Supreme Court Healthcare Decision Complicates Access to Medicaid for Low-Income Noncustodial Parents

Governor Opposition Strongest in States with High Rates of Uninsured Black People

On June 28, the U.S. Supreme Court upheld the constitutionality of the Patient Protection and Affordable Care Act (ACA)—the landmark 2010 healthcare reform law—including the expansion of Medicaid coverage to any person with an income below 138% of the federal poverty level, or about $15,415 per year for an individual. However, the Supreme Court also ruled that the federal government must allow each state to opt out of this new Medicaid expansion without being deprived of the entirety of its federal Medicaid funding.

For many low-income noncustodial parents, the ACA’s Medicaid expansion represents the largest increase in access to health insurance since the creation of Medicaid in 1965. The ACA’s Medicaid expansion is especially important for noncustodial parents of color, particularly black and Latino fathers, who are less likely to have access to health insurance due to low wages and high unemployment. Until the passage of the ACA, Medicaid did not cover so-called “childless adults”—including most noncustodial parents who do not live with their children. For low-income noncustodial parents, who would be newly eligible for Medicaid in 2014, the Supreme Court decision threatens whether such parents will benefit from healthcare reform’s promise of increased access to medical care for all.

Within days of the Supreme Court ruling, governors of five states—Florida, Louisiana, Mississippi, South Carolina, and Texas—announced their opposition to the Medicaid expansion, and governors of five other states—Iowa, Missouri, Nebraska, Nevada, and New Jersey—indicated that they would probably not implement it. In nine of these ten states, African American people lack health insurance at rates that are higher than the U.S. average.

Percent of Black Population Without Health Insurance in Selected States Supporting and Opposing Medicaid Expansion

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<th>Supporting</th>
<th>Opposing</th>
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<tbody>
<tr>
<td>MD</td>
<td>CA</td>
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<tr>
<td>15.8%</td>
<td>16.9%</td>
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Other states supporting Medicaid expansion include Washington (18.9%), Connecticut (16.4%), Minnesota (15.6%), Delaware (12.9%), D.C. (10.6%), Hawaii (n/a), Massachusetts (n/a), and Vermont (n/a).

Based on CFFPP’s analysis of several factors, the lack of health insurance among a state’s black population is strongly correlated with officially stated opposition to ACA’s Medicaid expansion. In all five states where governors have said they will block the expansion of Medicaid, the percentage of black people without insurance is higher than the U.S. average of 19.8%: Florida (25.9%), Louisiana (24.5%), Texas (23.8%), Mississippi (22.6%) and South Carolina (20.8%). Additionally, four of the five states that are considering not implementing the expansion are also states with higher than average rates of black people being uninsured, including: New Jersey (21.6%), Nebraska (20.3%), Nevada (20.2%), and Missouri (19.9%); Iowa is the fifth state, but no data was available.¹

CFFPP’s analysis examined rates of health insurance coverage by race, ethnicity and income, and compared this with a summary of state governors’ public statements about the Medicaid expansion. The distinction between states supporting or opposing Medicaid expansion is clearest when examining the lack of insurance among the states’ black populations: there is no overlap in rates of black health insurance between the ten states that are opposed or considering opposing the Medicaid expansion, and the states that are clearly supporting it. Additionally, there is a weaker correlation between the overall lack of health insurance among a state’s population and whether the state has officially announced support of or opposition to the Medicaid expansion. There is no such sharp division between states when considering the rate of health coverage among Hispanic people, or the number of people with incomes below 138% or 100% of the federal poverty level that would become newly eligible for Medicaid.²

Official opposition to expanding Medicaid appears to be closely related to the degree that the black population might gain new access to health insurance and medical care, regardless of their income level. CFFPP’s finding is consistent with prior research that has linked white racial resentment to opposition to the healthcare reform law. A 2010 study by the Greenlining Institute found that white people scoring “high in racial resentment may have internalized the health care law to reflect their feelings that certain groups, such as blacks, are getting something that they do not deserve or have not earned – in this case, health care.”³ The five states that have opposed the Medicaid expansion account for about 30% of all black people in the U.S. who lack health insurance – or about 2.2 million people. Adding the five states that are considering opposing the new Medicaid rule brings the total to about 36% of all black people without insurance – or about 2.9 million people.

For more information about each state governor’s position on the ACA’s expansion of Medicaid, please see the American Health Line blog at:

http://ahlalerts.com/2012/07/03/medicaid-where-each-state-stands-on-the-medicaid-expansion/

Endnotes:
States Failing to Combat Wage Theft; Report Recommends New Policies to Increase Enforcement
by Jayde Bennett, Research Intern

A recent report from the Progressive States Network, “Where Theft is Legal: Mapping Wage Theft Laws in the 50 States,” documents that wage theft by employers has become a crisis for low-income workers, and uses a grading system to illustrate the lack of wage theft protections across the country. Over the last decade, wage theft—employer’s “systematic non-payment of wages”—has become a major issue that affects millions of low-income workers in the United States. “Where Theft is Legal” cites a 2008 National Employment Law Project (NELP) survey in three large cities that revealed disturbing results:

- 64% of low-wage workers experience wage theft each week
- 26% are paid under the legal minimum wage
- 76% of workers owed overtime go unpaid or underpaid
- On average, low-wage workers lose $51 per week to wage theft, or $2,634 per year

This amounts to 15% of low-wage workers’ annual income, “at average earnings of $17,616 per year.”

“Where Theft is Legal” reports that while some states have improved their wage theft statutes, “states are failing to effectively combat wage theft across the board.” As illustrated by the grades below, even high-ranking states—California, Connecticut, Illinois, Massachusetts, New York, and North Carolina—have one or more areas of policy weakness. These rankings also highlight the southern states as particularly weak in all categories, which is a direct consequence of diminished capacity for enforcement. “At the bottom, Alabama and Mississippi are still outliers, with essentially no protections for workers who are victims of wage theft.” As PSN’s report notes, southern states make up the majority of the below-failing grades because many of them lack basic minimum wage laws, have low union membership rates, and have done little to raise wage standards.
According to “Where Theft is Legal,” across the nation, some states impose no fines for wage theft, while others have penalties smaller than a speeding ticket, allowing employers to profit from underpaying workers without substantial consequence. Conversely, for low-income workers, the diminished capacity for enforcement has resulted in significant consequences such as lower union membership, increases in low-wage and informal employment, and increases in wage-and-hour violations. Recent “advocacy and research has shined light on a disturbing reality: seventy years after enactment of the nation’s first wage law, the Fair Labor Standards Act of 1938, enforcement capacity has diminished to the point where there are essentially no cops on the beat.”

The report from the Progressive States Network recommends several ways for states to increase enforcement capacity against wage theft in a cost-effective way:

- **“Earmarking Penalties to Fund Enforcement”** – Collecting civil penalties in wage claims cases and feeding the fines violators pay back into the system can be a source of funding for investigation and prosecution of other violations.

- **“Expanding the Scope of Retaliation Protection”** – Implementing statutes that presume that workers are at risk of employer retaliation can encourage workers to come forward with their complaints. Such laws shift the burden of proof from the worker to the employer, ensuring that the employer's workforce decisions are legitimate.

- **“Wage Liens”** – Liens help ensure that employers are in compliance with judgments in wage claim cases, as they would give workers a claim against the employer’s property, such as real estate or bank accounts, until a wage payment claim is settled. This can be an effective financial incentive for employers to follow the law and pay lost wages.

- **“Revocation of Business Licenses or Registration”** – Linking a business license or registration to a clean wage-violation record can be a strong motivator for employers to follow the law. Such a law would require payment of all outstanding wages before a license is issued or renewed.

- **“Shareholder Accountability”** – Laws that ensure shareholder accountability, for example holding officers and owners of a corporation liable, can be an effective enforcement tool and can also ensure that workers are able to recover lost wages.

Laws that increase enforcement capacity and protect workers “help prevent scenarios in which workers cannot collect their rightful wages.” Without such laws, “collecting on a wage judgment becomes nearly impossible” and many low-wage workers will continue to suffer.

For more about wage theft and to read “Where Theft is Legal,” please see the Progressive States Network:

http://www.progressivestates.org/wagetheft

Mission Statement

The mission of the CENTER FOR FAMILY POLICY AND PRACTICE (CFFPP) is to strengthen society through the expansion of opportunities for low-income parents – mothers and fathers – to protect and support their children. CFFPP operates as a policy think tank to remove the unique barriers and negative public perceptions that affect low-income men of color. Through technical assistance, policy research and analysis, and public education and outreach, CFFPP works to support low-income families and develop public awareness of their needs.

Contact Us: If you would like to share comments, questions, ideas for future briefing topics, or to sign up for our email list, please contact Nino Rodriguez, Program and Policy Specialist, at nrodriguez@cffpp.org, or visit the CFFPP website at: http://www.cffpp.org/emailupdates.php

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