



NEW REPORT

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& Address Longstanding Racial Disparities
In Health Care

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Introduction

Coronavirus has taken a devastating toll on Black communities across the United States. Years of structural racism have resulted in Black Americans experiencing deep health inequities that put them at risk long before the pandemic. Black people in the United States experience poverty at a higher rate than white Americans, and they remain less likely to have health insurance or access to quality care. Black Americans are also more likely to suffer coronavirus comorbidities like obesity, diabetes, or asthma. Meanwhile, members of these communities are heavily represented on the frontlines of the battle against the virus — as health care workers and other essential roles — putting them at higher risk of exposure.

As a result of these factors, from the very beginning of the pandemic, Black Americans have disproportionately been infected and hospitalized from coronavirus — and they [have died](#) of the virus at 1.4 times the rate of white people. In fact, Black people across the country are [dying](#) from COVID-19 at roughly the same rates as white people more than a decade older. A grim analysis of U.S. life expectancy underscored these disparities: while life expectancy [dropped](#) by a year on average from 2019 to 2020, for Black Americans, it dropped by nearly three years. Additionally, as life-saving vaccines have become increasingly available in all states, Black Americans are being vaccinated against coronavirus at significantly [lower](#) rates than white Americans.

Meanwhile, the economic consequences of COVID-19 have had a dire impact on Black workers, who have been disproportionately impacted by pandemic-driven job losses. In January, 9.2 percent of Black Americans [were](#) jobless, [compared to](#) 5.7 percent of white workers. At the same time, Black workers have been far [less likely](#) to receive unemployment benefits and Black business owners have [had](#) a harder time accessing federal aid from the Paycheck Protection Program than their white counterparts, even when they had better financial profiles. Protect Our Care previously released a [report](#) outlining the alarming economic consequences of the pandemic endured by Black Americans.

Immediately upon taking office, President Biden introduced the American Rescue Plan, a legislative package designed to combat the COVID-19 crisis that has [infected](#) more than 28 million and killed 507,000 Americans as of February 25. In addition to taking bold action to end the pandemic, facilitate an economic recovery and get working families back on their feet, the American Rescue Plan includes critical health care provisions to expand coverage and lower costs while addressing stark racial disparities in health care that have only been exacerbated by the pandemic.

At a time when millions have lost their jobs and health insurance, making health insurance more affordable and accessible is more important than ever. The American Rescue Plan aims to address health disparities by building on the strong foundation of the Affordable Care Act (ACA). There is overwhelming evidence that the ACA has made a historic contribution to improving health care for communities of color, particularly for Black Americans. In addition to increasing coverage and improving financial security, the law has helped narrow racial disparities in maternal health, cancer care, and more. Further expansion of the health care law will protect individuals who get sick and help communities slow the spread of the virus by helping detecting cases sooner and getting more people vaccinated.

Overview Of The Health Care Provisions In The American Rescue Plan

As part of the American Rescue Plan, Democrats included major provisions to lower health care costs and expand coverage, building on the strong foundation of the ACA. This legislation will lower premiums for people purchasing coverage through the ACA marketplaces and expand access to financial assistance for more middle-class families. Additionally, the American Rescue Plan includes robust financial incentives for the 14 states that have not yet implemented Medicaid expansion.

Lower Costs: Increasing & Expanding ACA Subsidies

Increasing financial assistance on the ACA marketplaces means more people will be able to get the affordable coverage they need during the pandemic. These measures will reduce health care costs and expand coverage for low- and middle-income families, many of whom may be out of work or facing income loss during the pandemic. Similar legislation previously passed by the House would lower costs for more than [10 million Americans](#) and provide affordable options for uninsured Americans at a time when access to health care is paramount. The Congressional Budget Office estimates that [1.3 million uninsured people](#) would gain coverage as a result of these provisions alone. Importantly, these policies will have profound impacts on racial disparities in health care access and outcomes.

- **Guarantee coverage that costs less than 8.5 percent of income.** This legislation lowers the cost of premiums for Americans purchasing coverage through the ACA marketplaces, ensuring enrollees have the option to purchase health care for less than 8.5 percent of their income for the next two years.
- **Make coverage more affordable** by temporarily expanding the eligibility for premium tax credits above 400 percent of the federal poverty level — [roughly](#) \$51,000 for a single person or \$105,000 for a family of four. Under current law, families earning just above 400 percent of the federal poverty level spend an average of [15 percent](#) of their incomes on health insurance. According to [estimates](#) from the Center on Budget and Policy Priorities:
 - The average 45-year-old earning \$60,000 would save \$86 in monthly premiums.

- A 60-year-old couple with a household income of \$75,000 would save \$1,389 in monthly premiums.
- A family of four with a household income of \$120,000 would save \$595 in monthly premiums.
- **Improve affordability for low- and middle-income Americans** by increasing the size of the tax credits for all income brackets for the next two years. This [means](#) a typical family of four with a household income of \$75,000 would save \$248 on monthly premiums, while a single adult earning \$30,000 would save \$110 per month.
- **Eliminate premiums** in the exchanges for people earning up to 150 percent of the federal poverty level (roughly \$19,000 for a single person and \$39,000 for a family of four) and for those receiving unemployment insurance in 2021.

Policies To Improve Affordability In The American Rescue Plan Are Key To Addressing Health Care Inequities:

Making Coverage More Affordable Helps Black Americans Who Face Disproportionate Economic Outcomes, Before And During The COVID-19 Crisis. Expanding the number of middle class families who can get financial support and increasing the amount of financial assistance available will mean millions of Americans will see their premiums reduced. This is especially important for Black families, who, even before the coronavirus crisis, saw higher unemployment rates and [lower median wealth](#) than white people, and now are suffering even more from the economic fallout of the pandemic.

The ACA Reduced The Uninsured Rate Among Black Americans By One Third. Black Americans have historically experienced high rates of uninsurance and barriers to coverage and care. Before the passage of the ACA, Black Americans represented [more than 16 percent](#) of the nearly 50 million Americans lacking health insurance while only accounting for [12.8 percent](#) of the general population. The ACA helped lower the uninsured rate for nonelderly African Americans [by more than one third](#) between 2013 and 2016 from 18.9 percent to 11.7 percent. As a result, Black Americans are more likely to receive regular health care services and are subsequently seeing better health outcomes.

The ACA Significantly Reduced Coverage Rates Between White And Black Americans. The ACA dramatically reduced the gaps in coverage rates between white and Black Americans. A study from the Commonwealth Fund found that, after the implementation of the ACA, the gap between Black and white adult uninsured rates dropped by [4.1 percentage points](#), from 9.9 in 2013 to 5.8 in 2018. This suggests that expansion of the ACA would further reduce racial disparities in coverage.

Donald Trump's Sabotage Of The Affordable Care Act & Medicaid Reversed Coverage Gains And Halted Improvements In Coverage Disparities. Donald Trump's [years-long war](#) on health care eroded some of these coverage gains and worsened health care access for

communities of color. Even before widespread [coverage losses](#) incurred during the pandemic, millions lost coverage during the Trump Presidency. According to the [Commonwealth Fund](#), this trend “largely halted the improvement in coverage disparities.”

Black Americans Remain More Likely To Struggle To Afford Care. Despite significant progress after the implementation of the ACA, Black adults are [more likely](#) than white adults to have low incomes and face financial barriers to receiving care. Research from the Centers for Disease Control and Prevention found that while there has been a drop in the number of people struggling with medical bills since 2011, this decline has slowed under Trump, and Black respondents remain [significantly more likely](#) than white respondents to report concerns about paying these bills.

Expanded Coverage: Incentivizing Medicaid Expansion

The ACA opened the door for states to expand Medicaid, enabling childless adults with incomes up to 138 percent of the federal poverty line to sign up for coverage. In the time since, [36 states](#) and the District of Columbia have fully expanded their Medicaid programs, covering roughly 15 million people. Additionally, voters in Oklahoma and Missouri approved expansion last year, but these states have not yet implemented the program. In addition to providing affordable coverage options for millions of uninsured Americans through the ACA, the American Rescue Plan provides robust financial incentives for the [14 states](#) that have not yet implemented Medicaid expansion.

Research confirms that Medicaid expansion increases access to care, improves financial security, and leads to better health outcomes. A growing body of evidence shows that expanding Medicaid has [saved lives](#). Medicaid expansion has played a vital role in reducing racial disparities in health care access and has served as a critical safety net as millions have lost jobs and their employer-based health insurance during the pandemic.

An estimated [four million uninsured adults](#) — including 640,000 frontline workers — could gain coverage if the remaining holdout states adopted expansion. People of color make up nearly [60 percent](#) of this group of uninsured adults who stand to gain coverage.

Incentivizing Medicaid Expansion Under The American Rescue Would Dramatically Improve Health Care Access For Black Americans:

Medicaid Expansion Has Played A Key Role In Closing Coverage Gaps Between White And Black Americans. After the implementation of the ACA, the expansion of Medicaid in particular played a key role in increasing coverage rates for Black Americans: the gaps in Black and white insurance coverage [narrowed the most](#) in states that adopted Medicaid expansion, dropping from 8.4 percentage points to 3.7 points. Today, a Black person living in an expansion state is [more likely to be insured](#) than a white person residing in a state that rejected Medicaid expansion.

Republican Efforts To Block Medicaid Expansion Disproportionately Harm Communities Of Color.

At the same time, Republican efforts to block Medicaid expansion disproportionately harm communities of color. Black Americans remain [more likely](#) to live in the south, where many states have rejected Medicaid expansion altogether, further undermining coverage gains.

Background: Medicaid Expansion A Proven Tool For Reducing Racial Disparities In Health Care

Increasing Coverage & Access to Care

Medicaid Expansion has been [key](#) to improving racial equity in health insurance coverage and access to care. Expansion has also been tied to improvements in disease-specific diagnosis and treatment.

- **In Addition To Reducing Coverage Disparities, Medicaid Expansion Has Increased Access To Care For Black Americans.** While the ACA helped [reduce](#) financial barriers to accessing care across the board, Black Americans in expansion states saw even larger reductions in cost-related access problems.
- **Research Shows That Increased Access To Care Has Improved Overall Health For Black Medicaid Enrollees.** A growing body of research suggests that the increased access to care ushered in by Medicaid expansion has been directly associated with improving the overall health for Black enrollees. For example, a [survey](#) of more than 3,000 Michigan Medicaid expansion enrollees between 2016 and 2017 found that the percentage of those reporting poor health days decreased over time, with the biggest decreases among Black and low-income patients. Another [survey](#) from Michigan found that Medicaid expansion doubled access to primary care and increased attention to health risks in low-income Michiganders.
- **Young Black Adults Saw Dramatic Coverage Gains Thanks To Medicaid Expansion.** A recent [study](#) by the Urban Institute found that Medicaid Expansion was associated with improving access to care and cutting uninsurance in half among young adults, with particularly dramatic coverage gains for young Black adults.
- **Medicaid Expansion Has Been Linked To A Dramatic Reduction In Racial Disparities In Cancer Care.** Research released at the annual meeting of the American Society of Clinical Oncology identified that before the ACA, African Americans with advanced cancer were [4.8 percentage](#) points less likely than their white counterparts to start treatment for their disease within 30 days of diagnosis. In states that expanded Medicaid, that gap was nearly closed, reducing to 0.8 points.
- **Medicaid Expansion Improved Access To Care For Patients Of Color With Kidney Disease.** Researchers from Drexel University found that Medicaid expansion was [associated with larger increases](#) in Medicaid coverage among new listings of racial and ethnic minority kidney disease patients compared to listings of white patients. This

[difference](#) “suggests that Medicaid expansion may have helped to curb racial and socioeconomic disparities in pre-dialysis chronic kidney disease care.”

Reducing Disparities in Infants & Maternal Mortality

Medicaid expansion has been directly tied to positive gains for Black mothers and babies. Black women are [three to four times](#) more likely to die of complications related to pregnancy and childbirth compared with white women. Moreover, Black babies are [twice as likely](#) as white babies to be born at low birth weight and are 1.5 times as likely to be born prematurely.

- **The Georgetown University Center For Children And Families: “Medicaid Expansion Is An Important Means Of Addressing Persistent Racial Disparities In Maternal Health And Maternal Mortality.”** Research from the Georgetown University Center for Children and Families found that not only did Medicaid expansion help improve the health of women of childbearing age by “increasing access to preventive care, reducing adverse health outcomes before, during and after pregnancies, and reducing maternal mortality rates,” but it also [concluded](#) that these findings suggest that “Medicaid expansion is an important means of addressing persistent racial disparities in maternal health and maternal mortality. “
- **Medicaid Expansion Has Been Associated With “Significant Improvements” In Disparities For Black Infants Compared With White Infants.** One study found that preterm birth was associated with [36 percent](#) of infant deaths, and both low birth rate and premature birth are linked to serious health risks. An April 2019 JAMA [study](#) found when considering low birth weight and preterm birth outcomes overall, Medicaid expansion was associated with “significant improvements in relative disparities for Black infants compared with white infants in states that expanded Medicaid vs those that did not.”
- **Declines In Infant Mortality Are 50 Percent Greater In States That Expanded Medicaid Compared To Those That Did Not.** Another [study](#) published in the American Journal of Public Health in 2018 found that the decline in infant mortality was more than 50 percent greater in states that expanded Medicaid compared to those that rejected expansion. Notably, these declines were greatest in Black infants, working to drive “the overall infant mortality rate difference by Medicaid expansion and substantially reducing the infant mortality rate racial disparity.”

Improving Financial Security

Policies to boost financial health undoubtedly help Black Americans, who face disproportionately high rates of poverty after generations of racism and segregation. Black

families [are twice](#) as likely as their white counterparts to have zero or negative wealth, while in 2019 the median white household [had](#) 7.8 times as much wealth as the median Black household. [Meanwhile](#), more than a quarter of children who live below the poverty-line are Black, despite that Black kids only make up 14 percent of children nationwide.

- **Multiple Studies Have Confirmed That Medicaid Expansion Boosts Financial Security For Families.** A January 2021 [study](#) from Health Affairs found that the ACA helped reduce income inequality across the board, but much more dramatically in Medicaid expansion states. The bottom 10th percentile of earners in Medicaid expansion states saw a [22.4 percent](#) boost in their income, compared to 11.4 percent in non-expansion states. A study in Health Affairs [found](#) that Medicaid Expansion also caused a “significant” reduction in poverty. According to the [Georgetown Center for Children and Families](#), “covering parents also means covering children, protecting families from economic strains associated with medical debt, and laying the groundwork for optimal child development.”
- **Medicaid Expansion Has Been Tied To Reducing Medical Debt.** The chance of accruing medical debt is [20 percent](#) lower in states that have expanded Medicaid. A 2018 National Bureau of Economic Research analysis found that Medicaid expansion led to a [nearly \\$6 billion decline in unpaid medical bills](#) and to higher credit scores.

Conclusion

Key to the country’s recovery from the pandemic, the health provisions in the American Rescue Plan will ensure families can access the care they need without fear of devastating health care bills. In addition to its expansion of the ACA, the American Rescue Plan includes funding to provide health services for underserved populations, including expanding Community Health Centers and investing in health services on tribal lands. The legislation also works to reduce racial inequities in maternal mortality by enabling states to expand Medicaid coverage to new mothers 12 months postpartum. The policies included in the American Rescue Plan to lower costs, expand coverage, and respond to the pandemic are important first steps to improve the health and livelihoods of Black communities that have been left behind for far too long.