

# Health Impact Review Executive Summary

## Proposed Cuts to Health Care and Human Services Programs

March 31, 2009

### I. Executive Summary

The State Board of Health, in collaboration with the Governor's Interagency Council on Health Disparities, was asked to assess the potential impacts that proposed cuts to health and human services may have on health disparities. This report summarizes the evidence and finds that indeed, the proposed cuts would adversely affect the health of Washingtonians. Further, these cuts would not impact us all equally, but rather would disproportionately impact those who are already disadvantaged, including low-income families and children, communities of color, and women. Therefore, as the health of individuals directly affected by these cuts decreases, Washington would likely see an increase in health disparities by income, race/ethnicity, and gender. While the cuts would not impact all Washingtonians equally, they would likely affect us all as other areas of the state budget and local communities stretch to absorb the medical and societal impact.

**Elimination of the GA-U Program:** The Governor's proposed budget would eliminate the General Assistance-Unemployable (GA-U) program, including both medical coverage and financial assistance grants to individuals. **The program's elimination would result in increased health disparities by income and race/ethnicity.**

- ✓ More than 16,000 people with serious and complex behavioral and physical health problems would be left without health coverage and without the ability to pay for basic needs, such as housing and food.
- ✓ People without health coverage have less access to care, are less likely to receive regular care, receive poorer quality care, and have poorer health outcomes.
- ✓ Homelessness, poor neighborhood quality, inadequate nutrition, and food insecurity contribute to preventable illness and premature death.
- ✓ GA-U program recipients are some of our state's most disadvantaged. They are extremely low-income and are more likely to be people of color, particularly African Americans and Native Americans.

**Reduction of Funding for Basic Health Plan:** The Governor's proposed budget would reduce funding for Basic Health Plan by 42%, likely resulting in decreased enrollment through attrition and increased consumer contributions, such as increased premiums, deductibles, and copayments. This decreased enrollment would in turn result in increased uninsurance among Washingtonians. **Reductions in Basic Health Plan Funding would likely result in increased health disparities by income, race/ethnicity, and gender.**

- ✓ There are approximately 76,000 people currently enrolled in the Basic Health Plan. Decreasing enrollment through attrition would result in thousands of Basic Health Plan-eligible individuals waiting to enroll and most likely, remaining uninsured during the interim. People without insurance have poorer health outcomes.
- ✓ Increases in premiums, deductibles, and copayments results in decreased use of preventive services, decreased use of essential medications, and decreased enrollment, all of which have negative consequences on health.
- ✓ Basic Health Plan enrollees are by definition low-income. While enrollment data by race/ethnicity is not available, there is some evidence that Basic Health Plan enrollees are more likely to be people of color, particularly Hispanic/Latino and African American.

**Suspension of Funding for the Apple Health for Kids program:** The Governor's proposed budget would suspend funding to provide subsidized health care coverage to children in families with incomes between 250 and 300% of the Federal Poverty Level (FPL). While the Governor has since directed the Department of Health and Human Services to proceed with expanding the program's coverage to 300% FPL, this review assessed the impacts of the proposed suspension. Suspension of program funding for children in families up to 300% FPL will result in a potential reduction in health disparities not being realized.

- ✓ An estimated 78,000 Washington children are uninsured. The suspension of coverage to 300% FPL could result in an estimated 8,600 children remaining uninsured by 2011.
- ✓ Uninsured children are particularly vulnerable, as the negative impacts on health can result in increased school absenteeism and reduced academic performance.
- ✓ There is some evidence that children of color would most likely be disproportionately represented in the Apple Health for Kids program at the 250-300% FPL.

**Elimination of the Universal Vaccine Program:** The Governor's budget proposes to eliminate the Universal Vaccine program with a phased-in implementation schedule. State funding would be discontinued for HPV vaccine starting July 1, 2009 and for all other vaccines by July 1, 2010. **The elimination of the Universal Vaccine program could potentially result in health disparities for low-income children and children of color.**

- ✓ Underinsured children would have to obtain vaccines through federally-qualified health centers, even if they do not use those centers for their medical home. This fragmentation of care may lead to lower immunization rates and other decreased health outcomes.
- ✓ VFC-eligible children may need to obtain vaccines through community health centers if their medical home provider opts out of the system due to increased administrative burdens and cost, again resulting in discontinuity in care and adverse health outcomes.