

# Racial Equity and Social Justice (RESJ) Impact Statement

## EXPEDITED HEALTH—ADVISORY BOARD FOR MONTGOMERY BILL 43-21: CARES PROGRAM—AMENDMENTS

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 43-21 could positively impact racial equity and social justice as its extension of health care benefits for eligible low- and moderate-income participants would disproportionately benefit Latinx and foreign-born residents, and potentially Black residents in the County. OLO also anticipates a moderate impact of Bill 43-21 given the number of residents served by Montgomery Cares and their annual operating budget.

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### PURPOSE OF RESJ STATEMENTS

The purpose of RESJ impact statements is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.<sup>1</sup> Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.<sup>2</sup>

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### PURPOSE OF EXPEDITED BILL 43-21

Health insurance plays a significant role in allowing people to access healthcare, yet many residents remain uninsured or underinsured.<sup>3</sup> In spite of the significant increases in health care coverage driven by the America Cares Act (ACA), it is estimated that over 32 million people in the U.S. lack health insurance, including 74,000 adults in Montgomery County.<sup>4</sup>

The Montgomery Cares Program is designed to address gaps in health insurance by providing basic medical services – medical check-ups, medications, and access to specialists and other health programs - to adults who are experiencing financial insecurities and lack health insurance.<sup>5</sup> Eligibility for Montgomery Cares includes foreign-born residents regardless of their immigration status and those with preexisting health conditions. During Fiscal Year 2021, the program served 19,777 patients at a cost of \$12.4 million.<sup>6</sup>

The purpose of Expedited Bill 43-21 is to expand eligibility for Montgomery Cares to include applicants earning up to 80 percent of the area median income and underinsured applicants.<sup>7</sup> Bill 43-21 will also remove the sunset provision from the Advisory Board for the Montgomery Cares Program and modify the composition of the Board by increasing its membership from 17 to 19 and adding a vice-chair position.<sup>8</sup> Bill 43-21 was introduced on November 9, 2021.

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### HEALTHCARE INSURANCE, INCOME, AND RACIAL EQUITY

Understanding the impact of Expedited Bill 43-21 on racial equity and social justice requires understanding the historical context that shapes health insurance coverage today. To describe this historical context, this section describes the

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historical drivers of racial inequities in health insurance coverage and median incomes and available data on current disparities.

**Inequities in Healthcare Insurance:** There is a long history of systemic racism in the U.S. that continues to permeate health disparities for BIPOC people, especially Black people.<sup>9</sup> Dating back to slavery, Black people who were enslaved experienced poor nutrition and inhumane living conditions that disproportionately exposed them to being susceptible to disease and death.<sup>10</sup> Post slavery, Blacks were only able to visit certain public hospitals for health care services; these facilities were often reserved for low-income Whites.<sup>11</sup> By the 1920s, there was a limited number of segregated clinics for Blacks that were usually operated by Black physicians for health care.<sup>12</sup> It was not until the 1964 Civil Rights Act, which forced hospital desegregation and the passage of Medicare and Medicaid, that Black and other people of color were able to receive access to a wider range of health care service facilities.<sup>13</sup>

Currently, people without health insurance experience substantial barriers to receiving medical services since most healthcare providers require insurance coverage or charge high fees.<sup>14</sup> Also, intermittent or unstable health insurance coverage has negative consequences that can include limiting an individual's ability to establish a sustainable relationship with a physician.<sup>15</sup> Research has identified earning a low income and the tendency to work in professions that do not provide health benefits as the primary causes for being uninsured.<sup>16</sup> Of note, these low-income jobs often pay too much for these individuals to qualify for Medicaid but not enough to afford private insurance policies.<sup>17</sup>

Inequities in health insurance by income have fostered inequities by race and ethnicity. Nationally, 20 percent of Latinx residents and 11 percent of Black residents lacked health insurance compared to 8 percent of White residents and 7 percent of Asian residents in 2019.<sup>18</sup> In Montgomery County, 22 percent of Latinx residents and 7 percent of Black residents lacked health insurance compared to 3 percent of White residents and 4 percent of Asian residents.<sup>19</sup>

Foreign-born citizens are also more likely to be uninsured.<sup>20</sup> In 2019, 25 percent of legally documented immigrants and 46 percent of undocumented immigrants in the U.S. were uninsured compared to 9 percent of naturalized citizens in 2019.<sup>21</sup> Of note, foreign-born residents accounted for 14 percent of the U.S. population and 32 percent of Montgomery County's population in 2019.<sup>22</sup>

Available data also shows that Montgomery Cares serves the resident groups most likely to need health insurance: low-income residents, Latinx residents, and immigrants. In FY21, 66 percent of program participants reported income below the federal poverty line, 66 percent were also Latinx, and 79 percent spoke Spanish.

**Inequities in Income:** There is also a history of systemic discrimination that manifests as disparities in income by race and ethnicity. Discriminatory practices sanctioned by government include racial segregation during and after the Jim Crow era that denied educational opportunities to Black and other people of color as well as access to high-paying jobs.<sup>23</sup> Increases in income inequality associated with changes to the global economy have also adversely impacted people of color who are over-represented among the occupations that have experienced wage stagnation.<sup>24</sup>

Persistent inequities in income and economic opportunity by race and ethnicity further manifest as disparities in median household income by race and ethnicity in the County. In 2019, the median income for White households was \$122,291 compared to \$101,830 for Asian households, \$70,100 for Latinx households, and \$69,313 for Black households.<sup>25</sup> Bill 43-21 proposes to expand eligibility for Montgomery Cares for households earning up to 80 percent of the area median income which was \$108,820 in 2019.<sup>26</sup>

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## ANTICIPATED RESJ IMPACTS

Understanding the impact of Expedited Bill 43-21 on racial equity and social justice requires understanding the stakeholders most impacted by the bill. Bill 43-21 is designed to make medical services available to uninsured and underinsured individuals with incomes up to 80 percent of the area median income who are currently ineligible for Montgomery Cares or other government-subsidized health insurance programs. Montgomery Cares Program served nearly 20,000 clients in 2019 and could potentially serve more clients with the program eligibility expansion included in Bill 43-21.

Available data demonstrates that Latinx residents are the primary beneficiaries of Montgomery Cares. They and foreign-born residents will disproportionately benefit from Bill 43-21's enhancements to Montgomery Cares as Latinx and foreign-born residents are the least likely to possess health insurance. Black residents could also potentially benefit as they have the lowest median incomes in the County and higher rates of not having health insurance relative to White and Asian residents. Since Expedited Bill 43-21 disproportionately benefits Latinx residents, and could potentially benefit Black residents, OLO finds that Bill 43-21 could reduce racial and social inequities in health care access. Further, OLO anticipates a moderate impact of Bill 43-21 given the size and scope of the Montgomery Cares Program.

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## RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.<sup>27</sup> OLO finds that Expedited Bill 43-21 could potentially narrow racial and ethnic inequities in public health across the County. Consequently, this RESJ impact statement does not offer recommendations.

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## CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging, analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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## CONTRIBUTIONS

OLO staffer Dr. Theo Holt, Performance Management and Data Analyst, drafted this racial equity and social justice impact statement with assistance from Dr. Elaine Bonner-Tompkins, Senior Legislative Analyst.

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<sup>1</sup> Definition of racial equity and social justice adopted from "Applying a Racial Equity Lens into Federal Nutrition Programs" by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools <https://www.racialequitytools.org/glossary>

<sup>2</sup> Ibid

<sup>3</sup> Samantha Artiga, et al., Health Coverage by Race and Ethnicity, 2010-2019, Racial Equity and Health Policy, July 2021, Kaiser Family Foundation. <https://www.kff.org/racial-equity-and-health-policy/issue-brief/health-coverage-by-race-and-ethnicity/>

<sup>4</sup> Quick Facts, Persons Without Insurance, 2015-2019, Montgomery County, Maryland, United States Census Bureau. <https://www.census.gov/quickfacts/fact/table/montgomerycountymaryland/AGE135219>

<sup>5</sup> Montgomery Cares <https://www.montgomerycountymd.gov/HHS-Program/Program.aspx?id=PHS/PHSAdultMedforUninsured-p1440.html>

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<sup>6</sup> Aisha Robinson and Elizabeth Arend, Montgomery Cares Annual Report Fiscal Year 2021, Primary Care Coalition.

<https://apps.montgomerycountymd.gov/ccllms/BillDetailsPage?RecordId=2733>;

<sup>7</sup> Montgomery County Council, Bill 43-21, Health- Advisory Board for Montgomery Cares Program- Amendments, November 9, 2021

<https://apps.montgomerycountymd.gov/ccllms/BillDetailsPage?RecordId=2733>;

<sup>8</sup> Ibid

<sup>9</sup> W.M. Byrd and L.A. Clayton, Race, medicine, and health care in the United States: a historical survey, 2001, National Medical Association. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2593958/>

<sup>10</sup> Ibid

<sup>11</sup> Ibid

<sup>12</sup> Ibid

<sup>13</sup> Ibid

<sup>14</sup> Heeju Sohn, Racial and Ethnic Disparities in Health Insurance Coverage: Dynamics of Gaining and Losing Coverage over the Life-Course, April 2017, U.S. National Library of Medicine, National Institute of Health.

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5370590/>

<sup>15</sup> Ibid

<sup>16</sup> Ibid

<sup>17</sup> Ibid

<sup>18</sup> Health Coverage by Race and Ethnicity

<sup>19</sup> Selected Characteristics of Health Insurance Coverage in Montgomery County, Maryland, 2019, American Community Survey, United States Census Bureau.

<https://data.census.gov/cedsci/table?g=0500000US24031&hidePreview=true&tid=ACSST1Y2019.S2701>

<sup>20</sup> Health Coverage of Immigrants, July 2021, Kaiser Family Foundation. <https://www.kff.org/racial-equity-and-health-policy/fact-sheet/health-coverage-of-immigrants/>

<sup>21</sup> Ibid

<sup>22</sup> Quick Facts, United States; Montgomery County, Maryland, 2019, United States Census Bureau.

<https://www.census.gov/quickfacts/fact/table/US.montgomerycountymaryland/AGE135219>

<sup>23</sup> Income inequality: Inequality undermines economic opportunity and prosperity, 2019, National Equity Atlas.

[https://nationalequityatlas.org/indicators/Income\\_inequality\\_-/](https://nationalequityatlas.org/indicators/Income_inequality_-/)

<sup>24</sup> Ibid

<sup>25</sup> Office of Procurement, Montgomery County Maryland, Minority, Female and Disabled-Owned Business Program, FY2020 Annual Report ([https://www.montgomerycountymd.gov/PRO/Resources/Files/Reports/MFDRReport\\_FY20.pdf](https://www.montgomerycountymd.gov/PRO/Resources/Files/Reports/MFDRReport_FY20.pdf)) and FY2019 Annual Report (<https://www.montgomerycountymd.gov/PRO/Resources/Files/Reports/FY19%20MFD%20Annual%20Report.pdf>)

<sup>26</sup> U.S. Census Bureau

<sup>27</sup> Montgomery County Council, Bill 27-19, Administration – Human Rights - Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee - Established