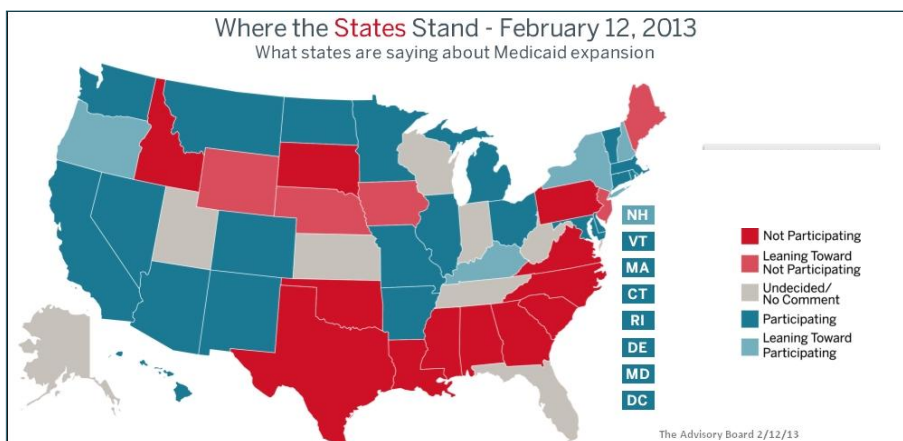


Summary

United Way of Salt Lake is facilitating Promise Partnerships in specific neighborhoods where problems related to poverty are the most significant. In these communities about one in three residents is in poor health. Life expectancy is about nine years shorter than average.



The Medicaid expansion is a cornerstone of the Affordable Care Act (ACA), because it is the most cost effective form of coverage for adults with income less than 133% of poverty (FPL).ⁱ But when the Supreme Court upheld the ACA, it made the expansion optional to the states. A quick glance at the costs and benefits of the expansion explains why many Republican-led states surrounding Utah, including Arizona, have said YES to the expansion. For the Promise Neighborhoods, the Medicaid expansion may be the best, *if not the only way* to move the needle on health and health care—not only for the adult citizens who would qualify, but for their children as well.

Who is Covered Today by Utah Medicaid? What Happens in 2014?

Very few Utah adults are covered by Medicaid today, and that is for two reasons: 1) eligibility for Utah parents is set very low at 44% of the FPL, and 2) Medicaid is not offered to childless adults at *any* income levels. If Utah moves forward with the expansion, 189,000 Utahns will be newly eligible. Coupled with other aspects of the ACA, the expansion would reduce the number of uninsured Utahns by 54% for all residents.ⁱⁱ Expanding Medicaid just means that the program will be there for more Utahns when they need it most. This will help them get on their feet and into a job that offers private health insurance.

Health Coverage and Access to Care in the Promise Neighborhoods

On measures of insurance status and access to care the Promise Neighborhoods are in serious trouble...

	Uninsured Adults	Uninsured Kids	Can't get care due to cost
Midvale	28%	25%	25%
South Salt Lake	27%	13%	22%
West Valley (east)	24%	29%	19%
State Average	14%	11%	14%

Source: Utah Department of Health, Utah's Indicator-Based Information System, Behavioral Risk-Factor Surveillance System. Values from 2009.

These gaps raise hard questions about whether the coverage goals of the Promise Partnership can be achieved without the Medicaid expansion. They probably can't.

Health Status in the Promise Neighborhoods

On key markers of health status the group that would be eligible for the Medicaid expansion (adults living at or below 133% FPL) fares much worse than the state average...

UT Small Areas (rough = to Promise Ns)	Current Smoker (adults <133% FPL)	Obese (BMI 30+, <133% FPL)	Mammogram (>2 years since or never, <133% FPL)	Unable to Get Care Due to Cost (adults <133% FPL)
Midvale	28.4%	27.2%	45.8%	43.9%
South Salt Lake	29.5%	29.6%	NSD	48.9%
West Valley-East	20.6%	31.9%	45%	42.7%
State Average	11.8% (all income levels)	24.4% (all incomes)	32.15% (all incomes)	16.7% (all incomes)

Source: Behavioral Risk Factor Surveillance System, Office of Public Health Assessment, Utah Department of Health. Queried on Feb. 12, 2013.

The number reason why low-income adults in the Promise Neighborhoods are unable to get medical care is cost. Without cost-effective treatment for smoking and obesity, for example, these and other preventable health conditions become more expensive to treat. Insurance coverage is closely linked to better health outcomes for all ages, and this is largely because it makes health care affordable and helps people make prudent use of the health care system.ⁱⁱⁱ

Effects of Parents Coverage on Kids Coverage and Access to Care

Most of the Promise Neighborhoods fall in the lower or middle quintiles on measures of children's access (in this case well child visits) to primary care.^{iv} The research literature says covering low-income parents is good for their kids...

- Covering parents means that more eligible children will enroll in affordable insurance coverage. Uninsured parents are three times as likely to have eligible but uninsured children as covered parents.
- When parents are covered, children are more likely to *stay* enrolled and to receive preventive care and well child checks.
- According to the Institute of Medicine unhealthy parents make for a stressful family environment, which may impair the health or well-being of the child.
- Uninsured parents who can't get care may find themselves unable to work. Some may end up with medical bills when they finally do show up for care.^v

These and similar findings gave rise to the Affordable Care Act. The idea is to bring everyone, starting with low-income families, into cost-effective coverage. This makes the health care system work better for everyone—including the taxpayer.

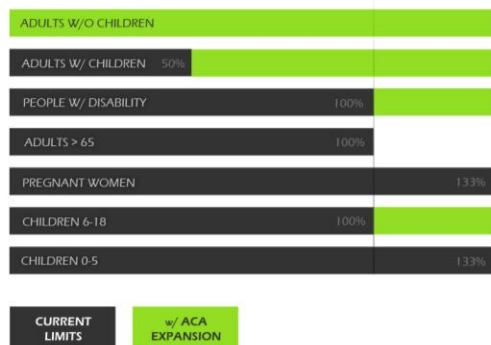
Key Facts about the Medicaid Expansion

The Medicaid expansion is a worthwhile financial deal for the states.

- The federal government covers 100% of the expansion for the first three years, (2014-17), gradually phasing down to 90% by 2022. This compares favorably to the current Utah Medicaid match rate: 70% federal dollars to 30% state. In relative terms, the state would pay 4% more than it otherwise would on Medicaid over the next 10 years to implement the Medicaid expansion.
- But for that minimal expense, the state can provide 189,000 Utahns access to quality health insurance—including the adult citizens living in the Promise Neighborhoods. Utah leaders must decide if this deal is alluring enough to justify allocation of minimal, but nevertheless scarce state dollars.

Income Limits for Medicaid Eligibility

With Optional Expansion Under ACA



- If Utah does not implement the Medicaid expansion, many of Utah's most vulnerable low-income uninsured will be left with no option for coverage. Without expansion, thousands of parents and adults without children will have no access to the ACA premium subsidies. They will continue to use hospital emergency rooms and pass those unpaid bills on to taxpayers.
- 57% of Utah's uninsured are in households with incomes below 133% FPL meaning they will potentially be eligible for Medicaid if Utah expands the program.
- An even larger portion of the state's uninsured live in low-income Promise Neighborhoods.

The Economic Benefits of Expansion

If Utah opts in to the Medicaid expansion, by 2016 an estimated \$365 million would be spent on health care delivered in the state. These are real dollars flowing into the state's economy to support about 5,900 new jobs, and these jobs will generate economic activity in Utah to the tune of \$670 million.^{vi}

What about charity care?

Charity care cannot adequately fulfill the need. At best, charity care is episodic and unreliable for families who need a consistent and continuous source of health care. The Sutherland Institute concept of "authentic charity care" has been in circulation in Utah policy circles since 2004.^{vii} It's had enough time to prove its merits—if there was one community that could give it a go, it was Utah. But that model has failed us as a community. Cancer patients and others who need chronic care management cannot rely on charity care. If they must, there are dire consequences. Across the nation, 26,100 people between the ages of 25 and 64 died prematurely due to a lack of health coverage in 2010. Astoundingly, 687 25-64 year old Utahns died due to lack of health care coverage from 2005 to 2010.^{viii}

Summary

With so many residents facing economic insecurity or diminished access to cost-effective care and coverage, the Promise Neighborhoods ask hard questions about the limits of private sector initiatives and charity care and the responsibility of government to support families on the path to self sufficiency. Utah families don't want to rely on government services for their needs. If they could get it, adults living in the Promise Neighborhoods would prefer private insurance through their jobs.

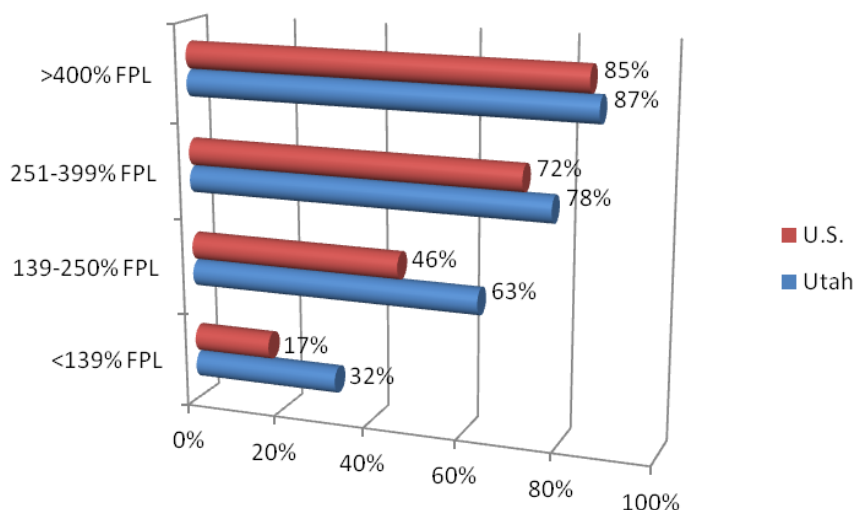


Cha and Cah

Cha Nu Noo (pictured with daughter Cah) and her family arrived in Utah in 2008. Originally from Burma, they lived in a refugee camp in Thailand for 20 years where they suffered many hardships.

Cha's family faced many challenges upon arriving to Utah. Among them was finding help for Cah, who needs to see the doctor every 3 months for her hypertension. Thankfully, Cha was able to get both of her kids on Medicaid. Sometimes Cah's dad has to miss work so he can take Cah to the doctor for her blood pressure checks. Knowing Medicaid covers Cah gives him one less thing to worry about. Starting in 2014, low-income parents like Cha will qualify for Medicaid—but only if Utah leaders decide to implement the optional expansion.

Employer-Sponsored Coverage Rates by Income



Source: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2011 and 2012 Current Population Survey (CPS: Annual Social and Economic Supplements).

<http://www.statehealthfacts.org/profileind.jsp?cmprgn=1&cat=3&rgn=46&ind=151&sub=41>.

In Utah, where health care costs are the lowest in the nation, insurance offer rates are only slightly better than the U.S. average—but not for the low-income adults and families living in the Promise Neighborhoods. The Medicaid expansion is the coverage tool of choice for these and other low-income families because job-based coverage is generally not available.

Kids are healthier and more likely to have coverage when their parents have coverage. The community and the taxpayer are better off when *all* adults have access to cost-effective preventive and primary care. Promise Neighborhood families can move toward self sufficiency—but not without the Medicaid expansion. The good news is, after taking the economic impact, health system impacts, and cost avoidance into account, the Medicaid expansion pays for itself.

ⁱ Congressional Budget Office, *Estimates for the Insurance Coverage Provisions of the ACA*, Updated July, 2012.

<http://www.cbo.gov/sites/default/files/cbofiles/attachments/43472-07-24-2012-CoverageEstimates.pdf>

ⁱⁱ The Cost and Coverage Implications of the ACA Medicaid Expansion: Kaiser Commission on Medicaid and the Uninsured, November 2012. <http://www.kff.org/medicaid/upload/8384.pdf>

ⁱⁱⁱ Mathematica Policy Research, *How Does Insurance Coverage Improve Health Outcomes?*, April, 2010. http://www.mathematica-mpr.com/publications/PDFs/health/reformhealthcare_IB1.pdf.

^{iv} Utah Department of Health, *A Snapshot of Clinical Performance by Utah Small Area*.

http://utahatlas.health.utah.gov/HB128SA_2010.pdf

^v Center on Budget and Policy Priorities and Georgetown University Center for Children and Families, "Expanding Coverage for Parents Helps Children," July, 2012. <http://www.cbpp.org/files/expanding-coverage-for-parents-helps-children7-13.pdf>.

^{vi} Families USA and Utah Health Policy Project, *Utah's Economy Will Benefit from Expanding Medicaid*, February, 2013.

http://www.healthpolicyproject.org/Publications_files/Medicaid/2013/UT%20and%20Medicaid%20Expansion.pdf.

^{vii} Sutherland Institute, *To the Least of These: A Moral Case for Providing Authentic Charity Care*, 2004.

http://sutherlandinstitute.org/uploaded_files/sdmc/authenticcharitycare.pdf

^{viii} Families USA, "Dying for Coverage: the Deadly Consequences of Being Uninsured" June 2012.

<http://familiesusa2.org/assets/pdfs/Dying-for-Coverage.pdf>.