

Uninsured During the COVID-19 Pandemic: The Urgent Need to Build on Florida's Medicaid Program

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Executive Summary

Thousands of Floridians have been infected with the COVID-19 virus and the numbers continue to rise. Nearly half of the state's adults are at higher risk of serious illness if infected. More so now than ever, there is an urgent need to increase access to health care services for all Floridians, including access to COVID-19 testing and treatment.

Yet, even before the pandemic and ensuing massive job losses, 2.7 million Floridians were uninsured. Research shows that under normal circumstances the uninsured have much greater challenges accessing care. These disparities are exacerbated during a health crisis.

Scaling up the Florida Medicaid program is the most efficient and economical way to meet the needs of the uninsured, particularly in this time of crisis. If the state opted to expand its Medicaid program to cover adults (19-64) with income up to 138 percent of the federal poverty level, more than 800,000 Floridians would gain coverage. In addition, program administrative changes are needed to make it easier for people to enroll and keep coverage. Ensuring health care access for all Floridians will save lives and is vital to protecting the overall public health.

Introduction: The Landscape Before and During the Pandemic

Even before the pandemic, the state faced multiple challenges in providing Floridians access to affordable, quality health care. This is reflected in the state's ongoing low national rankings on multiple health care measures. Florida ranks:

- 49th in avoidable hospitalizations for adults 18-64;
- 47th in access and affordability; and
- 44th in receipt of prevention and treatment services.¹

EMILY'S STORY*

Her brother Peter died from an ear infection in March 2020. He was afraid to seek care because he had an outstanding hospital bill (~\$40k). He thought the hospital and urgent care facilities would demand he pay the bill before they would provide treatment.

*Real accounts from people in Florida's health care "coverage gap" can be found throughout this policy brief. To learn more visit medicaidmattersflorida.org

These challenges are significantly compounded during a public health emergency and economic downturn.

Florida's high uninsured rate

Research shows that having insurance is vital for people to access health care. The uninsured, fearing medical debt, are more likely to delay or avoid seeking care.² (See *Emily's Story*.) Yet, Florida has been woefully behind the rest of the nation in helping its residents obtain health insurance coverage. According to the latest Census data, the Sunshine State has the fourth highest rate of uninsured residents (13 percent) in the nation, with 2.7 million Floridians uncovered.³

It is projected that by July 2020, more than 1.3 million jobs will be eliminated in Florida as a result of the pandemic.⁴ Loss of jobs also means substantial loss of employer-based coverage, which will inevitably contribute to even higher uninsured rates.

Florida's private employment sector includes a very high proportion of workers paid low wages — more than 20 percent — predominantly in the leisure and hospitality industry, followed by retail.⁵ Economists predict that a recession is likely to disproportionately affect low wage jobs.⁶

While thousands have already lost employment, many low-wage workers, such as cashiers, grocery store employees, and delivery drivers, have kept their jobs. They are on the frontlines, having daily interaction with the public. Many are uninsured and lack paid sick leave. Thus, they are more likely to avoid or delay getting COVID-19 testing and treatment while facing potential exposure daily. This jeopardizes their own health and may increase the spread of the virus as a result of their ongoing employment-related public contact (See *Christina's Story*).

CHRISTINA'S STORY

Christina is uninsured and lives with a colostomy bag due to a perforated appendix. She is immunocompromised and has not left her house since November '19. Her husband is 67 and works part time at a local discount store to make ends meet. She is worried about him continuing to work during COVID-19 because of his age. In addition, if he catches the virus, she will likely die. She shared that to keep her protected, he takes off his shoes as soon as he gets home and jumps in the shower. They wash his work clothes immediately.

Growing population of older Floridians and people with disabilities

More than 20 percent of Floridians, 4.3 million, are aged 65+-- the second largest percentage of older residents in the country.⁷ Further, growth of the state's Supplemental Security Income (SSI) population, which covers very low-income people with severe disabilities, has been significantly higher than the national average.⁸ Florida also has more than 84,000 nursing home beds and more than 106,000 assisted living beds.⁹ These are precisely the groups at greatest risk of serious illness if infected with the virus.¹⁰

Florida's large immigrant population

One in five residents in Florida is an immigrant, making up more than one-fourth of Florida's labor force.¹¹ With the economic downturn many will be losing employment and in need of help from safety net programs. However, there is great fear in this community of using public benefits, including medical assistance, due to changes in the federal public charge rule.¹² Use of some public benefits by specific groups of immigrants will now be considered a negative factor when they seek citizenship. Although the federal government has said that testing and treatment of COVID-19 are exempt from public charge considerations, they are having a

“chilling effect” on all. Thousands of these Floridians are likely deterred from getting coverage and/or seeking necessary medical care. This chilling effect is even more consequential during a pandemic, when coverage and access to care for all is vital for the overall public health.

Florida’s history of deep cuts to public health services

Despite the growing need for safety net health care services, over the past decade, there have been deep cuts to the state's public health system. Notably, between 2010 and 2018, Florida cut county health department funding by 10 percent and health department staff shrank from 12,800 to 9,300.¹³ The state has fewer epidemiologists per resident than most of the country.¹⁴ These experts and other public health workers are critical to controlling disease outbreaks. Even with recent smaller disease outbreaks in Florida including Zika, Hepatitis A, and tuberculosis, the deficiencies in Florida's public health infrastructure have been starkly evident and well-documented.¹⁵ These cuts have placed an even greater uncompensated care burden on hospitals, which already exceeded \$2.5 billion per year before the pandemic.¹⁶

State’s failure to expand Medicaid

Notwithstanding its persistently high rate of uninsured, Florida is one of just 14 states that has refused to expand Medicaid to cover Floridians aged 19 to 64 with income at or below 138 percent of the poverty level (\$17,608 for a one-person household, \$29, 273 for a family of three).¹⁷ Because of this policy choice, an estimated 846,000 low-income uninsured Floridians are currently excluded from coverage.¹⁸ This includes very low-income parents with minor children, and people with disabilities and chronic health conditions who do not meet Social Security's strict disability criteria.¹⁹ (See *Christine’s Story*.) This number is undoubtedly increasing since thousands of Floridians are losing jobs, income, and employer-sponsored health insurance at the very moment when access to health care is critical for themselves and their families.

CHRISTINE’S STORY

Christine is uninsured and contracted Shingles in her eye in 2018 - Ocular Shingles. It left her nearly blind AND she’s not immune to catching it again. To add insult to injury, she’s not 50 yet so she can’t get the Shingles vaccine at a low cost “from her local pharmacy.” Vaccine shots will cost her \$1,300. She applied for SSD and was denied. She finally hired an attorney to appeal the decision.

Lawmakers’ refusal to expand Medicaid is having life-and-death consequences. Even before the pandemic, experts projected that from 2014-2017, 2,776 older Floridians (aged 55-64) died prematurely due to the state’s failure to expand Medicaid.²⁰

Nearly 400,000 of the 846,000 Floridians eligible for Medicaid expansion are adults living below the poverty level. They are caught in the “coverage gap.” They cannot meet the Florida Medicaid program’s very stringent eligibility criteria, but they are too poor to qualify for federal premium subsidies that would help them buy private insurance through the federal marketplace.²¹

People of color represent nearly half of the Floridians caught in the coverage gap.²² People of color are more likely to be uninsured, lack a usual source of care, and have underlying medical conditions such as diabetes and asthma which make them more susceptible to serious illness due to COVID-19.²³ (See *Deborah's Story*.) Early data emerging from Florida and other states show a disproportionately high death rate from the virus among Black residents.²⁴

DEBORAH'S STORY

Deborah is uninsured and African American. She worked over 30 years in the human services industry. She has pre-existing conditions and is unable to see a specialist.

The failure to expand Medicaid also negatively impacts Florida's budget and economy. It is a significant factor in a recent study ranking Florida in the bottom 10 states for recession preparedness.²⁵

Steps Florida Has Taken to Date to Address the COVID-19 Crisis

Section 1135 Waiver Changes — Agency for Health Care Administration

On March 16, 2020, the Agency for Health Care Administration (AHCA), Florida's lead state Medicaid agency, issued a provider alert announcing multiple program modifications in response to the pandemic.²⁶ Many of these changes were based on an 1135 public health emergency federal waiver.²⁷

The provider alert specifies that Medicaid will cover “all medically necessary services required to facilitate testing and treatment of COVID-19.” In addition, for the duration of the emergency, multiple requirements have been lifted to ease the administrative burdens on providers and facilitate the delivery of care to beneficiaries, such as waiver of prior authorization and copayment requirements.²⁸

Cessation of Medicaid Terminations and Other Changes — Department of Children & Families

Under the Families First Coronavirus Response Act (FCRA), Florida is receiving an enhanced federal Medicaid match (6.2% increase). As a condition, the state is prohibited from terminating Medicaid coverage for beneficiaries covered as of March 18, 2020 and going forward through the end of the public health emergency.²⁹ Exceptions are individuals who are no longer state residents or voluntarily terminate their coverage.

After passage of the new federal law, the Department of Children and Families (DCF), the state agency responsible for Medicaid eligibility determinations, posted the following message on its website:

“We will maintain Medicaid eligibility for current recipients through the last day of the month of the state of emergency. **This means no Medicaid recipient will lose Medicaid eligibility during the state of emergency** (emphasis added). We are working on notifying recipients who may have received a termination notice in the month of March that their benefits will continue.”³⁰

The agency has also implemented a six-month extension for individuals and families scheduled to recertify in April or May. Additionally, beginning with applications received in February 2020, DCF is extending the timeframe for individuals to submit any necessary paperwork to 120 days from the date the application was

received. If the Medicaid application is approved, the individual's Medicaid eligibility effective date will be the first day of the month that the initial application was received. While DCF has extended the time for people to submit their verification up to 120 days, it's important to note that during this time the applicant is not enrolled in Medicaid and will most likely be required to pay out of pocket in order to obtain needed services. While these initial steps are helpful, far more is needed to support Floridians through this unprecedented crisis.

Notably, none of these actions extend coverage to the uninsured.

Covering the Uninsured: The Need for Medicaid Expansion is Urgent

Do recently passed federal relief laws extend coverage to the uninsured?

Congress has so far passed three COVID-19 relief laws. The first was the Coronavirus Preparedness and Response Supplemental Appropriations Act, signed into law on March 6; followed by the Families First Coronavirus Response Act (FFCRA), signed into law on March 18; and the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law on March 27, 2020.³¹

Only FFCRA provides some (very limited) coverage for the uninsured. It provides states the option to tap into 100 percent federal funding for free COVID-19 testing of the uninsured. Florida officials have not yet publicly announced whether the state will accept this funding or not. Testing of uninsured individuals is crucial to ensure people who experience symptoms or have been exposed to the virus do not avoid getting tested for fear of the costs, which can exceed \$1,000 per test.³²

While FFCRA provides coverage for testing uninsured people **it does not cover treatment**. An estimated 20 percent of people with COVID-19 experience complications and require treatment including intensive and expensive hospital care.³³ Coverage of testing but not treatment is inadequate to reduce the spread of infection and protect Floridians from this pandemic.

Medicaid expansion is necessary to protect Floridians' health and financial security and will be a boost for the state budget

Medicaid covers both COVID-19 testing and any needed treatment. It also provides a full range of services people need in this crisis, including coverage of behavioral health services, prescriptions, and treatment of underlying conditions to help people stay healthy and out of the hospital.

A substantial body of research based on experience of the 37 expansion states (including D.C.) shows that these states' residents are experiencing better health outcomes, more financial security, and less medical debt compared to non-expansion states.³⁴ In addition, expansion has brought more funding to support financially threatened rural hospitals at risk of having to close their doors and decreased uncompensated care for hospitals.³⁵

People covered by Medicaid are more likely to have a consistent source of care compared to those who are uninsured. Thus, expansion would help divert demand away from already-stretched safety net providers trying to serve a growing number of uninsured during this public health emergency.

Expansion would also bring billions of new federal dollars into the state at a time when they are desperately needed. The federal government pays 90 percent of the costs for people with Medicaid expansion coverage. This means that for every dollar a state spends on coverage for this population, it will bring in an additional *nine* dollars in federal matching funds.

Experts have projected that expansion would bring \$14.3 billion in new federal dollars to the state from 2020 to 2024.³⁶ If, as expected, the public health emergency leads to a severe recession, this infusion of federal dollars will be a substantial boost to the state economy.³⁷ This additional funding is one of the most rapid, proven-effective ways to deliver fiscal relief to states during an economic downturn.³⁸

Expansion would also provide significant relief for Florida's state budget. The New England Journal of Medicine recently published the results of a 50-state analysis to determine the financial impact of Medicaid expansion on state budgets.³⁹ It finds that increased Medicaid spending in expansion states was subsidized entirely by increased federal funding and did not force states to cut back on other priorities, such as education. Moreover, the new federal dollars offset other state costs, including health care for people involved in the criminal justice system and state-funded behavioral health services. This is consistent with the findings of other researchers that have projected Florida savings in the range of \$198.9 million annually to \$385 million over a five-year period.⁴⁰

“Experts have projected that expansion would bring \$14.3 billion in new federal dollars to the state from 2020 to 2024.”

If the Legislature and governor authorized expansion, implementation could happen swiftly. State officials would merely have to file three Medicaid state plan amendments (SPAs). It is the federal government's practice to apply these amendments retroactively to the beginning of the current quarter. Thus, an amendment filed prior to June 30, 2020, could be effective April 1. When Louisiana expanded Medicaid in 2016, it took the federal government only three weeks to approve Louisiana's SPAs.⁴¹

More State Action is Needed to Facilitate Medicaid Enrollment and Help People Keep Coverage

Getting people health coverage is an essential strategy for fighting this pandemic. Yet currently there are enormous demands on Florida's safety net — including Medicaid and the staff administering this program. Plus, there are significantly more challenges for people desperately trying to access these benefits. Indeed, the state has closed off public access to all DCF storefront offices and lobbies and is steering more people to apply online. However, this is difficult, if not impossible, for thousands of Floridians without internet access.

Particularly hard hit are seniors and people with disabilities at very high risk of infection, trying to stay at home and isolate from family and friends who might otherwise be available to help them apply.

There are key administrative steps the state could take to streamline the Medicaid application process and help people keep their coverage:⁴²

- **Simplify the Medicaid application.**⁴³ The state already has experience using a simplified application for enrolling children, as well as low income Medicare beneficiaries.
- **Increase capacities to accept applications by telephone.** While Florida rules and DCF's website indicate that telephone applications are accepted, even before the pandemic, DCF's customer service line was not equipped to handle these requests.⁴⁴
- **Enroll applicants based on the information on their applications.** This will allow people to enroll based on their self-attestation of the accuracy of information on their applications. Then they can get covered quickly in order to access care. Needed verification can be obtained after enrollment.
- **Maximize the use of presumptive eligibility (PE) -** PE allows “qualified entities” designated by the state to temporarily enroll people who appear to meet eligibility criteria at the time they seek assistance. Currently, only pregnant women and children can get PE and only certain hospitals and county health departments have been designated as qualified entities.⁴⁵ It is particularly critical at this moment in time that PE be expanded to seniors and person with disabilities. Further, the types of providers who could do PE determinations need to be broadened to include, for example, state workers, DCF community partners, and other social services agencies.
- **Cease redeterminations and periodic income checks -** During the public health emergency it makes no sense for the state to be using scarce caseworker resources to do Medicaid redeterminations or periodic income checks. Even if there are changes in income or other household circumstances that might affect eligibility have changed, the state is currently barred from terminating coverage through the duration of the public health emergency.

Conclusion

Medicaid expansion is urgently needed in Florida to help reduce the spread of the COVID-19 virus and protect the health of both essential low wage workers and the state’s overall public health. It would also provide a substantial boost to the state budget and economy during what is likely to be a severe recession.

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