities, yet it is often targeted when policymakers seek to curb spending. Cuts to Medicaid, however, would restrict access to health services for the millions of Americans who rely on this coverage, including nearly 21 million adult women. These women are far more likely to be poor, have poorer health, and lower educational attainment than women covered by private insurance.¹ Medicaid provides these low-income women with comprehensive health care that improves their health outcomes.

One aspect of Medicaid often overlooked in budget and policy debates is how important it is to women's economic well-being. By providing low-income women with critical health insurance, it enables them to manage their health conditions and, by extension, retain their jobs and family income. In addition, this public insurance program also supports millions of jobs that women hold across the country. This report analyzes Medicaid's state-by-state impact on women's health-sector employment. Nearly 3 million health sector jobs held by women are supported by Medicaid. Budget cuts to federal Medicaid spending would threaten these critical positions –ranging from doctors and nurses to the lower-wage health care jobs such as nurse's aides and home health care workers that are predominantly filled by women. Since nearly 80 percent of Medicaid-supported health sector jobs are held by women, cuts in Medicaid spending would be especially devastating to women.

Key Findings

Medicaid Spending Supports Millions of Jobs Held by Women

- Nationally, Medicaid spending supports nearly 3 million health sector jobs held by women.
- Nationally, 79.8 percent of Medicaid-supported jobs are held by women
- Medicaid creates the most jobs in New York (381,024), California (273,870), and Texas (209,577).
- Even in smaller states with low populations, Medicaid still supports thousands of jobs held by women. Medicaid supports nearly 4,000 jobs in Wyoming and almost 7,000 jobs in both North Dakota and South Dakota.

Number of Medicaid-Supported Health Sector Jobs Held by Women

State	Number of Medicaid-supported health sector jobs held by women	State	Number of Medicaid-supported health sector jobs held by women
Alabama	41,364	Montana	8,646
Alaska	7,997	Nebraska	13,737
Arizona	70,641	Nevada	9,026
Arkansas	33,497	New Hampshire	9,424
California	273,870	New Jersey	73,557
Colorado	30,213	New Mexico	27,425
Connecticut	42,535	New York	381,024
Delaware	8,030	North Carolina	91,520
Dist. of Columbia	3,556	North Dakota	6,939
Florida	140,240	Ohio	141,499
Georgia	65,297	Oklahoma	35,620
Hawaii	11,004	Oregon	31,974
Idaho	9,130	Pennsylvania	157,556
Illinois	112,316	Rhode Island	12,112
Indiana	50,857	South Carolina	44,655
Iowa	28,264	South Dakota	6,446
Kansas	20,646	Tennessee	66,170
Kentucky	42,716	Texas	209,577
Louisiana	53,995	Utah	14,297
Maine	17,849	Vermont	10,208
Maryland	53,265	Virginia	48,313
Massachusetts	78,667	Washington	49,014
Michigan	106,020	West Virginia	21,779
Minnesota	65,325	Wisconsin	52,191
Mississippi	35,251	Wyoming	3,994
Missouri	57,096	United States	2,986,345



Context and Implications

Cutting Medicaid Funding would Harm Women's Economic Well-Being

Medicaid promotes job creation.

By providing critical, affordable health insurance, Medicaid plays an important role in improving low-income individuals' economic security. At the same time, federal matching dollars for Medicaid inject new money into state economies, creating both direct and indirect economic effects. When a Medicaid recipient visits a doctor or hospital, receives a lab test, or is admitted to a nursing home, payments for these services help support the salaries of the employees at these facilities. Companies that process lab tests or manufacture and sell medical supplies, for example, also benefit from increased demand for their goods and services. Additionally, Medicaid spending has indirect effects on other sectors of the economy. For example, restaurants and coffee shops near hospitals and health centers benefit from a steady stream of employees frequenting their businesses, and workers who are hired as a result of Medicaid spending now have more money to spend on goods and services and pay state income and sales taxes.

Medicaid-supported jobs disproportionately employ women.

The job creation effects of Medicaid spending are especially important to women, as women are disproportionately represented in occupations directly supported by Medicaid spending. The entire health care sector employs approximately 20 percent of all women in the workforce.² Women make up the majority of employees in each of the four subcategories of health sector jobs we considered in our analysis, comprising 80.2 percent of ambulatory health care employees, 78.5 percent of hospital employees, 80.2 percent of employees in nursing and residential care facilities, and 81.3 percent of employees in social assistance occupations.³ Any reduction in Medicaid spending would disproportionately harm jobs held by women.

Medicaid-supported jobs employ many lower-wage women.

Women make up the vast majority of lower-wage health care support occupations. For example, women make up nearly 98 percent of medical assistants, nearly 88 percent of nursing, psychiatric, and home health aides, and 95 percent of medical transcriptionists.⁴ The median annual wage for home health aides who work full time, year round is \$20,610⁵ while the median annual income for nursing aides, orderlies, and attendants is \$24,190.⁶ These earnings fall below the median earnings of women or men working full time, year round in 2011: \$37,118 and \$48,202 respectively.⁷ Cutting Medicaid-supported jobs would be especially harmful to lower-wage women and their families who depend on these jobs to make ends meet.

The economic recovery is reaching women more slowly; cutting Medicaid now would slow women's job growth even further.

While men fared worse in the recent recession, suffering more than 70 percent of the job loss, the recovery has been tougher on women. Between June 2009 and October 2012, women gained just 25.3 percent of new jobs. As a result, women regained only 38.7 percent of the jobs they lost during the recession while men regained 45.4 percent.⁸ The recession and recovery have been particularly tough on low-income and minority workers. Unemployment rates for adult black women, adult Hispanic women, and single mothers have been persistently higher than for adult women overall throughout the recession and recovery. Medicaid cuts would lead to job losses for women across the country, including low-income women who work as nurse's aides, home health care workers, and other lower wage health care occupations. These losses would only slow down women's economic recovery further.

Methodology

In order to determine the number of Medicaid-supported jobs held by women, we used Medicaid expenditure data to determine each state's Medicaid spending in four different categories: Ambulatory Health Care Services, Hospitals, Nursing and Residential Care Facilities, and Social Assistance. We then used state by state multipliers from the Bureau of Economic Analysis to translate Medicaid spending into jobs created. After determining the total number of Medicaid supported jobs, we used Bureau of Labor Statistics data to determine the gender makeup of each of the four employment categories and applied this percentage to the total number of Medicaid supported jobs in each category. We then added the number of jobs in each category to arrive at our total number of health sector jobs held by women that are supported by Medicaid.

Expenditure Data

We used state by state CMS-64 expenditure data for 2010 in order to measure Medicaid spending in each state. In order to apply economic multipliers, it was necessary to breakdown expenditure data into four spending categories: Ambulatory Health Care Services, Hospitals, Nursing and Residential Care Facilities, and Social Assistance. We used North American Industry Classification System (NAICS) definitions of these industries to determine how to classify the spending. While most spending fit easily into one of the four categories, there were several expenditures that were not easily categorized. We excluded drugs, devices, medical equipment, and Medicare Parts A and B for the analysis. We divided spending on MCO payments among the four categories using estimates of national health care spending in each of the four categories.

Multipliers

To determine the number of jobs created by Medicaid spending, we used the RIMS II (Regional Input-Output Modeling System) economic model created by the Bureau of Economic Analysis. We used state-by-state Type 1 annual multipliers for 2010 for four health sector industries: Ambulatory Health Care Services, Hospitals, Nursing and Residential Care Facilities, and Social Assistance.

Gender Breakdown of Health Care Sector

To determine the gender make up of each of the four industries, we used data from the Bureau of Labor Statistics Current Employment Survey. We calculated the share of female employees for each of the four industries and then applied this percentage to the total number of Medicaid-supported jobs in each state. This method assumes that the gender breakdown for each category remains consistent in each state and that the gender breakdown of Medicaid-supported jobs does not differ from the gender breakdown of these health sector jobs generally.

- 1 Kaiser Family Foundation, Medicaid's Role for Women Across the Lifespan: Current Issues and the Impact of the Affordable Care Act, (January 2012), *available at:* <http://www.kff.org/womenshealth/upload/7213-03.pdf>.
- 2 National Women's Law Center calculations based on data from the Current Employment Survey, Bureau of Labor Statistics Database <http://data.bls.gov/pdq/querytool.jsp?survey=ce>. Figures are 2011 annual averages.
- 3 National Women's Law Center calculations based on data from the Current Employment Survey, Bureau of Labor Statistics Database <http://data.bls.gov/pdq/querytool.jsp?survey=ce>. Figures are 2011 annual averages. Statistics are for private sector facilities only.
- 4 Bureau of Labor Statistics, Current Population Survey, Household Data Annual Averages, 2011, *available at:* <http://www.bls.gov/cps/cpsaat11.pdf>.
- 5 Bureau of Labor Statistics, Occupational Employment and Wages, May 2011, *available at:* <http://www.bls.gov/oes/current/oes311011.htm#%282%29>. From the OES: Annual wages have been calculated by multiplying the hourly mean wage by a "year-round, full-time" hours figure of 2,080 hours; for those occupations where there is not an hourly mean wage published, the annual wage has been directly calculated from the reported survey data.
- 6 Bureau of Labor Statistics, Occupational Employment and Wages, May 2011, *available at:* <http://www.bls.gov/oes/current/oes311012.htm>. From the OES: Annual wages have been calculated by multiplying the hourly mean wage by a "year-round, full-time" hours figure of 2,080 hours; for those occupations where there is not an hourly mean wage published, the annual wage has been directly calculated from the reported survey data.
- 7 National Women's Law Center, Insecure & Unequal, poverty and income among women and families 2000-2011, September 2012, *available at:* http://www.nwlc.org/sites/default/files/pdfs/nwlc_2012_povertyreport.pdf. Working "full time" is defined as working at least 35 hours a week and working "year round" means working at least 50 weeks during the last twelve months.
- 8 National Women's Law Center, "Stronger Recovery Reaching Women," Nov. 02, 2012, *available at:* <http://www.nwlc.org/resource/stronger-recovery-reaching-women>.