Reverse Washington State's Health Care Inequalities

Make the Health of People of Color a Priority of Government

By Julie Chinitz

Northwest Federation of
Community Organizations (NWFCO)

Washington Citizen Action (WCA)

March 2003

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Executive summary

When it comes to access to health care, not all things are equal. The report *Reverse Washington State's Health Care Inequalities: Make the Health of People of Color a Priority of Government* documents the challenges that people of color confront in accessing health coverage and the disproportionate impact of health care budget cuts on people of color. Report highlights:

Publicly funded health coverage is often the only avenue to coverage and care for people of color

- People of color are often shut out of the employer-based coverage system due to widespread barriers to quality, living-wage jobs. Publicly funded coverage is responsible for filling in at least part of this coverage gap.
- Uninsured rates among people of color in Washington are alarming. Without publicly funded coverage, an even greater percentage of people of color would lack health insurance.
- Lack of health insurance is a serious barrier to health care and results in poor health outcomes. Improving the health of people of color in Washington depends in large part on reversing the disturbing racial disparities in health care coverage.

Cuts to publicly funded coverage disproportionately impact people of color

- When lawmakers slash health care budgets, they are cutting health coverage and services of particular need to people of color. Such cuts have a detrimental impact on people of color and communities of color.
- In 2002, the Legislature and Governor Locke targeted people of color for cuts by eliminating health programs designed to cover immigrants — many of whom were longtime Washington residents, members of taxpaying families, and people of color.
- In 2003, the Legislature and Governor are moving toward adopting drastic health care cuts that would seriously jeopardize the health of all Washington residents, but particularly people of color.

Recommendations

- Stop health care cuts, which threaten the health of people of color and will worsen Washington's current racial disparities in access to health coverage.
- Restore Medical Assistance coverage eliminated in a cut that targeted immigrants of color.
- Make a commitment to funding the health of people of color in Washington state.

Introduction

When it comes to access to health care, not all things are equal. Nationwide, people of color are at a greater risk of being uninsured than are whites, and they face many more obstacles to accessing the health care they need. The disparities in the availability of quality health care are mirrored by poorer health outcomes among people of color. Ultimately, in the United States, race and racial disparities play a part in affecting the most important thing in people's lives — their health.

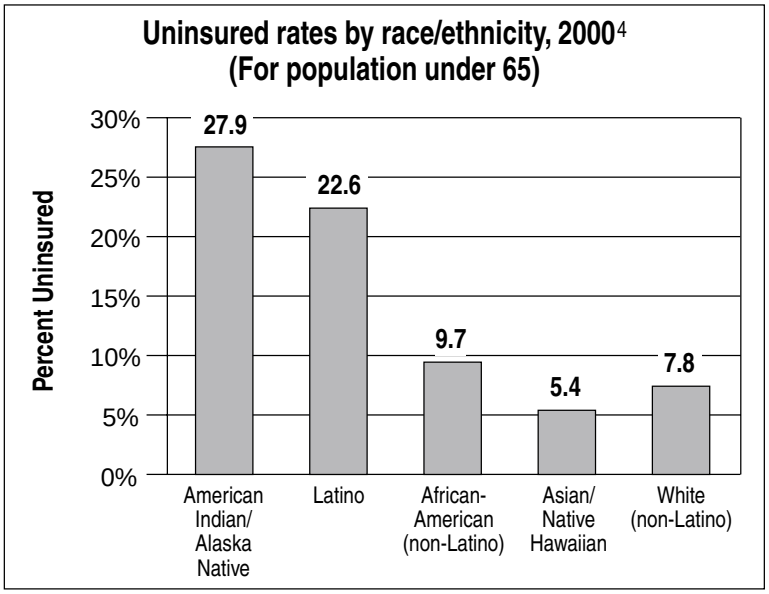
Washington state is no exception. Although Washington is considered a leader in health care, when it comes to health coverage people of color still fare far worse here than do whites.

This year, the health care budget in Washington state has once again become a target for proposed spending cuts, due to declining revenue exacerbated by past tax cuts. This represents a repeat of the budget process of 2002 — when, to mend a revenue shortfall, the Legislature turned largely to non-citizens (including primarily people of color) for cuts to health coverage and care. In 2003, further elimination of publicly funded health coverage and services will only exacerbate the racial disparities in access to health care.

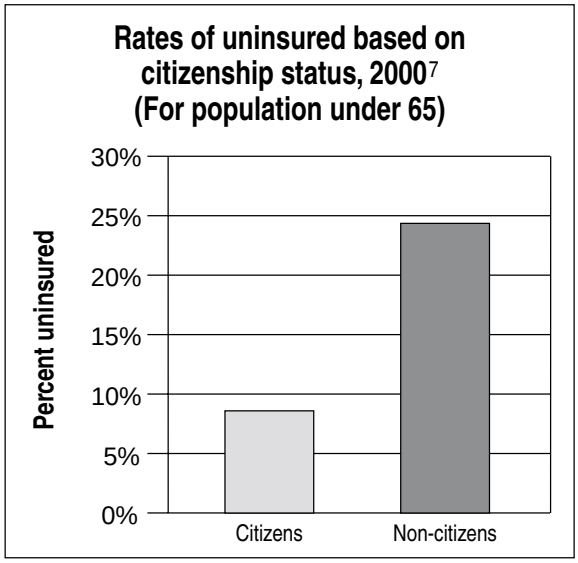
Increased commitment to health care access — and not a withdrawal from prior commitments — is needed to reverse our state's great health care inequality. Accordingly, Governor Locke and the Legislature should take all steps necessary to protect health care for people of color and all Washington residents. Fixing the grave racial disparities in Washington's health care system must become a priority of our government.

All is not equal when it comes to access to health and health care coverage

Lack of health care coverage among people of color has reached alarming rates



In Washington state as across the country, people of color face far greater barriers to health coverage than do whites. In 2000, American Indians and Alaska Natives were over three and a half times as likely as whites to be uninsured (27.9 percent versus 7.8 percent uninsured), and Latinos were almost three times as likely to be uninsured (22.6 percent uninsured).[1] Nearly 10 percent of African Americans lacked health coverage.[2] Among groups of color, only Asian-Americans/Native Hawaiians had a lower rate of uninsurance than that for whites (5.4 percent) — yet this lower uninsured rate reflects the fact that Asian-Americans/Native Hawaiians were more than twice as likely as whites to be covered by public health insurance.[3] Socioeconomic status accounts for much of why people of color — who often experience employment segregation in low-wage and often no-benefit jobs — have no choice but to go without health coverage.



Non-citizens are at much greater risk of being uninsured than are citizens. Washington is home to hundreds of thousands of immigrants who are longtime residents and taxpayers, but who may not be citizens. According to the 2000 Washington State Population Survey, non-citizens were nearly three times more likely to be without health care coverage than were citizens (24.1 percent compared to 8.5 percent).[5] The vast majority of Washington's immigrants are people of color, comprising primarily Latinos and Asian-Americans/Pacific Islanders.[6] Like people of color in general, immigrants in Washington often overrepresented in low-wage industries where employers frequently do not provide benefits, most notably agriculture.

Inequalities in Washington's economy and labor markets contribute to staggering health coverage disparities. People of color encounter significant barriers to quality employment, such as work-related discrimination, unequal access to education, and lack of living-wage jobs. These inequalities, in turn, bear an important relationship to inequalities in access to health care coverage. Socio-economic status is a significant factor in health and access to health coverage and care. As of 2000, Washington residents with income at or below 200 percent of the Federal Poverty Level (FPL) were more than four times as likely to be uninsured than were people with income above 200 percent FPL.[8] In 1997, an astounding 33 percent of low-income working families (those with income under 200 percent FPL) experienced uninsurance at some point during the year.[9] (The 2003 FPL for a family of four is $18,400.)

In Washington, as elsewhere in the United States, race plays an important role in socioeconomic status. In 1998, people of color were disproportionately represented among low-income working families.[10] Average family income in 1999 was significantly lower for people of color than for whites (about $23,000 for Latinos, $26,000 for American Indians, $36,000 for African-Americans, and $41,500 for Asian/Pacific Islanders, compared to $48,000 for whites).[11] This means that many families of color earned well below what was identified as a minimum adequate income for a family of four in 1999 ($33,790).[12]

According to the Institute of Medicine Committee on the Consequences of Uninsurance, "increased rates of health insurance coverage would especially improve the health of those in the poorest health and most disadvantaged in terms of access to care and thus would likely reduce health disparities among racial and ethnic groups."

— Care without Coverage: Too Little, Too Late

Among adults in families of color with below-poverty income, the majority earned that income at low-wage jobs.[13] Moreover, the industries where people of color tend to be overrepresented are among those that pay the lowest wages. In 2000, the agriculture, child care, restaurant, and hospitality industries were in the bottom five for median wages in Washington.[14] That year, over half of farm labor positions paid under $8.00 an hour[15] — and the overwhelming majority of Washington farmworkers (82 percent as of 1997) are Latinos.[16]

Employment-based coverage is out of reach for many people of color. Employment-based coverage is the primary source of health insurance for Washington residents under age 65. Nearly 71 percent of insured adults under age 65 in 2000 were covered through employment.[17] Yet employers are not required to provide health coverage to their employees, and in 2000 over three quarters (75.4 percent) of the uninsured were members of working families.[18] Employment-based coverage simply is not available to many people of color. In 2000, whites were more likely than other racial group to be covered through employment: 74.1 percent of whites, compared to 64.8 percent of Asian Americans and Native Hawaiians; 66.2 percent of African Americans; 49 percent of American Indians and Alaska Natives; and only 46.8 percent of Latinos.[19]

Lack of access to employer-based coverage is tied to low income and low wages. In 2000, almost 83 percent of people with income above 200 percent FPL had coverage through employment, compared to only 40 percent of low-income people.[20] The lower the wages of a worker, the less likely he or she is to have access to employment-based coverage.[21]

Consequences of lack of coverage and health status disparities

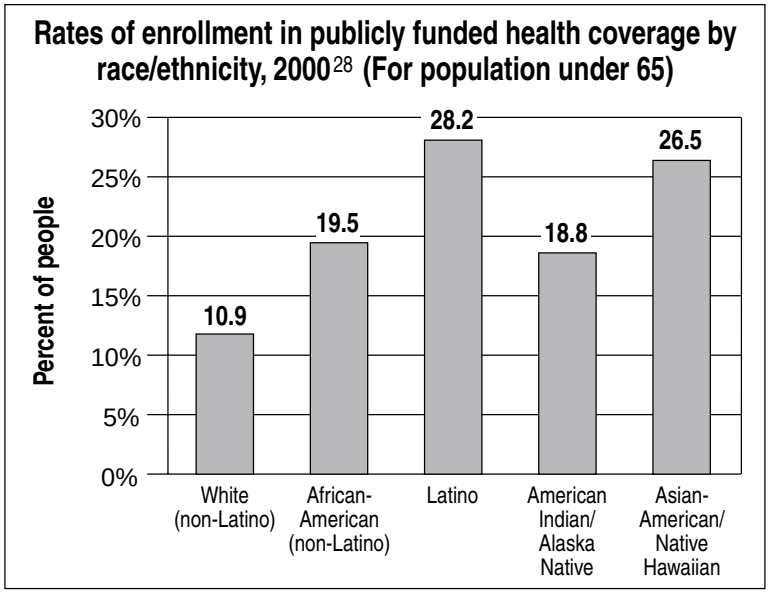
Lack of insurance results in poorer health. For better or for worse, health insurance is the door to health care in the United States. Without coverage, people have great difficulty accessing the health care they need — and lack of insurance has serious health consequences. According to the Institute of Medicine Committee on the Consequences of Uninsurance, the health of an uninsured adult is worse than it would be if that adult were insured, and making insurance available to them would result in better health. The Committee also concluded that "increased rates of health insurance coverage would especially improve the health of those in the poorest health and most disadvantaged in terms of access to care and thus would likely reduce health disparities among racial and ethnic groups."[22]

People of color have poorer health status than do whites. Across the country, people of color are more likely to suffer from treatable and preventable conditions. These include, among others, cardiovascular disease, diabetes, asthma, cancer, and HIV/AIDS.[23] In Washington, people of color are less likely to report having good health than are whites. The disparity in self-reported health status is particularly striking for Washington's seniors of color — in 1998 only 65 percent of seniors of color reported good health compared to 79 percent of whites.[24] Furthermore, the disparities in self-reported health status are especially pronounced for Latinos compared to the rest of the population. Good health status was reported by only 89 percent of Latino children (compared to 97 percent of non-Latino children), 79 percent of Latino adults (compared to 92 percent of non-Latino adults), and 60 percent of Latino seniors (compared to 79 percent of non-Latino seniors).[25]

Affordable, quality coverage that is publicly funded is the only avenue to health care for many people of color

Without the publicly funded coverage that is currently available, an even greater proportion of people of color would go without needed health coverage and care. Washington's rates of uninsurance among people of color are alarming — and they would be even more alarming if not for the publicly funded insurance that now covers many Washington residents who would otherwise be uninsured.

The existence of publicly funded coverage was responsible for significant improvements in Washington's uninsured rate between 1993 and 2000. In this period, the state's overall uninsured rate went from 13.1 percent to 9.2 percent due largely to a nearly 5 percent increase in enrollment in publicly funded programs.[26] Without this growth in publicly funded coverage, the problem of lack insurance would have worsened rather than improved in this period.



This is particularly true for Washingtonians of color. As of 2000, over 28 percent of Latinos received their coverage through publicly funded health care programs, as did 26.5 percent of Asian-Americans and Native Hawaiians, 19.5 percent of African Americans, and 18.8 percent of American Indians and Alaska Natives. Only 10.9 percent of whites used publicly funded coverage.[27] Clearly, without publicly funded coverage, the already alarming uninsured rates among people of color would be even more troubling. Additionally, these figures indicate that an increased commitment to publicly funded coverage — rather than a rollback — is needed to address the racial disparities that persist when it comes to access to health coverage.

People of color need Medicaid and other programs administered by the Department of Social and Health Services (DSHS). In Washington, Medicaid and other health care programs administered by DSHS (referred to collectively as "Medical Assistance") are a major source of coverage and care for low-income Washington residents — and particularly for people of color.

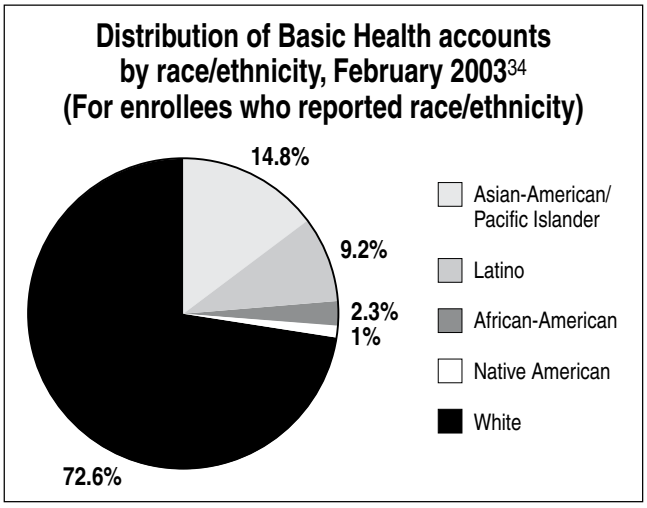
Distribution of Medical Assistance enrollees by race/ethnicity, December 2002[31]

	Seniors	Blind	Disabled	Children's Medicaid
African-American	3.2%	7.1%	7.3%	3.9%
Asian-American/ Pacific Islander	13.6%	4.4%	4.1%	5.5%
Latino	5.7%	5.7%	5.2%	18.7%
Native American/ Alaska Native	1.4%	2.2%	2.7%	1.7%
White	68.4%	71.7%	75.3%	57.4%
Other/Unknown	7.8%	9.0%	5.4%	12.7%

	CHIP	Pregnant women	Low-income families	Adults in selected programs[32]
African-American	2.8%	3.8%	10.2%	6.5%
Asian-American/ Pacific Islander	7.2%	5.6%	3.7%	6.3%
Latino	8.3%	26%	15.1%	9.2%
Native American/ Alaska Native	4.2%	2.0%	4.1%	2.8%
White	64.9%	48.7%	60%	68.5%
Other/Unknown	12.5%	14.0%	7.0%	6.7%

As of the 2000 Census, whites not of Latino origin accounted for 78.9 percent of Washington's overall population, compared to 3.2 percent for African Americans, 5.5 percent for Asian-Americans, 0.4 percent for Pacific Islanders and Native Hawaiians, 1.6 percent for American Indians/Alaska Natives, and 7.5 percent for Latinos. However, as of December 2002, 6.5 percent of adults ages 21 and over in Medicaid were African-

American, 6.3 percent were Asian-American/Pacific Islander, 2.8 percent were American Indian, and 9.2 percent were Latino.[29] Medical Assistance is particularly important for children of color. Approximately 30 percent of children ages 20 and under enrolled in Medicaid as of December 2002 were children of color. (About 58 percent were identified as white.)[30] Children of color represented over 22 percent of those covered through the Children's Health Insurance Program, whereas only about 65 percent were identified as white.



People of color need the Basic Health program. The Basic Health (BH) program provides subsidized managed care coverage to individuals with income at or below 200 percent of the poverty level. Although Basic Health does not offer the same affordability and breadth of coverage as Medicaid does, it is an important source of coverage for low-income Washington residents — particularly people of color. As of February 2003, among those Basic Health accounts that reported their race (62.5 percent), 14.8 percent were Asian/Pacific Islanders, 9.2 percent were Latino, 2.3 percent were African American, 1 percent were Native American, and 72.6 percent were white.[33] Asian-Americans and Latinos have a rate of high coverage through BH, while whites are underrepresented, relative to their respective percentages of the general population.

Maintaining the affordability and quality of publicly funded coverage is necessary for the health of people of color. The existence of publicly funded insurance, standing alone, is not sufficient to provide access to coverage or needed health care services. In order for health care to be truly available to low-income people, the coverage and services must be affordable for people living on very limited budgets. Even premiums set as low as one or two percent of a family's income reduce participation in the very programs intended to solve the problem of lack of insurance.[35] And cost-sharing such as copayments and coinsurance deter people from seeking care when they need it, resulting in the underutilization of cost-effective care and worse health outcomes for both children and adults.[36] Furthermore, when health plans exclude certain services, low-income people are likely to go without these services entirely, because they simply can not pay for them out-of-pocket. Because people of color are disproportionately low-income, they are more likely to suffer from reduced access to care when publicly funded coverage becomes more expensive and covers fewer services.

Eliminating health care coverage and services has a disproportionate impact on people of color

The Governor and the Legislature cut health care in 2002

During the 2002 legislative session, the Legislature and the Governor adopted a number of health care cuts that led directly to a deterioration in health access for low-income Washingtonians — especially people of color.

Non-citizens targeted for elimination of coverage. Many longtime Washington residents and taxpayers lack citizenship — and this means they are much more likely to also lack access to health coverage and care. In Washington, non-citizens are over twice as likely to be without insurance than are U.S. citizens, and over one in five non-citizens reported lacking coverage in 1998.

Despite alarming uninsurance rates among immigrants, when the Washington State Legislature faced a tight budget in 2002, it chose to eliminate DSHS programs that provided Medicaid look-alike coverage specifically to non-citizens. This budget was approved by the Governor, and in September 2002 the affected DSHS programs were eliminated entirely. As a result, approximately 25,000 Washington residents lost their DSHS health coverage,[37] the overwhelming majority being Latino and Asian-American children.

Under the 2002 Supplemental Budget, those slated to lose DSHS coverage were directed to apply for Basic Health, and a few adjustments to the BH application process were made. For example, it was provided that applicants losing DSHS coverage would not be required to join the BH waiting list before being offered coverage. Additionally, in some cases, applicants could purchase temporary coverage before completing the full BH application. Because of these and some other adjustments, the changes created in the 2002 Supplemental Budget were commonly referred to as the DSHS to BH "immigrant transition."

Yet these measures were grossly inadequate for protecting thousands of Washington residents from losing much-needed health coverage and services. As of February 2003, fewer than half (11,750) of those who lost DSHS coverage had insurance through BH.[38] As of January 2003, approximately half of those who had been enrolled in the eliminated programs had joined the ranks of the uninsured.[39]

A number of factors account for the alarming loss of health insurance. These include, among others: the lack of affordability of BH coverage and services for many families (particularly those that rely on seasonal agricultural work), the complexity of the BH application and income verification process, and lack of effective outreach.[40] Furthermore, even those who were able to retain coverage through BH have often found that they cannot afford the health care services that they need. For example, there have been reports of children with serious health conditions going without needed services (such as physical therapy) because these services are not covered through Basic Health.[41]

Abigay Alvarez* — Grandview, WA

I have been living and working as a farmworker in the United States for many years. Even though I am a lawful permanent resident, I have not been able to arrange immigration status for my wife, Juanita, or for my six-year-old grandson, José, who we are raising. Last year José had his medical coupon taken away and now he has no insurance. The school nurse has told us that we need to take José to the dentist, but we just don't have enough money.

My wife and I were enrolled in Basic Health and we wanted to get it for our grandson, too. But we didn't have enough money to add him, and now we are dropping it for ourselves, also. Recently I became unemployed for the first time in my life and at the same time our payments for Basic Health went up from $7 a month to over $60 a month. I found this out when I went to the clinic that is handling our account and they told me that I owed them over $200. Our premium went up after I submitted my 2001 tax return and it showed I earned about $16,000 that year. But we aren't earning that money now, and we can't afford to pay that much. And we aren't allowed to count José as a family member, because we don't yet have legal custody of him.

This process is very complicated, and we don't know from month to month how much we are going to have to pay. We don't even know for sure how much we'd have to pay with our current income because when we ask at the clinic, they tell us that they can't make any guarantees. It would be much easier if I knew for sure whether I would have to pay $7 or over $60.

We would really like to have health coverage for our family, but we can't accumulate bills that we may not be able to pay. José is a growing child and my wife has diabetes, so they need health insurance. But for about four months, we were living off the $150 I got each week in unemployment. I recently began working again, and am making about $220 a week. We spend as little money as we can, but we have to pay $60 a month for our room and $100 a week on groceries, in addition to paying for local telephone service, electricity, and insurance for our truck. Sometimes there are weeks when we just don't have enough money for food.

I have worked on many different farms in Washington, and I've never been offered health insurance for myself or my family. I wish we could provide that for my grandson, but we just can't. I think our political leaders should give medical coupons back to the children who lost them. They should also make BH more affordable and less complicated.

**Names have been changed upon request.*

Prescription drug rates. In the 2002 session, the Washington State Legislature reduced the prescription drug reimbursement rate to pharmacists to effect an expenditure reduction of $21.7 million. However, this rate reduction precipitated the withdrawal of numerous pharmacists from the Medicaid program, particularly in rural areas of the state. In response, DSHS distributed the contact information for transportation providers serving Chelan, Douglas, Ferry, Okanogan, Pacific, San Juan, Skagit, and Snohomish Counties, recognizing that many people covered by Medicaid would have to travel considerable distances in order to obtain needed prescription drugs.[42] Transportation difficulties and the need to travel long distances to obtain medications present significant obstacles to getting needed treatment, particularly for low-income people.

Brad Hagen, ARNP, FSP
Main Street Health Associates, Brewster

Okanogan County relies heavily on agriculture and on our farmworkers; our patient base is about half Hispanic and half Anglo. Times have been difficult in this industry for the past couple years. Winter is always a bad time for employment and many people have lost their medical coupons. Health care cuts hit these unemployed and partially employed people and their families hard.

We are seeing the effects of pharmacy access problems every day. Many of the pharmacies in the area have found they can no longer fill prescriptions for medical coupons and make a profit. Thus they have made the difficult decision to stop filling prescriptions for some coupons. The patients who are affected must then travel 30 to 40 miles to the nearest pharmacy that will fill them. If they have no transportation, they may have to wait a couple of days until these can be delivered. When critical medications are involved or in situations of acute illness, this is harmful to the patient and places an extra burden on their health care providers to try to find some stopgap method of helping them. We are trying to pull together as a community but it is difficult.

The Governor and the Legislature propose slashing health care for 2003-2005

Washington, like states across the country, is experiencing a revenue shortfall exacerbated by past tax cuts. The shortfall is projected to amount to over $2.6 billion for the 2003-2005 biennium.[43] This has translated into proposals to slash health coverage and services for Washington residents, rather than proposals to raise revenue and ensure that low-income people — and particularly people of color — not bear the brunt of revenue troubles.

Devastating health care cuts proposed in the Governor's 2003-2005 budget. On December 17, 2002, Governor Locke released his proposed budget, which consists of nearly $2.4 billion in cuts to health care and other services, but includes no proposals for raising revenue.[44] The cuts proposed in the Governor's budget include, among others:[45]

- *Eliminate Basic Health (BH) coverage for adults without dependent children.* The Governor's budget proposes to slash entirely BH coverage for approximately 60,000 adults without children.[46] According to the Health Care Authority, which administers BH, over 62 percent of childless adults enrolled as of December 2002 had income below the federal poverty level ($18,400 a year for a family of four)[47] — meaning that they almost certainly have no other potential source of health coverage and cannot afford to pay for health services out-of-pocket.
- *Cancel the voter-approved expansion of BH.* As a result of Initiative 773, during the 2003-2005 biennium, BH was scheduled to expand to 172,000 slots with funding through a tobacco tax increase.[48] However, under the Governor's proposal, the expansion would be canceled and the tobacco tax increase would be used to fund already existing health services.[49] The expansion of BH was intended to reduce the number of uninsured Washington residents — a disturbingly disproportionate share of whom are people of color.
- *Cut coverage of dental, vision, and hearing services for adults covered through Medical Assistance.* Under the Governor's budget, adults covered through Medical Assistance would lose all non-emergency dental, hearing, and vision services. Adults covered by Medicaid and

other DSHS Medical Assistance programs would lose access to routine care and would likely have to forego treatment until conditions reached the level of emergency.

- *Impose additional administrative hurdles to Medical Assistance programs.* The Governor's budget would slash enrollment in Medical Assistance programs by requiring additional eligibility reviews and increasing red tape. Children and low-income families will be most affected by this change, since children's and low-income families' Medical Assistance currently requires review only once a year.
- *Deter people with disabilities from getting health care by eliminating the General Assistance Unemployable (GAU) program.* GAU provides cash assistance to individuals with disabilities who are unable to work. GAU also includes health care coverage. Although the health coverage is not slated for elimination, the GAU program is frequently the gateway to both state- and federally funded coverage, and therefore the elimination of GAU would likely result in thousands of adults being deterred from health coverage. (As of December 2002, about 10 percent of GAU enrollees were African-American and 3.4 percent were Native American.)[50]
- *Cutting off assistance for hospitalization by eliminating the Medically Indigent (MI) program.* The MI program provides assistance with hospitalization costs.

Regina Owens — Seattle, WA

I'm 45-years-old, and am half Alaskan Native and half Filipina. I'm also an advocate on health care and homelessness issues. I have been enrolled in the Medicaid program since December 2001, when I was diagnosed with severe depression and sought counseling. At that point I was working part time and had no insurance, but I had to stop working because of my condition. Fortunately now I'm covered by Medicaid, so I can get the health care I need. That includes regular vision, dental and hearing care — but I'm afraid I'll lose these services if the proposal goes through to cut them.

I wear glasses because my eyesight is weak and blurry when I read, and I suffer from severe migraines. These problems worsened in 2000 when I was involved in a bad car accident. I also have hereditary gum disease that makes my teeth and gums bleed, so my teeth have been sensitive all my life. Then, a couple of years ago, I was diagnosed with hearing loss in both ears, so I see an audiologist and wear a hearing aid. Medicaid paid only for one hearing aid, since one is the limit — even though clearly we all have two ears!

I cannot afford health care on my income. I receive $339 a month from the General Assistance program, and I've applied for social security benefits — that's still pending. I also receive $80 a month in food stamps. Of my income, $91.70 goes toward my rent (transitional housing) and $130 covers food. Because I also struggle with high cholesterol my doctor put me on a special diet, so part of my cash benefit covers my food because what I should eat is more expensive. The rest I spend on other necessities like cleaning supplies, personal toiletries, transportation, phone service, and clothing.

If vision, dental, and hearing coverage is cut from Medicaid, I'd like them to show me where in my budget there's room to pay for those services. Since I am disabled and unable to work, I won't be able to afford glasses or hearing aids.

María Martínez — Yakima, WA

I am a 34-year-old mother of two daughters. My family is covered by Medicaid. I've had a number of problems with my teeth and, after a lot of trouble trying to find a dentist who would accept Medicaid, I was finally able to get dental treatment last year. If dental coverage is eliminated, I will have no chance at all of getting my dental problems taken care of.

My husband and I try hard to make ends meet. Our income isn't steady, but we earn about $800 a month, which goes to pay our rent. We also receive help in the form of food stamps, Medicaid, and a small amount of telephone assistance. My husband works fixing cars but hasn't been able to get steady jobs lately. I tried working in one of the packing plants, but couldn't do the work for long because I had polio when I was an infant and have one leg that's shorter than the other. Right now I'm studying English and preparing for my GED, so I spend a lot of time in class. Dental care is just too expensive to pay for from what we're able to earn.

About a year ago, my molar began to hurt. I went to the doctor, who sent me to the dentist, who sent me back to the doctor until they figured out what the problem was. Finally, the dentist told me I had to have my wisdom tooth removed, but he told me that he didn't accept Medicaid and he would take it out if I could bring in $100 in cash. This was a discount, but it took up all my savings. For the next visit, I borrowed money from my husband, and then the third I had to cancel because I just didn't have the money.

I couldn't find a dentist who would accept Medicaid in Yakima, so I wound up making an appointment in Seattle. Unfortunately, the dentist was very rude to the interpreter so I don't want to go back there again. I am still looking for a dentist in Yakima who accepts Medicaid because I need dental care. But if they take dental coverage away, I won't have any chance at all.

The Legislature proposes Basic Health cuts in 2003 supplemental budgets. On January 29, the Washington State Senate passed a 2003 supplemental operating budget for the remainder of state fiscal year 2003. This supplemental budget proposed freezing enrollment in Basic Health, stopping the BH expansion, and slashing participation by increasing red tape and administrative hassles for current enrollees.[51] On February 21, the Washington State House of Representatives approved a supplemental budget.[52] The house rejected the senate's proposals to freeze BH enrollment outright and to spur attrition through increased red tape. However, the House agreed to stopping the voter-approved BH expansion, as well as freezing enrollment by childless adults.[53] As of March 19, these proposals were being considered in conference committee, and it was not yet clear which of the changes would be included in the final 2003 supplemental budget.

The Governor and lawmakers propose gutting Basic Health. In addition to outright enrollment cuts, Governor Locke and several legislators have put forth proposals that would seriously compromise the quality and affordability of BH — which would likely produce a similar result to an outright cut in enrollment.

- *The Senate passes legislation that would slash BH: Engrossed Substitute Senate Bill 5807.* On March 14, the Senate passed legislation that gravely threatens BH's accessibility, affordability, and quality. The changes proposed include:
    - Closing BH eligibility to anyone who is not a U.S. citizen or lawful permanent resident. (Lawful permanent residence is just one of scores of lawful immigrant statuses.)
    - Creating an undefined asset cap for eligibility.
    - Relegating the following key BH decisions to legislative budget writers and the budget negotiation process: income eligibility level, benefit package design, setting of premiums, and cost to sponsors.
    - Permitting disenrollment of BH members if inadequate funds are appropriated.
    - Allowing disenrollment of individuals who cannot afford copayments or coinsurance.
    - Basing premium rates on undefined "wellness activities" in addition to income.

Paola Zambrano — Yakima, WA

I am 43-years-old and I have three children, ages 13, 14, and 20. I work for a packing plant, sorting and packing apples, pears, and oranges, and my husband works in a plastics recycling plant. My husband gets health insurance through his work, but my employer provides no benefits, so I've been enrolled in Basic Health for the past five years. I have a thyroid condition and it's very important to me to have affordable insurance that covers the services and medicine that I need.

Between the two of us, my husband and I earn about $520 a week. We pay $611 a month toward our mortgage, and over $500 for food. In addition, we pay for water, utilities, my transportation to work, car insurance, gasoline, telephone, our kids' lunch at school, and any other expenses that come up. My Basic Health monthly premium is $35. By the end of each month, we don't have anything to save, even though we try to be as frugal as possible. For example, we use the car only to get to work and buy groceries, because the gas is too expensive.

Each month I have medical expenses — what I need varies depending on my condition. My thyroid disorder has caused allergies, infections, pain in my hips and knees and on my skin, blurring of my vision, respiratory problems, and anxiety. Often I have to use a lot of different kinds of medicine. Basic Health helps me get treatment and services, but it doesn't pay all my medical costs. Recently I was hurt at work and, because of my thyroid condition, I got swelling and pus buildup in three fingers on my right hand. I had to take medicine for six weeks and even with the Basic Health coverage I had to pay $400, bit by bit. I also have a molar that's bothering me now, but since Basic Health doesn't cover dental care I have to leave that untreated.

Even with its limitations, I really need Basic Health in order to get my care. If Basic Health covered less or cost more, I don't know what we would do. And we're a family that's lucky enough to have year-round work. I really don't know how people who can find only seasonal work survive. The Legislature and the Governor should give back medical coupons to the children who had their coupons taken away. They should also keep Basic Health available and affordable, and ensure that it covers the services that people need in order to remain healthy.

- Increasing administrative burdens on enrollees.
- Creating a cost-sharing structure that steers enrollees toward cheaper care.

- *Governor Locke orders the slashing of BH through a "benefit redesign."* In February, Governor Locke directed the Health Care Authority to redesign BH and slash expenditures by up to 12 percent.[54] A number of changes being considered as of early March include deductibles ranging from $200 to $1,000, coinsurance of 20 percent, and copayments of $10, $15, or $20.[55] Currently, there are no deductibles or coinsurance for BH (except for some prescription drugs), and office visit copayments are $10 — which already deters many enrollees from accessing needed care. It is not known how coverage of services could be affected under the redesign.

The BH redesign has been touted as a method of creating 11,000 BH slots for people with children in the face of the proposed elimination of coverage for 60,000.[56] Yet the costs associated with BH already put coverage and services out of reach of many low-income people. (The cost of BH premiums is one of the primary reasons the "transition" of immigrant children from DSHS coverage to BH was so disastrous.)[57] Raising out-of-pocket costs will not only deter uninsured individuals from applying, and it also seriously threatens the ability of those already enrolled to maintain their coverage.

Conclusion: Washington state should eliminate unequal access to health care and reject cuts that target people of color

There is still a long way to go in reversing the grave inequalities that characterize access to health coverage and care in Washington state. But judging by current budget and legislative proposals, the health of people of color is not a priority of government in Washington state. The drastic health care cuts being put forward by the Governor and lawmakers — including outright elimination of coverage, hikes for premiums and other out-of-pockets costs, slashing of benefit packages, and the imposition of additional administrative burdens — move Washington state in the wrong direction when it comes to health care equity. Washington state should move toward eliminating health care inequalities and:

- S**top cuts to health care coverage programs, which are especially important to people of color.** The uninsured rates among people of color are alarming, even without the current assault on health care for low-income people. The elimination of BH slots and the cancellation of the BH expansion will only increase the racial disparities in access to health coverage. The

Allena Barnes — Seattle, WA

I am a 38-year-old single mother, an American Indian and, like many other American Indians, a diabetic. I was diagnosed when I was 21 years old after a dentist recommended I be checked for the disease. My well-being and survival depend on being able to get routine vision and dental care. For much of my life, I have used Medicaid to get this care. Until recently, I was working at two jobs, but I had to give these up because I got shingles and had to receive intensive treatment. Right now I am living off a retirement account, but once that is used up I will have to enroll in Medicaid again.

Diabetes is a debilitating disease that has many complications. I have damage to the nerves in my eyes, dental deterioration, neuropathy, gastropathy, beginning stage glaucoma in my right eye, nonproliferative retinopathy in my right eye, and proliferative retinopathy in my left eye. In the coming years, I will experience even more complications. My eyes must be checked by a specialist at least twice a year because, due to nerve damage, I am not likely to notice retinopathy symptoms until it is too late. At some point I will lose my eyesight, but getting routine eye care allows me to prolong the years I have with sight.

I also need to go to the dentist every three months, since dental infections can be life-threatening to a diabetic. I have had a hemorrhage in my upper right gum, surgical removal of almost all my molars due to abscesses, flaking off of the bone inside my gum, and disintegration of four of my teeth. The damage to my teeth makes it difficult for me to keep the diet that helps me control my diabetes. For many people, it often also results in social stigma and inability to find work.

If Medicaid vision and dental services for adults are cut, the quality of life and the life-span of people with diabetes will be threatened. And eliminating routine dental and vision care will also mean that many adults with diabetes — especially people of color — will lose out on the chance for early detection. These vital services should not be cut.

elimination of BH slots in the proposed 2003 supplemental budgets should be rejected and no further cuts should be proposed.

- **Stop the gutting of health care programs through elimination of services and hikes to out-of-pocket costs.** People of color are disproportionately covered through publicly funded programs because, among other factors, they are often shut out of living wage jobs — and thus they are more likely to work in low-wage jobs where employer-sponsored coverage is not offered or is unaffordable. Raising the cost of coverage will only result in an even greater racial disparity in uninsured rates. Additionally, cutting benefits and imposing cost barriers to services mean that a disproportionate number of people of color will be unable to access health care services that they need — and health disparities in Washington will likely increase.
- **Restore DSHS coverage for non-citizens.** By targeting non-citizens for health care cuts in 2002, the Legislature and Governor forced one of Washington's most marginalized groups to shoulder the burden of balancing the budget. Non-citizens — who frequently are longtime residents and taxpayers — already faced great economic, legal, cultural, and linguistic barriers to care before the Legislature decided to strip them of coverage. The Legislature and the Governor should reverse this grave injustice by restoring the DSHS health coverage programs that were eliminated in 2002.
- **Make a commitment to funding equal health care access for people of color.** Given current budget projections, the Governor and Legislature must make a commitment to finding additional revenue in order to move Washington state toward equality in health care access. Yet, so far, no concrete proposals for raising revenue have been put forward by the Governor, and there is no sign in the Legislature of strong efforts to increase revenue.

Endnotes

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27 *Targeting the Uninsured in Washington State*, Washington State Planning Grant on Access to Health Insurance, April 2002, p. 14. Figures are for the population under age 65.

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29 December 2002 enrollment figures provided by Medical Assistance Administration, Washington State Department of Social and Health Services. Percentage calculations include individuals ages 21 and above in the following Medical Assistance eligibility categories: aged (non-institutionalized), blind, disabled, presumptive disabled, pregnant, and TANF (adults in low-income families). General Assistance Unemployable, ADATSA, Aged-Institutionalized, and certain other Medical Assistance programs are not included in the calculation. TANF refers to Temporary Assistance for Needy Families. ADATSA refers to the Alcohol and Drug Abuse Treatment Act program.

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About the organizations releasing this report

Northwest Federation of Community Organizations (NWFCO) is a regional federation of four statewide, community–based social and economic justice organizations located in the states of Idaho, Montana, Oregon, and Washington: Idaho Community Action Network (ICAN), Montana People's Action (MPA), Oregon Action (OA), and Washington Citizen Action (WCA). Collectively, these organizations engage in community organizing and coalition building in 14 rural and major metropolitan areas, including the Northwest's largest cities (Seattle and Portland) and the largest cities in Montana and Oregon.

Washington Citizen Action (WCA) is a social and economic justice organization with over 50,000 individual members statewide. In addition to its dynamic grassroots membership, WCA also includes permanent coalition partners from other community organizations, labor, senior, religious, and people of color organizations. WCA has both a legislative and non-legislative issue agenda that focuses on increasing access to health care and living wage jobs.

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