



Increasing Access to Health Care for African Americans Depends on Improving Affordability during the Merge of the House and Senate Bills

African American families represent a disproportionate share of America's uninsured.

One in five black American residents is uninsured, compared to one in seven white American residents.¹ The number one reason these millions of families lack health insurance is they cannot afford it. Unless health care reform makes premiums affordable for low- and moderate-income families, insurance will continue to remain out-of-reach for too many African Americans.

The overwhelming majority of uninsured African American families earn below 250 percent of the Federal Poverty Level (FPL).

71 percent of uninsured black households earn less than 250 percent FPL (or \$45,775 for a family of three.)² These low-income families are already struggling just to afford basic necessities like housing, food and childcare, and they are the least able to bear the brunt of a federal mandate to purchase insurance. It is therefore critical that the final health care reform bill makes coverage truly affordable for these families.

The House bill provides much stronger affordability protections for families below 250 percent FPL than the Senate bill.

1. Larger Medicaid expansion: The House bill expands Medicaid to households with incomes up to 150 percent (FPL) instead of 133 percent FPL as in the Senate, and it guarantees a full Medicaid benefits package rather than the scaled-down one in the Senate bill. Because Medicaid typically does not charge premiums, this expansion assures affordable coverage for very low-income households. In addition, offering Medicaid costs less for the federal government than providing subsidies, so the larger expansion in the House bill saves money compared to the smaller Senate Medicaid expansion.

2. More affordable subsidies and out-of-pocket caps for families earning up to 250 percent FPL: A family of three earning \$27,465 (or 150 percent FPL) would pay 50 percent more for premiums under the Senate bill than under the House bill. That same family would not spend more than 4 percent of their income on out-of-pocket costs in the House bill, compared to 14 percent of their income the Senate bill (see Table 1).

3. Subsidized plans with higher actuarial values: Higher actuarial values translate to lower out-of-pocket costs for average enrollees. The House bill provides plans with more reasonable out-of-pocket costs for enrollees at all income levels – especially low-income families – than the Senate bill. For example, a family of three earning \$36,620 with average medical expenses would pay out-of-pocket for 7 percent of the total cost of their care under the House bill, compared with 20 percent under the Senate bill (see Table 2).

¹ CPS, 2007 & 2008

² CPS, 2007 & 2008

Table 1: Comparison of premiums and out-of-pocket caps for subsidized families, by income

Income		House bill			Senate bill		
Federal Poverty Level	Income (for a family of three)	Premiums (as percent of income)	Annual Out of Pocket Maximum (as percent of income)	Total potential health care costs* (as percent of income)	Premiums (as percent of income)	Annual Out of Pocket Maximum (as percent of income)	Total potential health care costs* (as percent of income)
100	\$18,310	1.5%	5%	7%	2.0%	21%	23%
133	\$24,352	1.5%	4%	6%	2.0%	16%	18%
150	\$27,465	3.0%	4%	7%	4.6%	14%	19%
200	\$36,620	5.5%	5%	11%	6.3%	11%	17%
250	\$45,775	8.0%	9%	17%	8.1%	13%	21%
300	\$54,930	10.0%	15%	25%	9.8%	11%	21%
350	\$64,085	11.0%	14%	25%	9.8%	12%	22%
400	\$73,240	12.0%	14%	26%	9.8%	11%	21%

*Premiums plus out-of-pocket maximums

Table 2: Comparison of actuarial values for subsidized families, by income

Income		House	Senate
Federal Poverty Level	Income (for a family of three)	Actuarial values	Actuarial values
100	\$18,310	97%	90%
133	\$24,352	97%	90%
150	\$27,465	97%	90%
200	\$36,620	93%	80%
250	\$45,775	85%	70%
300	\$54,930	78%	70%
350	\$64,085	72%	70%
400	\$73,240	70%	70%

Key Takeaway: To ensure all African American families can afford coverage, the final merged bill must include the stronger House affordability protections for low-income families.