

Building a More Equitable New York Healthcare

February 12, 2020

TO ACHIEVE A STRONG ECONOMY IN WHICH PROSPERITY is broadly shared, everyone who lives in New York needs to have access to affordable, quality healthcare. New York has a long and proud history of expanding access to healthcare coverage for all New Yorkers in an effort to make this a reality.

Although we have won hard fought battles to ensure that 95 percent of New Yorkers have access to health insurance, there still remains deep inequity among access to health coverage and outcomes based on race and ethnicity. Black New Yorkers have significantly higher rates of mortality, premature births, and asthma hospitalizations than their white counterparts. Due in large part to a lack of health coverage, non-citizens nationally are much less likely to have had recent contact with a health provider or to receive primary care.¹ In developing health policy, a progressive New York State must appropriately take into account inequities in access to healthcare coverage among New Yorkers.

Save Medicaid and Reject Austerity

Established in 1965, Medicaid provides health coverage that helps low-income seniors, children, and people living with disabilities afford healthcare. It gives parents and other adults economic security through health coverage, protects them from medical debt, and allows them to stay healthy and engaged in their community. Statewide, more than six million residents have health insurance coverage through Medicaid, Child Health Plus, programs established under the Affordable Care Act (ACA) and other government initiatives,² the majority of whom are children, seniors, or people living with disabilities. Medicaid is one of the country's most effective anti-poverty programs and has a larger effect on child poverty than all other means-tested benefits combined. Its poverty-reducing effects most impact adults with disabilities, elderly, children, and people of color. Although the state faces a Medicaid budget shortfall, the governor and legislators should continue to invest in and preserve the Medicaid program and fortify our role as a national leader in providing comprehensive health insurance to nearly all who need it. Although the governor has proposed to reconvene the Medicaid Redesign Team to assess cost saving measures for the program, the efficiency search will likely yield modest results, leaving the state with a budget gap. The state can address the projected budget gap by raising revenue, allowing them to fill in the gap and cover health services that New Yorkers depend on.

Medicaid is the largest single source in federal funding in New York state accounting for 75 percent of those grants in 2019 (See Figure 1). The second- largest category of grants in 2019 was for income security (12 percent of total), followed by transportation (three percent) and education (five percent).

Medicaid Accounted for 75 Percent of Federal Grants to New York State in 2019

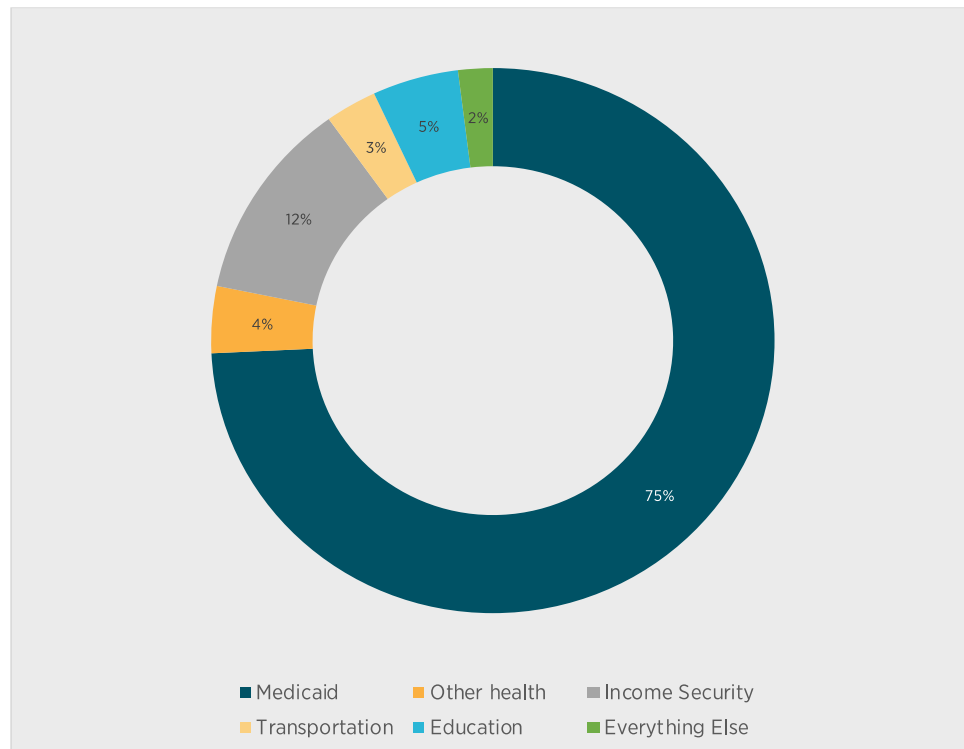


FIG. 1 Source: Pew Charitable Trusts, February 2020, Federal Funds Information for States, FFIS Grants Database, <https://ffis.org/database>

The state must keep the Medicaid promise and reject harmful cuts that deny coverage or prevent access to care. State leaders should reorient away from an austerity framework, which will suggest that we close health institutions and programs in order to reduce spending. Instead, New Yorkers need lawmakers to create new, innovative sources of revenue that will sustain the vital healthcare infrastructure that they rely on. The state should also reject the annual growth cap on spending, which has unnecessarily starved programs and state agencies of adequate resources to succeed.

Predictably, the Medicaid budget shortfall is likely to come back again in the future. It is no surprise that funding from the federal government has declined (see Figure 2).³

Average Annual Growth in Medicaid Spending is Declining

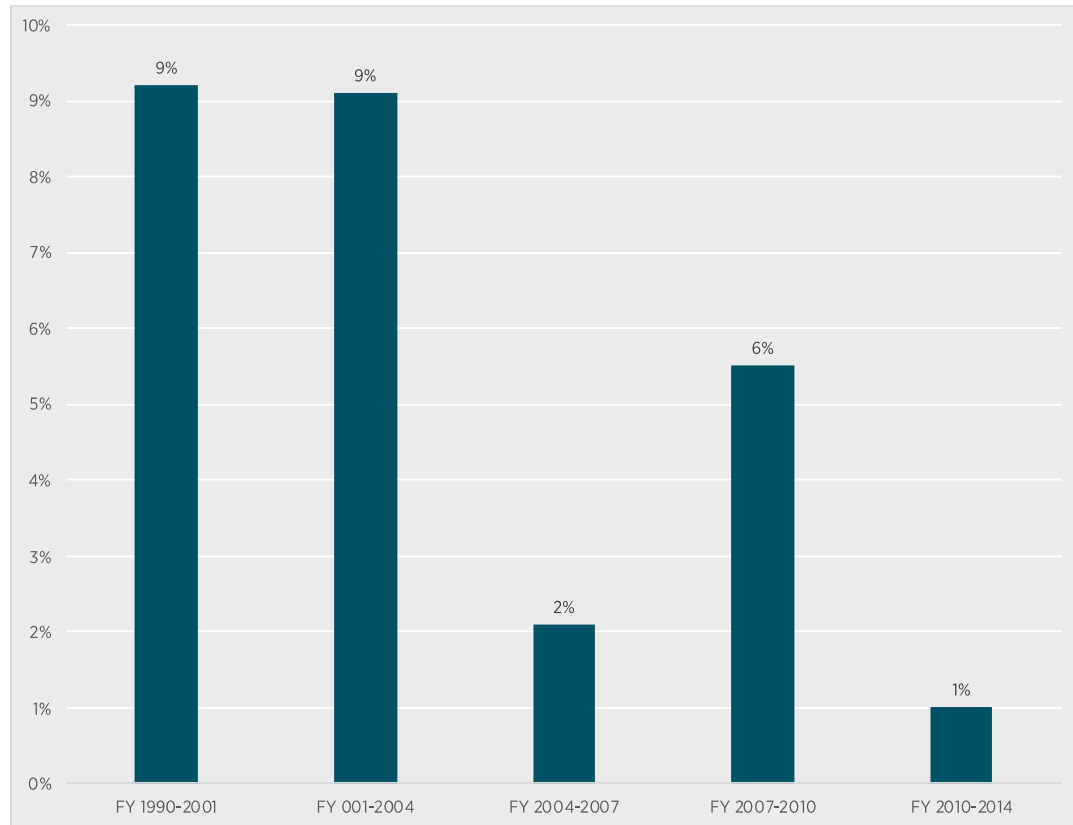


FIG. 2 Source: Kaiser Family Foundation, State Health Facts

Expand Health Care Eligibility

Governor Cuomo and the legislature should expand the eligibility for the Essential Plan to cover New Yorkers who are ineligible for healthcare coverage simply due to their immigration status. Expanding coverage with state dollars represents an investment with well documented returns. Individuals with insurance are more likely to receive timely and preventive care, are less likely to incur medical debt, and on average, experience improved mental health and reduced mortality. The healthcare system will work better for everyone if New York State continues to be a leader in working toward insuring everyone. Expanding eligibility to unauthorized immigrants who fall below 200 percent of the federal poverty level is estimated to cost \$532 million. This expansion would provide coverage to approximately 110,000 people.⁴

The Affordable Care Act (ACA) and other changes in federal and state health care policies have helped reduce the percentage of people lacking health insurance by more than half over the past decade. The share of New Yorkers without health insurance fell from 11 percent in 2010 to 4.7 percent in 2018. Although that is a huge success, there are still major improvements that must be made to expand access to health coverage for all New Yorkers. Immigrants are disproportionately likely to lack insurance. The

share of U.S.-born who lack health insurance is four percent, the share of immigrants who lack health insurance is 14 percent, and the share of undocumented immigrants without coverage is 25 percent.⁵ Creating a coverage program to ensure that individuals excluded from federal programs are able to access health insurance is not only good for immigrant communities: having health residents is good for employers, colleagues, neighbors, and ultimately everyone in the state. It also strengthens the fiscal stability of the health care providers that care for people whether or not they have insurance, thereby strengthening the fiscal health of municipalities across New York State.

Recommendations

- Reject austerity and raise revenue to continue providing the current level of coverage to Medicaid recipients. Ensuring that New Yorkers continue to receive the health care that they were promised.
- Commit to transparency and centering the voices of New Yorkers within the Medicaid Redesign Team II.
- Expand healthcare eligibility to immigrants who are ineligible for existing coverage by adopting S.3900/A.5974, sponsored by Assembly Member Gottfried and Senator Rivera.

¹ Key Facts About the Uninsured Population, 2019, Kaiser Family Foundation, <https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>

² <http://files.kff.org/attachment/fact-sheet-medicaid-state-NY>

³ Kaiser Family Foundation, State Health Facts, <https://www.kff.org/medicaid/state-indicator/growth-in-medicaid-spending/?currentTimeframe=0&selectedDistributions=fy-1990-2001--fy-2001-2004--fy-2004-2007--fy-2007-2010--fy-2010-2014&selectedRows=%7B%22states%22:%7B%22new-york%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

⁴ This cost estimated was produced by Benjamin, Elizabeth, 2016, *How Can New York Provide Health Insurance Coverage to its Uninsured Immigrant Residents?*, Community Services Society, <https://smhttp-ssl-58547.nexcesscdn.net/nycss/images/uploads/pubs/Immigrant%20Health%20Report%20Web%202.pdf>

⁵ FPI Analysis of ACS 5-Year Estimates, 2018.