Health Coverage and Gaps in America - The Difference a Decade Makes

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During the years 2003 and 2004 I traveled to Texas, Mississippi, Illinois, Idaho and Massachusetts to meet individuals and families scraping by without health insurance. In their stories I identified a spiral in which jobs that did not provide health insurance led to untreated health problems which in turn led to declining employability, debt, evictions and loss of homes, more serious illnesses and even death. In 2005, the University of California Press published my results in *Uninsured in America: Life and Death in the Land of Opportunity*.

Recently, I returned to the communities and people I visited back then. Over the last decade America has experienced a steep economic recession and cut-backs in social services, and starting in 2014 health insurance coverage was expanded via the Affordable Care Act. To learn how these developments played out, I located 109 out of the145 people I interviewed in 2003. Nine have since died, yet I managed to find and speak with 82 again. Of those, ten were uninsured, half of them living in Texas. Among the 72 others I re-interviewed, 28 now have health coverage through their employer or their spouse's employer. Eleven have purchased coverage on the new Affordable Care Act marketplaces. Twelve have gotten old enough to get Medicare and 17 are receiving federal disability benefits. Thirteen have gained Medicaid coverage (either directly, because they are disabled, or as a supplement to Medicare).

Learning more about people's stories helped me understand the shifting realities of health insurance. Although the 2010 reform law includes many excellent provisions and expands coverage, Americans still face barriers, fall into gaps, or have to navigate difficult issues when they change residences, jobs, or marital status.

Coverage Gaps

After the Supreme Court ruled in 2012 that states did not have to expand Medicaid coverage to the near-poor using Affordable Care Act, discrepancies among states grew. In Texas, Idaho, and Mississippi – and the rest of the two dozen states that have not expanded coverage – only the very poorest people get Medicaid benefits. In those states like all others, many lower-middle-income people can get subsidies to buy private health insurance on state marketplaces called "exchanges." But people with incomes just above the poverty line are left out altogether.

The Martinez family (a pseudonym) living in Texas is typical of those navigating gaps. Maria works full-time in a food service job that provides health insurance for her but requires a bi-weekly payment of $250 to cover her children. But her bi-weekly income is $500, so she had to turn down the coverage. Her husband, Enrique, is a truck driver whose employer does not offer insurance and Enrique earns too little to qualify for a federally subsidized premium on the exchange. He falls in the coverage gap. For a short time their youngest child was

eligible for children's health insurance through Medicaid, but then Enrique's income went up a bit and the child no longer qualified. This hard-working family is not fully covered and has to go through a bureaucratic process each year to prove that they cannot afford insurance and avoid federal fines.

Deductibles and Difficult Choices

Affordable Care Act subsidies help lower-middle-income people pay for private insurance plans on their state's exchange. People are supposed to "choose" plans "right for you." But even with subsidies, many can only afford "bronze" plans with low monthly premiums but large deductibles and co-payments to be paid for each visit to the doctor. Such plans often end up costing more than higher premium "silver" or "gold" plans. In Texas and Idaho in particular I heard a great deal of dissatisfaction with plans that make the insurance unusable or lead to substantial medical debt.

Furthermore, even highly educated people whom I interviewed were confused by the intricacies of choosing plans. Hal, for instance, is an Illinois man who had received insurance through his employer for nearly all of his adult life. But right about when I first met him in 2003 he was laid off and then rehired by the same company, this time as an "independent contractor" without benefits. His wife Jill is also employed as an independent contractor through a staffing agency. That agency offers insurance, but it is far too expensive for Hal and Jill. By now, Hal is old enough to get Medicare, but Jill is still too young. Stretching their budget, they signed up on their state exchange for a plan to cover Jill and their two young adult children. They pay $500 per month, but face a $6000 deductible per person. Just before our re-interview in 2015, Jill had been in the hospital for a week, leaving them with a bill they cannot possibly pay.

Some Happy Endings

In 2006 Massachusetts passed a health care reform bill that later served as a model for the national Affordable Care Act – and became literally a life-saver for Jodi, an educated woman in her mid-forties. Shortly after our initial interview in 2003, she and her husband split up. He initially kept the kids on his employer plan, but she was dumped from his insurance and the children later lost coverage when he passed away. Jodi then found a job that provided some coverage, but then the company "downsized" and she was laid off. Finally, in 2006, Jodi and her children were able to enroll in the new expanded Massachusetts Medicaid program. Although not perfect (leaving her to pay for an out-of-state emergency room visit when one of the kids sprained an ankle while visiting his grandparents), the new state coverage allowed Jodi to finish college while working part-time, and then land a professional job with good family coverage. Jodi praises the Massachusetts and federal reforms that make her happy ending possible.

The Next Improvements

My further research makes it clear that all states must expand Medicaid to close gaps that plague millions of people working for low wages. For others who use the exchanges, calculation tools should be pre-programmed with the actual costs people are likely to face from deductibles and co-pays and for their specific medications. Easy-to-use tools of that sort would allow individuals and families to make educated guesses about which private plans would be most economical given their own family's typical patterns of health care usage. Fewer people would be confused or tricked by low-premium plans that actually lead to higher, unaffordable costs down the line.

Read more in Susan Sered and Rushika Fernandopulle, *Uninsured in America: Life and Death in the Land of Opportunity*, *2nd Edition* (University of California Press, 2006).