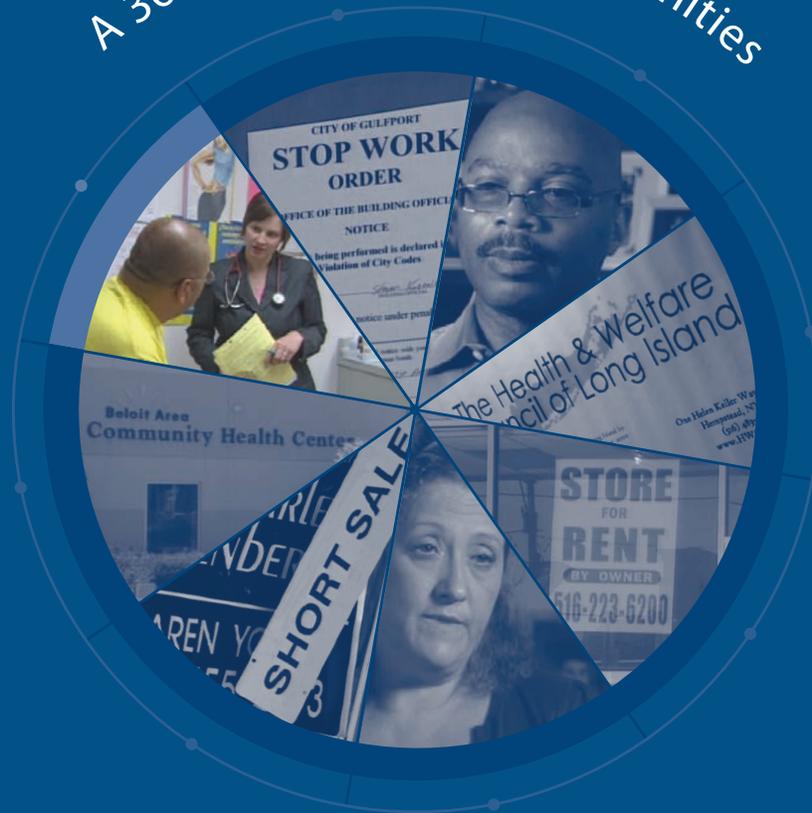


# RISING HEALTH PRESSURES IN AN ECONOMIC RECESSION:

A 360° Look at Four Communities



AUGUST 2009



THE KAISER COMMISSION ON  
**Medicaid and the Uninsured**

The Kaiser Commission on Medicaid and the Uninsured provides information and analysis on health care coverage and access for the low-income population, with a special focus on Medicaid's role and coverage of the uninsured. Begun in 1991 and based in the Kaiser Family Foundation's Washington, DC office, the Commission is the largest operating program of the Foundation. The Commission's work is conducted by Foundation staff under the guidance of a bipartisan group of national leaders and experts in health care and public policy.

# **RISING HEALTH PRESSURES IN AN ECONOMIC RECESSION:**

## **A 360° Look at Four Communities**

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## EXECUTIVE SUMMARY

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Since the economic recession began in December 2007, the number of unemployed Americans has risen by 7.2 million, reaching 14.7 million or 9.5% in June 2009. Millions more workers have had to settle for part-time work or are no longer counted in the labor force because they have given up looking for work. Compounding the toll of unemployment and under-employment on American families is the loss of health insurance that often results. Based on a Kaiser Family Foundation analysis, the increased joblessness since the recession started has caused 5 million more Americans to become uninsured. For employers, also struggling in this economy, the burden of health care costs is growing, and further erosion of job-based coverage seems certain.

A team of researchers from the Kaiser Family Foundation's Commission on Medicaid and the Uninsured and Lake Research Partners recently conducted site visits in four American cities to learn more about the impact of the continuing recession, especially with respect to health coverage and access and health itself. In each site, focus groups were conducted with 8 to 10 individuals who had lost their jobs and, in many cases, their health insurance due to the recession, and interviews were held with employers and safety-net providers in the community.

The following key findings emerged from the research:

- **The recession highlights wide gaps in our health care system.** Many families become uninsured when an adult in the household becomes unemployed. Adults, especially, are falling through wide cracks in our health insurance system — unable to afford COBRA, ineligible for public coverage, and precluded by high premiums and/or pre-existing conditions from obtaining private insurance. Adults are desperate for affordable coverage options; parents with children in Medicaid and CHIP wish they could enroll, too.
- **The uninsured and under-insured delay and forgo important health care due to cost.** Many in jobless families delay or skip needed care or medicine for cost reasons, with adverse consequences for their health. Families could face more lasting difficulties if health declines due to lack of needed care leave workers unable to work when jobs become available.
- **More and better efforts are needed to connect families with assistance programs.** Newly unemployed families are typically unfamiliar with safety-net resources, and efforts to reach these families and help them find and navigate assistance programs are needed.
- **The safety-net is critical but cannot fill the coverage gaps.** Increased caseloads, long waits for care, and worsening access to primary care are pervasive. Yet, shrinking private and public funding leaves the safety-net increasingly fragile. Medicaid and CHIP play an important role in the safety-net. However, without reforms to broaden Medicaid eligibility, millions of low-income adults with no access to other coverage will remain uninsured.

Although states, communities, and families are receiving critical federal stimulus aid — particularly in the form of increased financing for Medicaid — the recession continues to batter them, with serious health consequences for many. Even if current efforts to enact health care reform succeed, the improvements will take time to reach millions of families who are struggling right now. More immediate steps may be needed to assist Americans who lack access to affordable health coverage and care.



## INTRODUCTION

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Since the economic recession began 21 months ago in December 2007, the number of unemployed Americans has risen by 7.2 million, reaching 14.7 million or 9.5% in June 2009. Another 2.2 million workers wanted to work and had looked for a job in the past year, but are no longer counted in the labor force because they had not looked for work in the past 4 weeks. Among those working, 9 million want to work full-time but have had to settle for part-time employment.<sup>1</sup>

Compounding the toll of unemployment and under-employment on American families is the loss of health insurance that often results. A Kaiser Family Foundation analysis indicates that every one percentage point increase in the unemployment rate causes another 1.1 million people to become uninsured.<sup>2</sup> At that rate, increased unemployment since the recession began has pushed more than 5 million more Americans into the ranks of the uninsured. For businesses, also struggling in this economy, the burden of health care costs for their employees is a growing pressure, and further erosion of job-based coverage among the employed seems almost certain. Recognizing some of these pressures, the stimulus package signed by President Obama early this year included substantial subsidies to help laid-off workers afford COBRA premiums, and also increased weekly unemployment checks by \$25.

To learn more about the impact of the continuing recession, particularly with respect to health coverage, access, and health itself, a team of researchers from the Kaiser Family Foundation's Commission on Medicaid and the Uninsured and Lake Research Partners recently conducted site visits in four cities across the country. The purpose of this study, which builds on an earlier study by the same team,<sup>3</sup> was to re-examine some of the same economic and health care issues six months further into the recession, and also to investigate the recession's repercussions at the community as well as the family level.

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<sup>1</sup> *Employment Situation Summary, July 2, 2009*, Bureau of Labor Statistics, Department of Labor.

<sup>2</sup> Holahan J and A. Bowen Garrett, *Rising Unemployment, Medicaid and the Uninsured*, Kaiser Commission on Medicaid and the Uninsured, 2009 (#7850).

<sup>3</sup> *Turning to Medicaid and CHIP in an Economic Recession: Conversations with Recent Applicants and Enrollees*, Kaiser Commission on Medicaid and the Uninsured, 2008 (#7847).

## METHODS

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Site visits were conducted in four communities — East Meadow, New York (on Long Island); Clearwater, Florida (near St. Petersburg); Santa Rosa, California; and Beloit, Wisconsin — in May and June 2009. In each site, a focus group was conducted with eight to ten individuals who had lost their jobs as a result of the recession. In addition, interviews were held in each site with employers, safety-net health care providers, and community-based social service organizations to gain their perspectives on the impact of the recession on them directly, and on their communities. In total, four focus groups and 23 interviews were conducted.

The study sites were selected to obtain regional diversity and to capture the conditions in areas of the U.S. particularly hard-hit by the recession. East Meadow and Santa Rosa were sharply affected by the meltdown of the financial sector. Impacts of the Florida-wide collapse in the real estate market were reflected in Clearwater. Beloit has been devastated by the GM plant closing in nearby Janesville and has the highest unemployment rate in Wisconsin.

Focus group participants and interviewees were recruited in each site with the assistance of local, community-based service and advocacy organizations. By design, focus group members were diverse with respect to age, sex, race/ethnicity, and family type (e.g., single, couple, family with children). All the participants had lost their jobs as a result of the recession and were actively seeking employment. Having lost their jobs, the majority of the focus group participants had also become uninsured as a result. Interviews took place with a broad array of individuals with key roles in and perspectives on their communities, including social workers, small business owners, physicians and nurses in safety-net clinics and hospitals, human resource professionals, worker dislocation advocates, and case workers.

# FINDINGS

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## I. JOBLESSNESS AND FAMILY FINANCES

### Running on Empty

#### **Jobless families face deepening financial crises.**

The jobless families who participated in our focus groups had, until this recession, always worked. Though not wealthy, they had had stable finances and most had gained ground economically over time and saved for the future. Their circumstances were altered drastically by the recession. All the families were now struggling to stay afloat financially. Some had been without work for two or three months, others for six months or a year or more. Since losing their jobs, most families had fallen behind in their bills. They had cut every expense they could think of. Many were holding on to little but their homes, their cars, and their cell phones.

***“As of this month, after I pay my rent, I’ll have gone through my savings. I’m done.”***

*Ja’nice, 38, formerly contractor  
for business services company  
Clearwater*

#### **Many have wiped out their savings; some are losing everything.**

The longer families remained jobless, the more they had had to use their savings to fund current costs. Few had any reserves left, and a number had used their retirement accounts to get by. Even those last-resort measures were not always enough to avert catastrophic consequences. The financial implosion described by one Clearwater woman was not unique: “My home is in foreclosure and after the unemployment runs out in 10 weeks, if I don’t get a job, then my car is gone.”

#### **There are no jobs.**

Despite job-hunting constantly, focus group participants had found almost no work. Many were desperate and ready to take any job; a few were considering moving to find work. The few who had found odd jobs were grateful, but consistently, the jobs were intermittent, beneath their skills, low-paid, and without benefits. Sometimes, age, experience, and education seemed to make it harder to find work.

***“There was an ad in the newspaper for a dishwasher’s job where they had over 100 applicants when normally they’d get five to seven applications. There are just no jobs out there.”***

*Michael, 56, former plant worker  
Beloit*

One participant had been told so often that she was over-qualified that she removed references to her education from her resume. In Beloit, some older workers laid off when the GM plant in Janesville closed were going back to school to change careers. Explaining her plans, one woman said wryly, “I’m going to school for mortuary science, and I wanted to look for something in that area because no matter what the economy was, I’d always have job security.”

#### **Families are trying to stay in front of the crisis.**

Until losing their jobs, the families in this study had paid their bills on time. When their situations deteriorated, many had alerted their banks, hospitals, and other creditors to work out payment plans. But creditors were not always responsive to families’ efforts to address their financial problems head-on. One couple described, “We contacted our mortgage company and they said, ‘You’re not behind on any bills...We can’t help you until you are three to four months in default.’ I said, ‘I don’t want to be three or four months in default. I want to be proactive and... take care of this now.’”

## Piecing Together Support

### Unemployment benefits provide vital but limited support.

Nearly all the study families were receiving unemployment benefits. Unemployment payments had allowed many families — though not all — to stay in their homes, pay some bills, and keep food on the table. While providing essential support, the unemployment income families were receiving was far less than they had earned while working, and participants reported that their bills are mounting, their existing debts continue to go unpaid, and they dread unexpected expenses like car repairs and emergency room visits, for which they have no financial cushion.

### Uncoordinated assistance programs leave out families in need.

Unemployment benefits had put numerous families over the income threshold for Medicaid or Food Stamps, sometimes by as little as a few dollars. In some cases, the boost in unemployment checks provided by the stimulus package had caused families not to qualify to benefits or reduced the amount of Food Stamps they could receive to a sum that barely helped. While the additional income gave some relief, it also left families without needed assistance and discouraged by the obstacles and gaps they face when the rules for different programs do not mesh.

***“My wife makes no money and I make \$4 too much for us to qualify for Food Stamps.”***

*Theodore, formerly, skilled technician  
in trailer manufacturing company  
Beloit*

### The safety net is too narrow to catch many families hit by the recession.

Families voiced frustration that restrictive eligibility for assistance, especially for adult Medicaid, excluded them, despite their desperate finances and lack of options. They had never used public programs until this recession and were distressed to discover that people in their circumstances could not qualify. “It just seems like you have to...absolutely have nothing to qualify for anything. Unless you’re poor, dirt poor, and have nothing, it’s like ‘Sorry, you don’t qualify, we can’t help you,’” said a Santa Rosa woman.

The Long Island and Santa Rosa families highlighted a further problem — that the criteria underlying eligibility for programs like Medicaid, CHIP, and Food Stamps do not take into account the higher costs of living in some areas of the country, such as New York and California. Families in these high-cost areas struggle as much as others, but cannot get assistance because their income is high relative to the nation overall.

### Unfamiliar assistance programs are difficult to navigate.

Just finding out about public assistance programs was often cited as a major hurdle. Almost no one in this study had any previous experience with safety-net programs, and traditional outreach networks and mechanisms had not reached them. Most families did not know where to turn for assistance.

Most participants had struggled to come to terms with needing help and found it difficult to seek assistance. This, too, contributed to the challenge of connecting with public programs. A woman in Clearwater commented, “I’ve had to humble myself a whole lot. You learn a lot of humility because you are so dependent on people.”

***“They’re not really acclimated to this type of situation and basically, it’s like going to a foreign country...you have folks who have been homeless for years...and they’re survivors, they know how to scrape through. But you get a family that is suddenly — maybe they have three months of savings — and suddenly they look around and they just don’t have anything, you know? ...They’re just shell-shocked.”***

*Annie, Nurse Practitioner, Homeless Clinic  
Santa Rosa*

**“Enrollment assisters” make a strong positive difference.**

On Long Island and in Santa Rosa, “enrollment assisters” — county or state workers whose job is to tell families about Medicaid, CHIP, and other programs and help them enroll — had been essential in connecting families with these programs. Typically, they were located in health clinics and other settings where they were more likely to encounter these families, rather than in the Department of Social Services. Many participants said they would not have gotten through the enrollment process without the help of these individuals.

**Family help brings both support and strains.**

Several study participants had accepted money or other help from family members, many of whom were struggling themselves. Other participants were helping children and relations who were in even worse straits than they were. Whether receiving or giving family help, participants told of financial and other stresses that resulted, and they did not consider it realistic to rely on the existing arrangements for long. Many had no family support available at all.

*“My children have all moved back home. I have 21-year-old twins and I also have a 9-month old granddaughter now. They’ve all lost their jobs and now I also have my brother living with us because he also lost his job after 14 years of work...He is living at my house because there is nowhere else for him to go. I am getting \$360 [unemployment] and supporting all of these people.”*

*Betty, 44, formerly employed in auto industry  
Beloit*

**II. HEALTH COVERAGE AND CARE**

**Families Talk about Coverage**

**Most adults become uninsured when they lose their jobs.**

While employed, the study participants had gotten their own and their family’s health coverage through their job. When they were laid off, they were faced with paying the full cost of their coverage through COBRA or becoming uninsured. COBRA premiums often exceeded several hundred dollars per month for an individual and reached as high as \$1,500 for a family. With their income drastically reduced, few families could manage the premiums for COBRA coverage, even for themselves. As a result, most — including older adults and others with serious health care needs — were uninsured.

**COBRA is unaffordable for most, but the federal subsidy helps a few to purchase it.**

Living on sharply reduced income from unemployment benefits, but still having to cover their housing, food, transportation, and other costs, most participants could not afford the premiums for COBRA, even with the 65% subsidy provided as part of the President’s stimulus package. They had looked into individual insurance, too, but faced exclusions for pre-existing conditions and found the premiums staggering and the covered benefits inadequate.

*“We’re seeing a lot of families opt out of COBRA, especially when you’re talking about family benefits. It’s just too expensive... For a family, you’re talking roughly \$1,500 a month. Unemployment benefits at max are \$433 [per week]. Given the high cost of living on Long Island...folks are just not taking that option.”*

*Gwen, CEO, Long Island community organization  
East Meadow*

Those few who said they purchased COBRA were people with extensive health care needs who calculated that the care they needed would cost even more than COBRA. For these individuals, the 65% subsidy had helped enormously; some said they would not have been able to afford the coverage without it. Nonetheless, several were planning to drop COBRA soon because they could not longer afford to keep it.

**Families desperate for coverage take dangerous risks.**

One Clearwater woman whose COBRA covered her husband, too, had decided to drop him from the policy because they could not afford the premium, and to look for other insurance for him. Her husband had a suspicious growth on his hand, and while they wanted to see a dermatologist while he still had COBRA, they were afraid they might discover cancer, jeopardizing his ability to get other coverage. They put off the care.

**Medicaid and CHIP are a “lifesaver” for children in jobless families.**

Parents with children enrolled in Medicaid or the Children’s Health Insurance Program (CHIP) were relieved to be able to obtain affordable health coverage for their children and valued it highly. With budget cuts looming in states across the country, many feared the programs would be cut, leaving their children uninsured.

*“[Healthy Families/CHIP] has been great. It’s great not to have \$650 worth of insurance every month in our situation... I’m very concerned that they’re going to cancel [the program] though.”*

*Karina  
Santa Rosa*

**But most adults can’t qualify.**

People in the focus groups could not understand why these public programs are not available for parents and other adults who also lack or have lost their health insurance and need the help. Generally, adults without dependent children are ineligible for Medicaid under federal restrictions.

A number of parents had applied for Medicaid after they were laid off, but were turned down because unemployment benefits put them over the income eligibility level. This “catch-22” was very frustrating.

*“It would be wonderful [to have BadgerCare Plus (Medicaid)]. It would be such a relief to know that if you had a problem, you’d be able to have that taken care of and not go into the hole even further.”*

*Betty, 44, formerly employed in auto industry  
Beloit*

Across the focus groups, people expressed the view that Medicaid eligibility for adults is too restrictive and leaves them with no options for affordable health insurance. The head of a community organization on Long Island had a similar perspective: “We’re seeing the families that are really in a crisis mode and the problem is that for many of them, these programs that we offer are not responsive to their needs.”

**Small Employers Talk about Coverage**

**Small businesses are struggling.**

Employers participating in this study were in diverse sectors of the economy: construction, real estate, the auto industry, banking, and the production of luxury goods (fine wine). All were feeling the effects of the recession. The owner of a small St. Petersburg company that manufactures windows and mirrors for commercial and residential buildings said, “There is no work. I used to get a set of plans to bid once a week, nice ones and good size jobs. Now I bet you I haven’t seen three good jobs this year. It is just not out there.”

Most employers had had to cut staff, sometimes drastically. “I’ve been here 21 years and we’ve gone through ups and downs — but this is probably the worst that I’ve seen it. We have laid off approximately a third of our staff and it covers all spectrums... We’ve had two major layoffs, and we are probably at bare bones,” explained the head of human resources at a winery in Santa Rosa. Employers took the lay-offs hard; they felt connected to their workers and their families and knew they were sending them out into a poor economy.

**Health insurance costs are a crushing burden and employers have to respond.**

Small businesses were just trying to hold on. Business owners who provided health insurance for their employees had strained to pay skyrocketing premiums, and said the strain was exacerbated with business down. When they considered their options for how to survive the recession, lay-offs and cutting health care costs are the only choices they saw. They found the dilemma agonizing.

The glass and mirror business owner had always provided health coverage — something none of his competitors did. He said, “I’ve learned as the years went by that it is good for my employees...What I’ve done for the last 10 or 12 years is I pay half and they pay half.” However, after laying off several of his small staff and needing to cut costs further, he determined he could no longer afford it. When his secretary learned she had breast cancer, he felt obligated to hold on until she got through her surgery and chemotherapy.

The Santa Rosa winery still provided insurance, but dependents were no longer covered and employees now had to pay most of the premium. Other employers, desperate to reduce their costs but trying to provide some benefits, were substituting health savings accounts and high-deductible plans, or shifting more costs to employees. According to the head of a community organization on Long Island, local employers, particularly smaller companies, were dropping health coverage altogether. “There is no way that employers are going to be able to provide coverage... There is no way people are going to be able to afford coverage. They just can’t.”

Some employers, unable to provide health coverage, took other kinds of steps. The winery invited enrollment assisters to the worksite to help employees enroll their children in Medicaid and CHIP. The company also had a nurse practitioner come in monthly to provide onsite primary care and prevention services to workers, many of whom opted out of the employer’s health insurance because of the cost.

**Recovery will take a long time.**

No employers expected a quick turnaround in their business. They anticipated that the recession’s impact on their companies would last a long time. They did not yet see any glimmers of new business, and some openly doubted whether they would be around next year. Even after a recovery begins, they said, it will take time before businesses and communities feel it.

***“Then Mindy got breast cancer, so [my plan to drop coverage] was out the window. We had to downgrade the plan nonetheless, and she is in a precarious financial position just to get through the [\$6,000] deductibles on this major illness.”***

*Fred, owner, glass and mirror business  
St. Petersburg*

***“From the time that an owner commissions the job and goes to the bank with that business plan and says, ‘I’m going to build this building,’ it takes a year to a year and a half to get blueprints and permits and bids and go through that whole process to get a building built. We’re looking at that lag time...”***

*Fred, owner, glass and mirror business  
St. Petersburg*

## Families Talk about Health Consequences

### Uninsured adults delay and forgo health care they need.

Since losing their coverage, the vast majority of uninsured adults in this study had put off needed medical care for themselves or a family member, or skipped medication. They had done so because they could not afford to pay for care. Even the relatively low fees charged by some sliding fee clinics were too much for some to pay.

*“I’m supposed to be checked every year for my cancer. I’m scared. I have this habit of feeling my neck for lumps. I’m putting off my June [check-up], which was putting off [the] December [check-up]. It’s a horrible feeling.”*

*Laurie, formerly employed in mortgage industry  
East Meadow*

### Parents put their children’s needs first.

Concern about their children’s health and well-being was a major source of anxiety and stress for parents. They put off their own medical care and other necessities to address their children’s needs. Parents with uninsured children took them to the emergency room if they were sick although it meant large bills they knew they would be unable to pay.

### Many uninsured adults — and even insured adults — put off or skip important care, screenings, and necessary prescriptions.

Many who were going without care had chronic health conditions, including diabetes, high blood pressure, and cancer. Several were at elevated risk for cancer, and although they knew that missing care put their health at risk, they felt they had no choice. Already overwhelmed by bills and financial obligations, they simply could not afford additional costs for medical care. Managing on very little income, even those with health insurance sometimes found out-of-pocket costs for deductibles and copayments unaffordable. When the adult going without needed care was also the family bread-winner, not only that person’s health but also his or her ability to work was jeopardized, with wider risks for the family.

*“There are places on Craigslist where you can get lancets to test your blood sugar. I don’t know why they are selling them, but if that is where you can find them, then that is what you do.”*

*Betty, 44, formerly employed in auto industry  
Beloit*

One East Meadow woman said, “I’m not taking them [medications] as often as I should. I’m supposed to take it twice a day. I take it once every other day, if that. I have seizures, so I shouldn’t really be driving...” Another woman in that focus group, whose son had recently committed suicide, was troubled by the thought that if he had been insured, he might have been able to get psychiatric care that could have saved his life. A Clearwater man voiced this anxiety: “[B]oth my grandfather and father had prostate cancer. I’m scared to death. I get checked twice a year. Last month was my first-of-the-year checkup and I couldn’t afford to go to the doctor. They want \$150 up front just to go ahead to see you...But I didn’t even have the \$150. I’m unemployed.”

### Often, families already had significant medical debt.

Numerous study families had significant medical debt even before they were laid off and lost their coverage. Some had large outstanding obligations for deductibles or cost-sharing associated with expensive treatment; this was true particularly for those with a family member who had ongoing, chronic health conditions, such as cancer. A Clearwater mother of two who was in treatment for breast cancer said, “Medical bills are stacking up. I’m just putting them in a drawer because I don’t know what the heck else to do with them.”

For others, the medical debt started to build after they lost their jobs and their health insurance. “Twice, I had to go to the emergency room for something because I had no insurance so I couldn’t go to a doctor. At least there they have to treat you. So there I owe money and they are chasing me, but I have nothing to give them,” explained a Long Island participant.

**Unmet needs are pervasive.**

In addition to general health care, dental care emerged as a major unmet need. Few participants, even those with insurance, were getting regular dental care. Many reported they were suffering from depression and anxiety, inability to sleep, and other physical and emotional symptoms of stress, but again, none were able to afford needed care. Several voiced the fear that their mental health problems were affecting their physical health, too, and that one health crisis could wipe them out financially.

*“I know that I’ve been under so much stress that it is awful and seems like one thing just brings on another. Then I had such a big scare because I was having so many problems with heart palpitations that I thought I would have to go to a doctor.”*

*Betty, 44, formerly employed in auto industry  
Beloit*

**Families view reform that ensures access to affordable health coverage as an urgent priority.**

Desperation about their inability to obtain affordable health coverage was widespread among study participants, and they spoke emotionally about the stresses, risks, and health consequences of being uninsured. Many were disappointed to learn that they could not qualify for Medicaid for even a temporary period while they looked for a new job. They also cited the unfairness of exclusions for pre-existing conditions, which were an obstacle for many in the focus groups who had chronic illnesses. Across the board, participants stressed the urgency of health care reform to ensure that individuals and families could obtain health coverage and care without becoming destitute.

**III. THE SAFETY-NET**

**Growing Demand**

**Safety-net providers are overwhelmed.**

In all four communities, those providing health and social services for low-income families were groaning under the strain of current demand. Stretched thin under normal circumstances, they cited worsened pressures due to increased family and community needs stemming from the recession. Emergency department physicians and nurses, enrollment workers, health center physicians and dentists, community-based organizations, school nurses, and diverse other safety-net providers were affected.

*“We’ve seen a striking increase in a lot more alarming things. The homeless population is going up. We work with the Religious Community Services — they provide a food pantry. Their food pantry requests have gone up something like 500%. It has just skyrocketed. The lines just [keep getting longer] and they can’t keep food in the pantries.”*

*Jane, Director, community organization  
Clearwater*

In Beloit, caseworkers responsible for enrolling people in programs like Food Stamps and Medicaid were said to be carrying a caseload of 160 to 200, twice the number recommended. A grant-funded program providing health and dental care at no cost for the uninsured in Beloit could not nearly meet demand for the program. Mobile health vans serving the uninsured and the homeless in Clearwater were over-extended and could provide services only twice before referring individuals to health centers, which were also operating at capacity.

**Many seeking services are new to the safety-net.**

Providers observed changes in the population coming through their doors as a result of the recession. They now encounter many recently unemployed and uninsured families who have not sought or used their services before. Low-cost health clinics that have typically served a mix of mostly Medicaid and uninsured patients reported that they are now seeing a new influx of uninsured patients. A nurse practitioner at a homeless shelter in Santa Rosa reported more couples seeking help.

**Many patients have urgent health needs.**

Health care providers reported that many of their patients are putting off dealing with health problems because of cost concerns. A physician at one clinic explained, “Patients have been [coming in with conditions that haven’t been taken care of], and sometimes they’ve known about these conditions and haven’t been taking care of them, like diabetes or high blood pressure. Not necessarily ignored but just haven’t been able to do much about it because of not having insurance...”

*“I am seeing an influx of more adults. They are really, really sick. They are withholding their care because can’t afford to even go to the community clinics for sliding scale... They will be really sick. I will be saying, ‘You need to go to the emergency room.’ They will say, ‘What am I going to pay with?’”*

*Enrollment Assister  
Santa Rosa*

**But waits for care get longer and longer.**

As the demand at safety-net health care providers swells, waits for care grow longer. At health centers, new patients commonly faced waits of four to six weeks to several months. Citing sharp increases in the need for affordable dental care due to the recession, a dentist at a Beloit health center had had to turn away new patients for the last three months. He drew out the potential implications: “Especially if you’re diabetic, you should have routine dental care. If you have infected teeth, that can increase your blood sugar, getting an infection in your mouth can increase your blood sugar. That can give you a whole myriad of complications with diabetes.” A nurse practitioner at a community clinic in Santa Rosa said, “We just talked about that [longer waits] today, about how we’re kind of ...putting off what can be put off because the lines are getting longer and longer.”

**Emergency departments are being used for primary care now more than ever.**

Uninsured patients who cannot wait weeks to see a doctor at a health center have no other source of primary care than the emergency department. Here, they know they will receive care, even if they face hours of waiting. While doctors and nurses said that most ER patients need urgent care, they saw the ever-increasing volume of patients who come for primary care needs as an enormous strain on their emergency departments. Several expressed concern that a bad outbreak of H1N1 this fall would pose additional challenges to their capacity.

*“If you have a pressing need and you are not an established patient anywhere, then no one is going to take you...If it is a pressing need, you do end up in the ER or urgent care or something like that.”*

*Enrollment Assister  
Santa Rosa*

**Mental health and social needs are an increasing pressure.**

Health providers observed an increase in the demand for mental health services in their communities, but pointed to a lack of affordable resources for uninsured individuals other than emergency departments. Some also thought it likely that increasing substance abuse treatment needs, teen runaways, domestic violence problems, and crime were related to effects of the recession on families and communities. Referring to an unexpected decline in demand, the director of one domestic abuse shelter in Beloit said, “We had a theory that victims weren’t leaving because it was easier to stay with what they know and have partial support from the abusive partner financially knowing that there is no jobs once they get out on their own. Yeah they can go through the shelter program but where are they going to go from there?”

## Shrinking Resources

### **Safety-net funding is declining just as the need is greatest.**

Those providing health and social services stressed that their budgets were being cut at the very time the demand for their services was peaking. Many received a substantial share of their funding from state and county governments. Now, under intense budgetary pressures due to declining tax revenues, states were cutting these providers' already-strained financing sharply. Private donations are also down as a result of the recession. The funding cuts translated into cuts in service. For example, the mobile health unit providing health services for the uninsured in Clearwater had to cut back its hours due to county budget cuts. The enrollment assisters in Santa Rosa expected their funds to be cut at any moment in the state budget. (In late July, they were indeed cut.) Others cited similar vulnerability to cuts and the adverse effects on their capacity to meet community needs.

***“We have membership fees that are paid by our agencies, we have contributions from individuals, philanthropic individuals...every single one of those areas has decreased. We’ve put in for some stimulus money from the State...But a lot of the foundations, particularly because so many of them are tied to Wall Street, have just cut back.”***

*Gwen, CEO, Long Island community organization  
East Meadow*

## CONCLUSION

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In the fall of 2008, a year into the recession, families we spoke with in cities across the country were struggling with the financial reversals, losses of health security, and other pressures thrust on them by the recession. Nonetheless, they were cautiously optimistic that they would find work before too long and begin to put their lives back together. The findings from this study suggest that six months later, a much grimmer mood has settled over families and communities. The strain of months without work and, in most cases, without health coverage, had exhausted the financial and emotional resources of families, who are not sure when or how their crises will end. At the same time, the safety-net beneath them, lacking sufficient funds and staff to absorb vast new needs, was stretched to the breaking point.

As the debate in Congress about how to reform our nation's health care system intensifies, this study, focused on impacts of the recession, provides new evidence of the urgency for action to broaden health coverage. Its main findings, summarized below, can help in assessing the adequacy and responsiveness of policy solutions designed to assist Americans hurt by the recession and others struggling to afford health coverage and care.

- **The recession highlights wide gaps in our health care system.** Many families lost their health coverage when an adult in the household became unemployed. Adults in jobless families, especially, are falling through wide cracks in our health insurance system. They are unable to afford COBRA, ineligible for public coverage programs, and precluded by high premiums and/or pre-existing conditions from obtaining insurance in the private market. Families are desperate for options for affordable health coverage and want health care reform that will deliver on this point. Parents with children in Medicaid and CHIP wish they could enroll along with their children.
- **The uninsured delay and forgo important health care due to cost, jeopardizing their health and, potentially, their ability to provide for their families.** Cost is an insurmountable barrier to needed health care for some jobless families who are struggling to stay sheltered and fed on their unemployment income. Many with ongoing health care needs delay or skip care or medicine because of the cost, with adverse impacts on their physical and mental health. They and their families could face more lasting and worse difficulties if health declines due to lack of needed care leave them unable to work when jobs become available.
- **More and better efforts are needed to connect families with assistance programs.** Newly unemployed families are typically unfamiliar with safety-net resources, which most of them have never used before. Efforts to reach these families with information about assistance programs and help them find and navigate these complex systems are needed. Enrollment assisters offer a successful model of support along these lines. Simplification of complex and burdensome enrollment procedures would also make program participation easier.
- **The safety-net is critical but cannot fill the coverage gaps.** All four study communities reported strains on their resources, long waits for appointments and care, increased caseloads, worsening access to primary care, and other challenges of serving the growing numbers of uninsured and under-insured. Inadequate funding, as both public and private resources shrink, leaves the safety-net increasingly fragile. Medicaid and CHIP play an important role in the safety-net, ensuring coverage for millions of low-income Americans and supporting the providers that serve them. However, Medicaid's narrow eligibility for parents and exclusion of childless adults leave a widening coverage gap. Without reforms to broaden Medicaid eligibility to include adults, tens of millions of low-income adults who have no access to other health coverage will remain uninsured.

Although states, communities, and families are receiving critical federal stimulus aid, the recession continues to batter them, with serious health consequences for many. Even if current efforts to enact health care reform succeed, the improvements will take time to reach millions of families who are struggling right now. More immediate steps may be needed to assist Americans who lack access to affordable health coverage and care.

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