

Conflicts about Supports for Working Families and Health Reform

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Lecture 11. October 14, 2020

TODAY'S LECTURE

- **New kinds of social policy debates responding to changes in families and work**
- **Health insurance battles in the United States and the Affordable Care Act of 2010**
 - **What the law tries to do**
 - **Prolonged implementation**
 - **Conflicts over Medicaid expansion in the states**
 - **Why the ACA has been front and center for the Tea Party and the anti-Trump resistance**
- **ObamaCare under President Trump and the stakes in 2020**
- **Sum up current big picture for U.S. social policy**

From 1935 to 1970, idealized (middle-class) family structure assumed a father working for wages and a mother doing caregiving for children and other family members.

Family norms as well as realities have shifted across income strata: more single-parent households and two-wage-earner families with children or other dependents.

Social policy debates have shifted too:

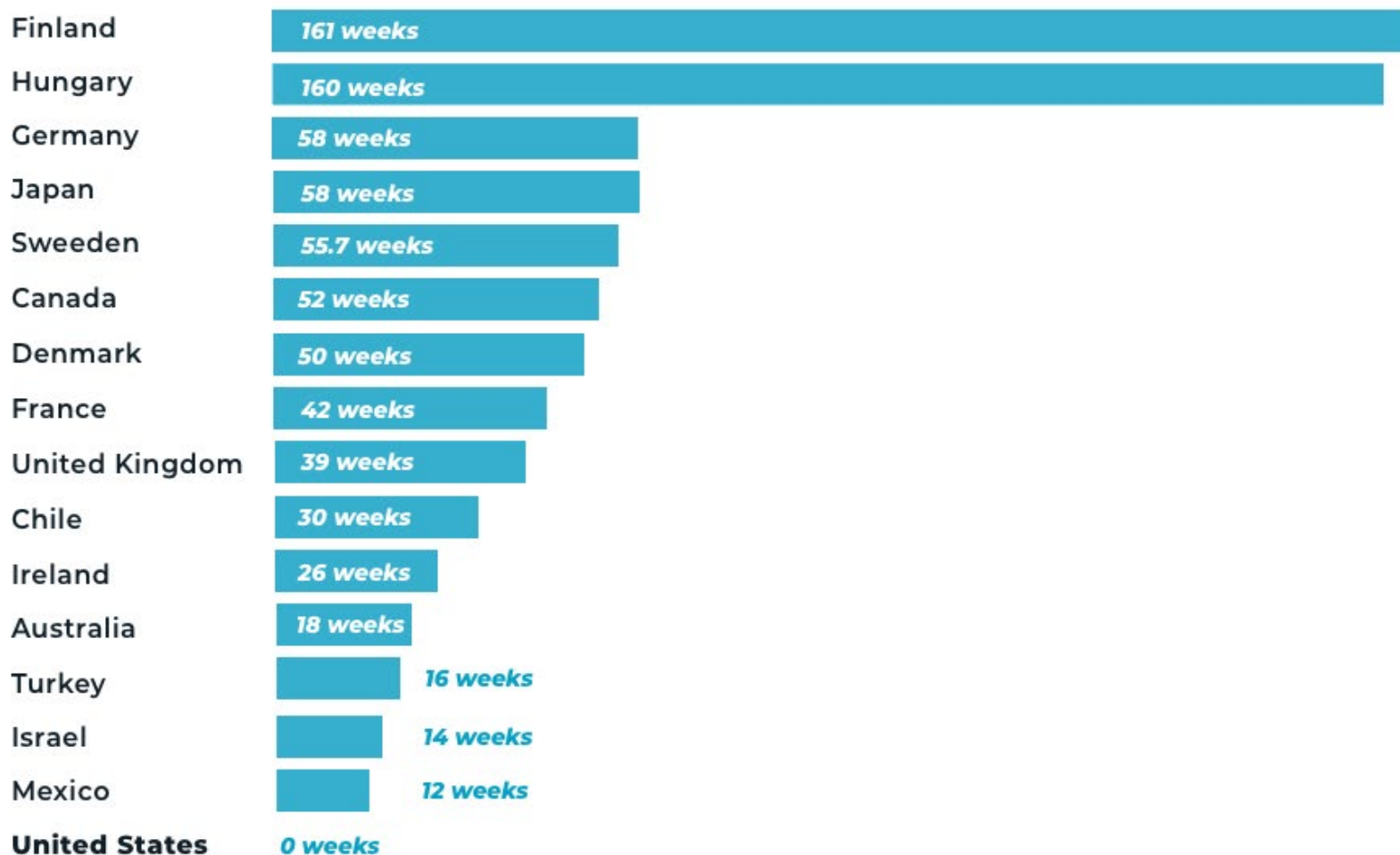
- **Encourage/support low-wage work – via EITC, min wage floors**
- **New programs to help families/women combine wage-work and caregiving – such universal early childhood education/care, family and medical leave benefits**

Proposals for **universal subsidized early childhood education or day care** are emerging in the USA, but most recent action has followed two other paths:

- ***Government regulatory mandates*** requiring employers to provide, at their own expense, either **paid sick days** or options for employees to take weeks/months of **family and medical leave without losing their jobs**.
- ***Paid family and medical leave benefits*** – a new form of social insurance funded by small, regular payroll contributions to allow employees to take extended time off for care of newborns or elderly or sick relatives, with portions of their wages/salaries replaced.

PAID MATERNITY LEAVE

The U.S is the only developed country that does not mandate paid time off to women after they give birth.



On February 5, 1993, President Bill Clinton signed the Family and Medical Leave Act – the most significant new U.S. social legislation prior to the Affordable Care Act of 2010.

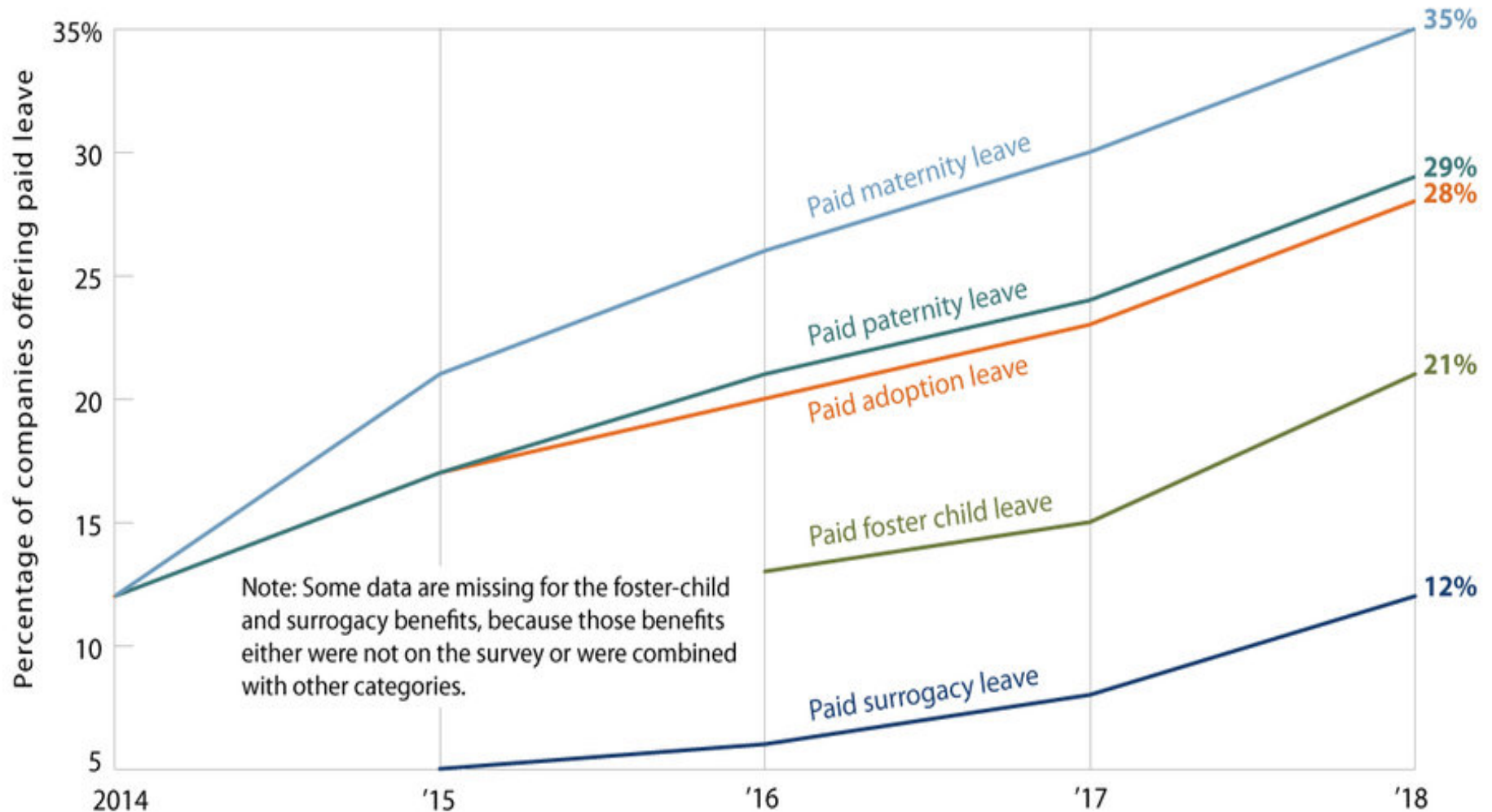


FAMILY AND MEDICAL LEAVE since 1993

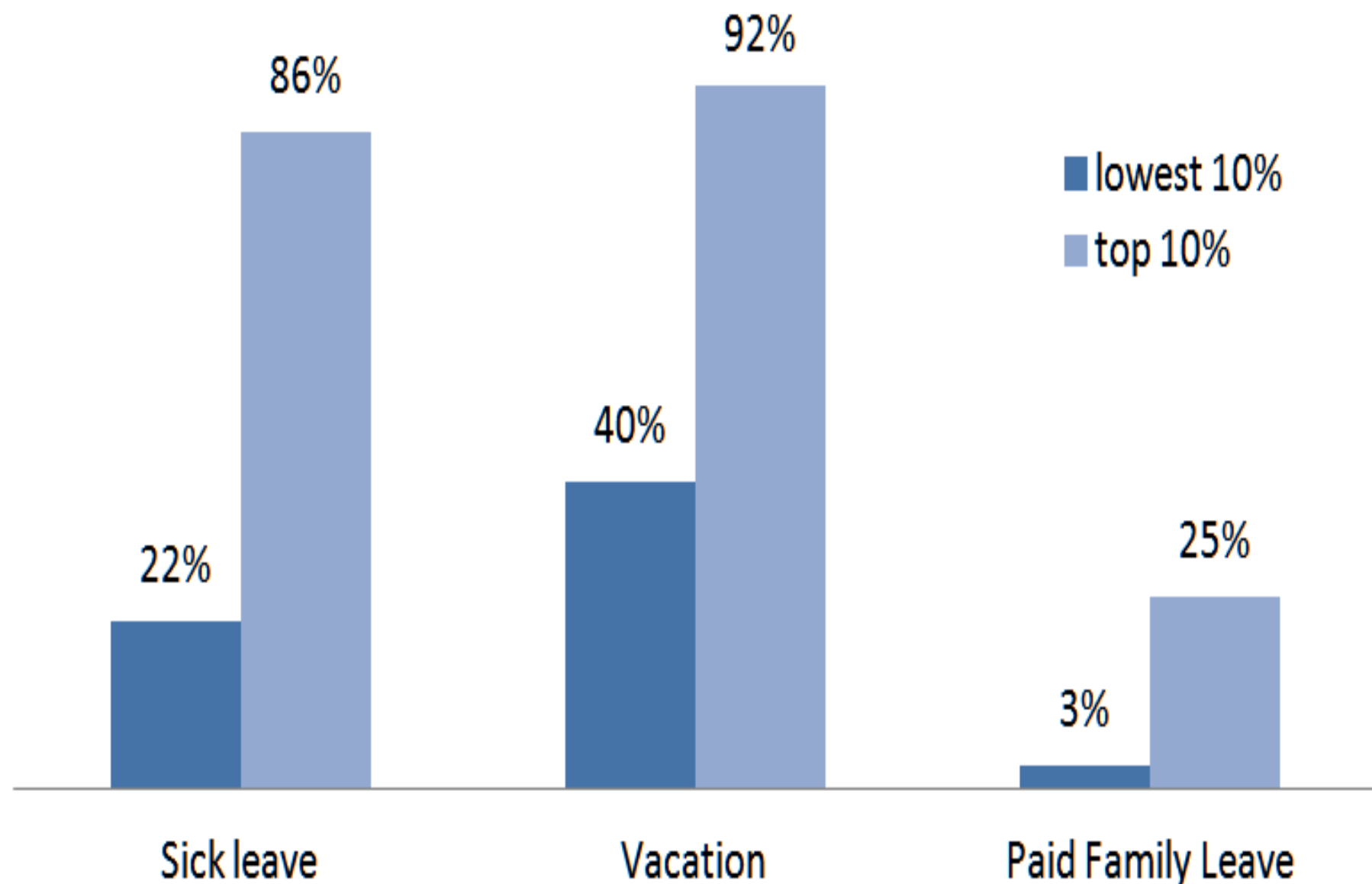
- **The 1993 federal law mandated up to 12 weeks of job-protected *unpaid* leave for newborns, adoptees, family medical care own medical needs, applicable to workers at large companies with 50 or more employees.**
- **Many major companies and nonprofits voluntarily offer **paid** leave to some or all employees – but many companies do not.**
- **Some states have mandated more generous unpaid leave rights and, recently, some mandate paid leave.**
- **The 1993 federal law did little to reduce inequalities, because managers, professionals, and public-sector unionized workers have been much more likely to use unpaid leaves or have paid benefits than low-wage workers (who disproportionately work for small businesses).**

Rising share of employers offer parental leave

Because of demand from workers, more companies are offering paid leave, according to employer surveys. But the benefits are often limited to salaried employees, or are more generous for them than for hourly workers.



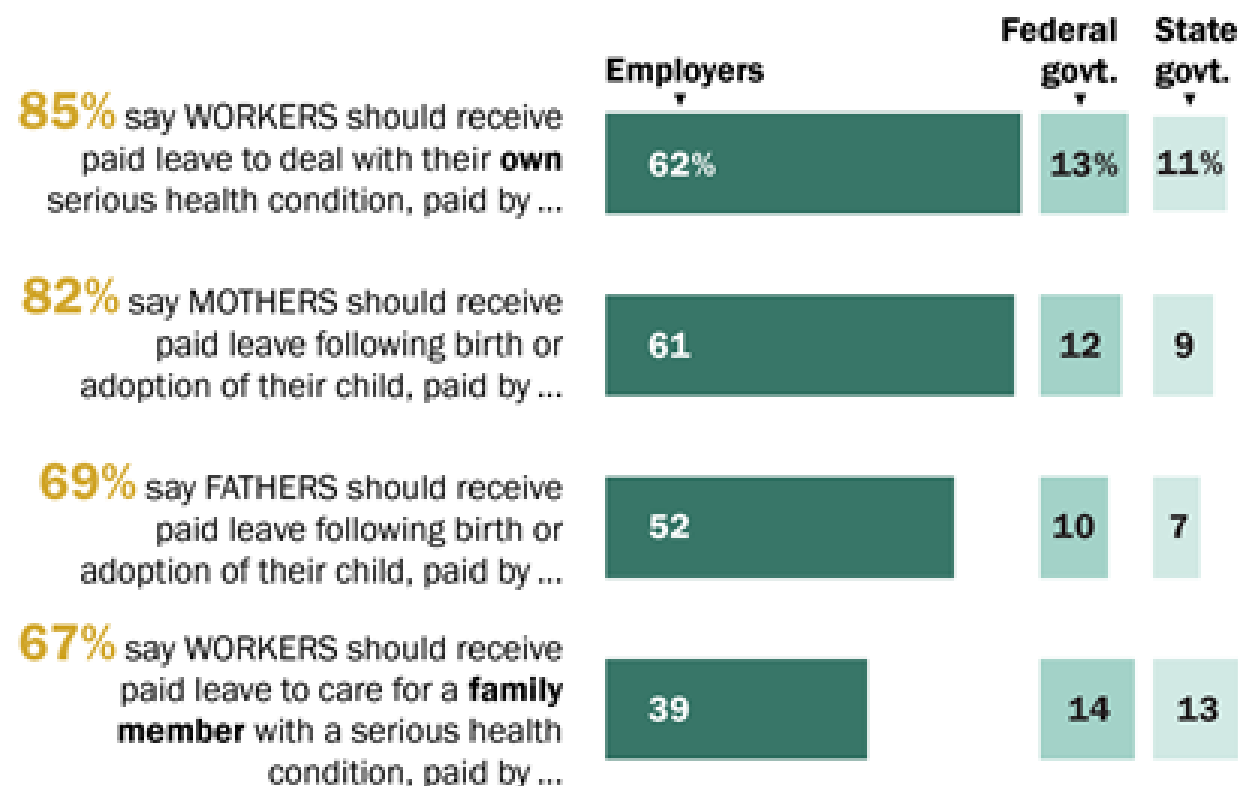
ACCESS TO PAID LEAVE AMONG U.S. PRIVATE SECTOR WORKERS BY INCOME, 2015



Source: U.S. Bureau of Labor Statistics, National Compensation Survey 2015

Most Americans say workers should receive paid family and medical leave

% saying each group should receive paid leave from ...



Note: Net support for paid leave calculated before rounding. Percent saying workers should be able to take unpaid leave or should not be able to take leave and share of respondents who didn't offer an answer not shown.

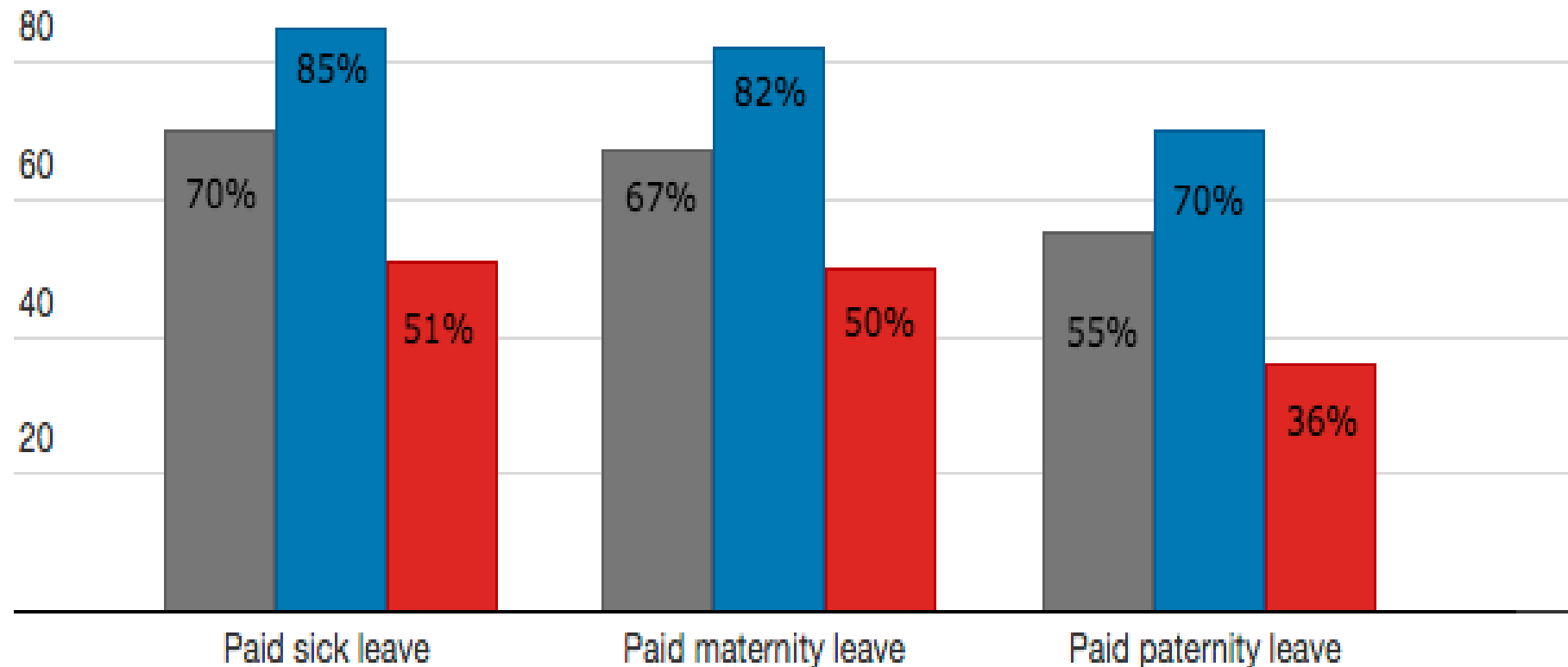
Source: Survey of U.S. adults conducted Nov. 17-Dec. 1, 2016.

"Americans Widely Support Paid Family and Medical Leave, but Differ Over Specific Policies"

Majorities in both parties favor mandating paid sick leave and maternity leave

Percentage who answered "Yes" to "Do you think that companies should be required to offer:"

■ Total ■ Democrats ■ Republicans

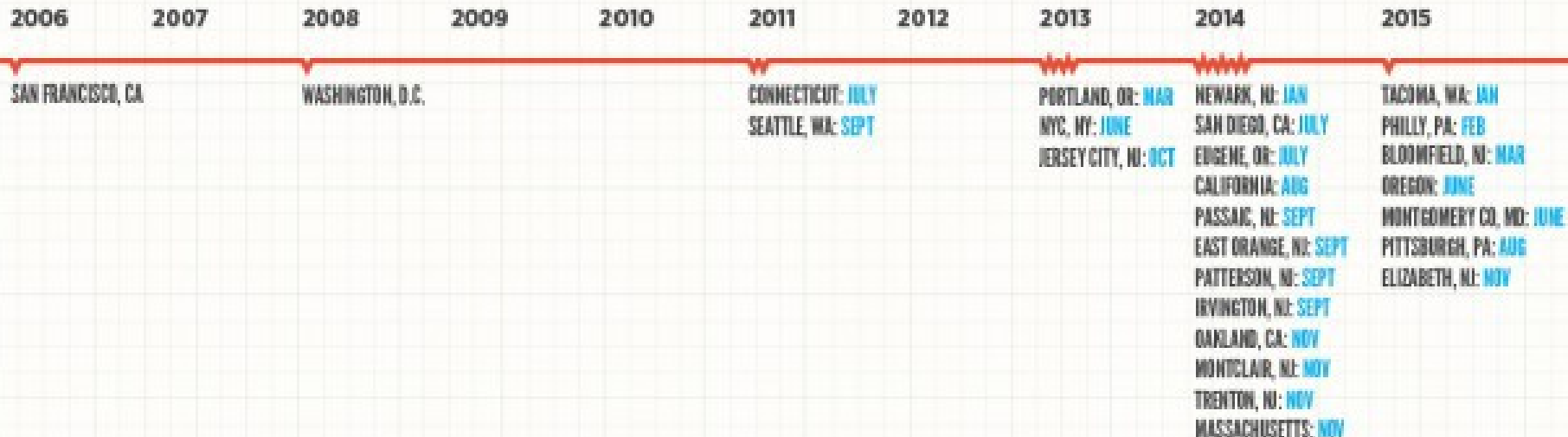


Source: Huffington Post/YouGov poll, early 2015.

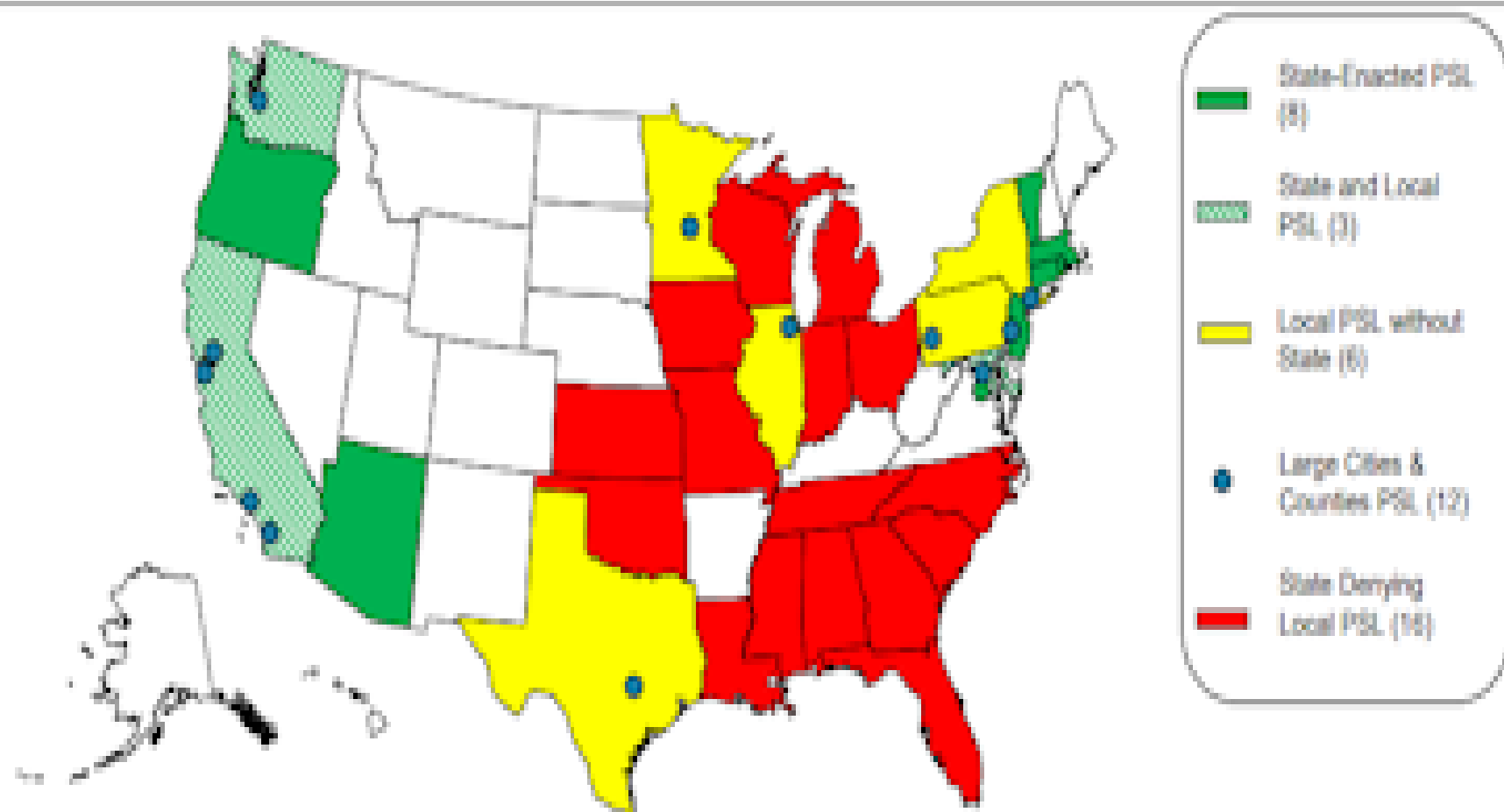
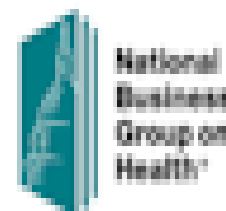
Beyond wage increases, employers can be mandated to give sick days to their employees

PAID SICK LEAVE LAWS HAVE TAKEN OFF

More and more **cities & states** are requiring employers to give workers paid sick days



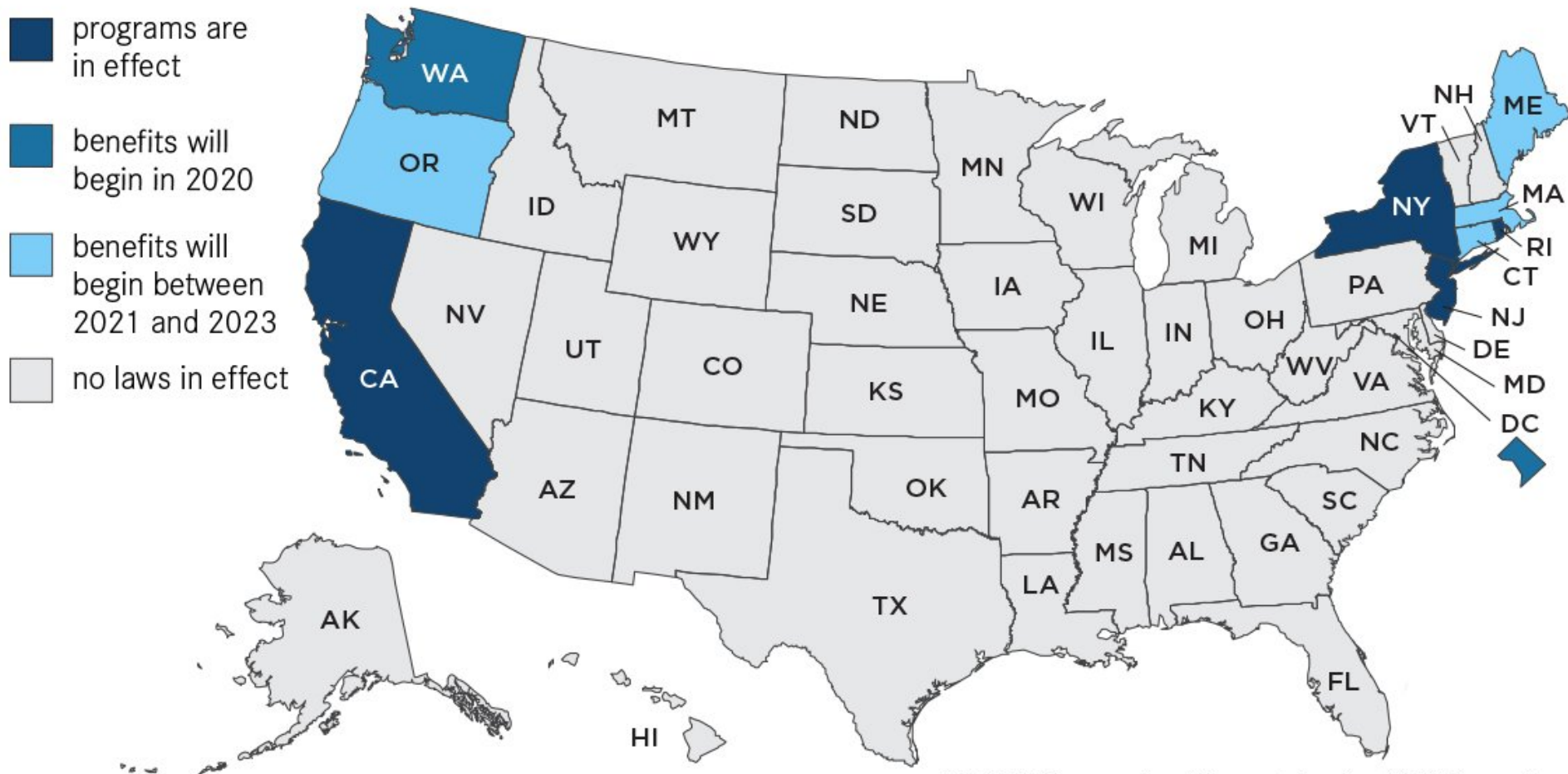
State and Local Laws on Mandated Paid Sick Leave – Updated 05/02/2018



Note: AZ, NJ and OR also block local PSL laws. MD also blocks local laws enacted after state law.

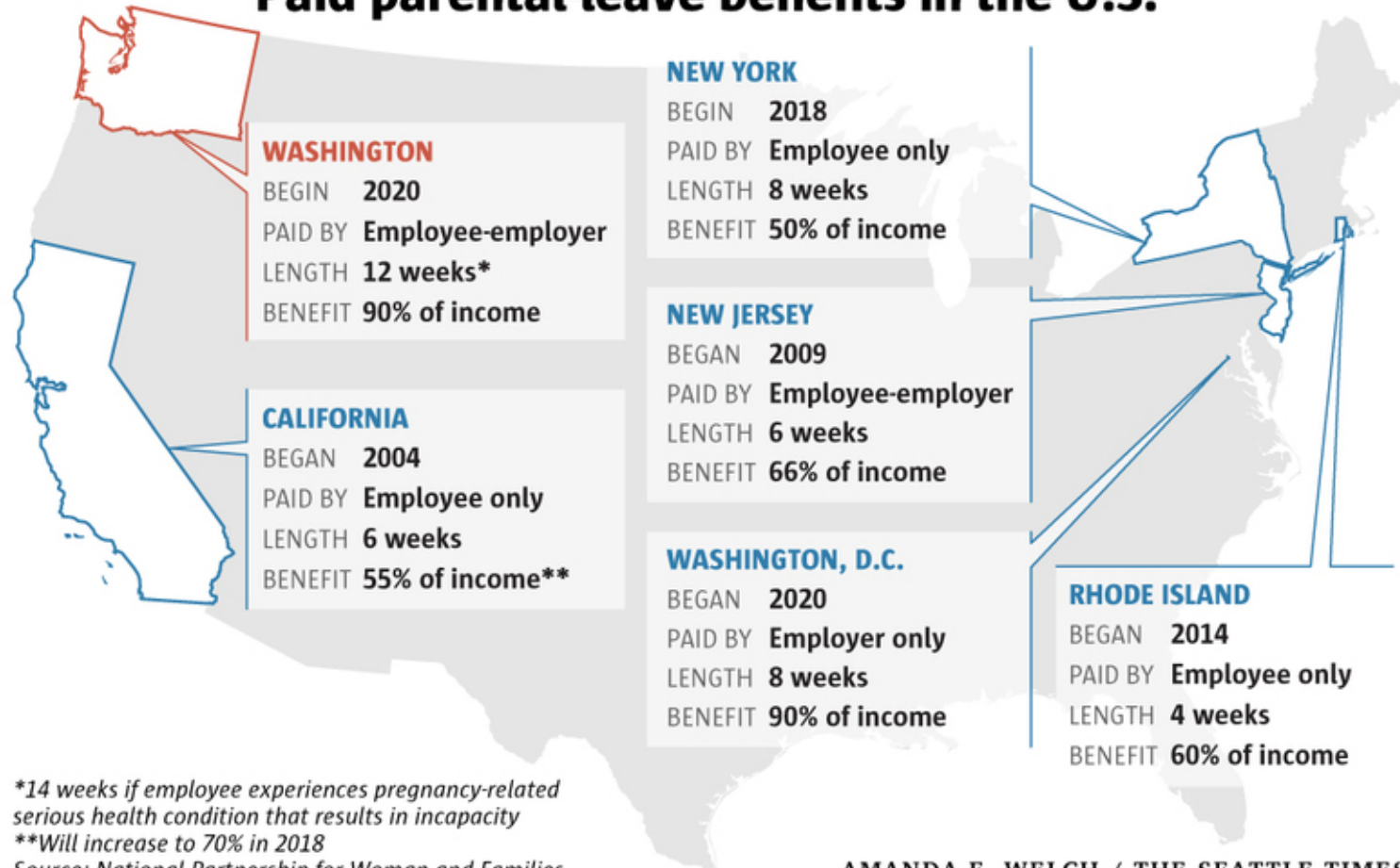
Some U.S. states have made family and medical leave more equal by enacting paid leave social insurance laws

U.S. paid family leave laws by state



SOURCE: Congressional Research Service, AARP Research

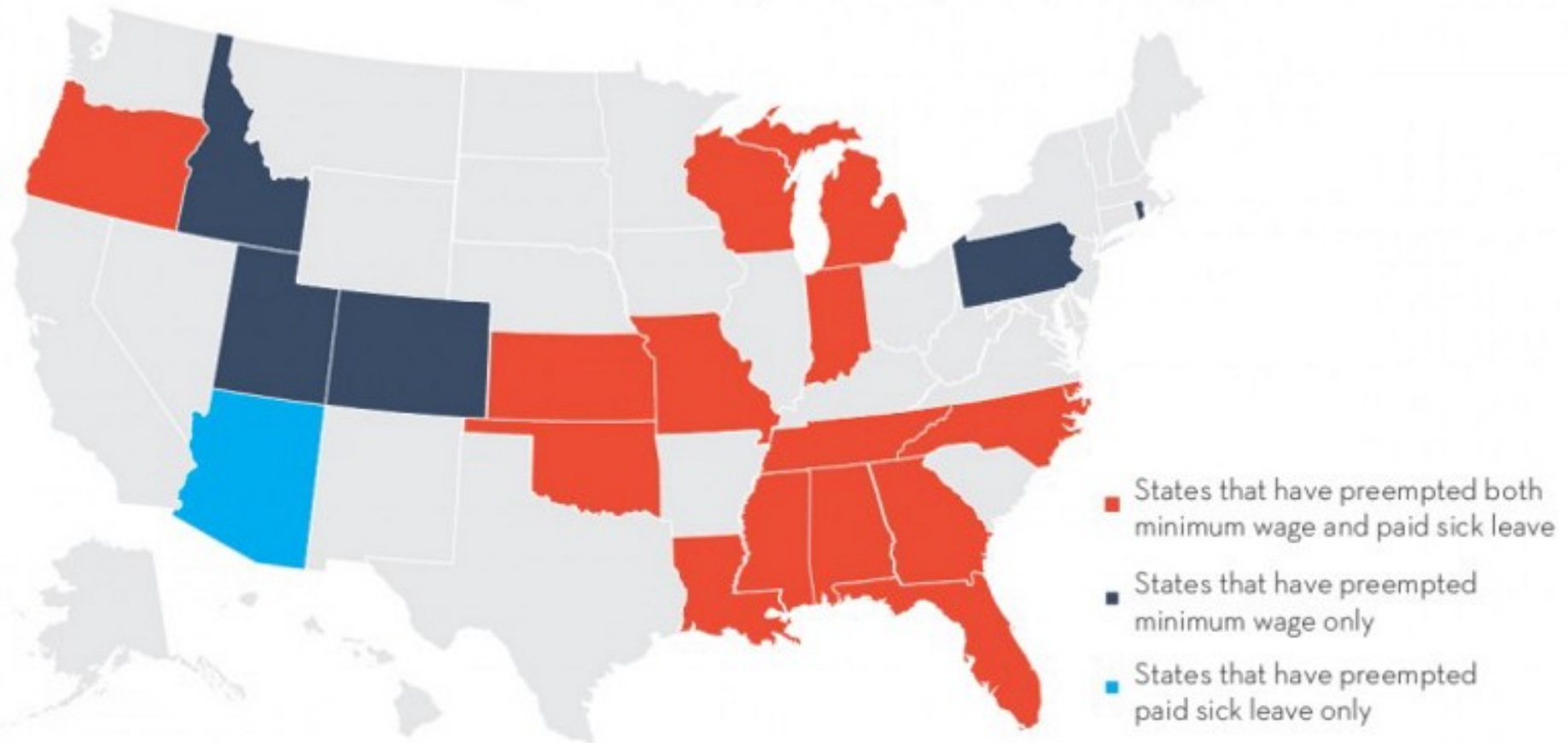
Paid parental-leave benefits in the U.S.



As with minimum wage laws, many GOP legislatures not only refuse to enact statewide paid sick leave mandates but also “preempt” local paid leave ordinances.

STATES THAT HAVE BLOCKED LOCAL MINIMUM WAGE AND SICK LEAVE LAWS

The backlash against the growing movement for workplace benefits



Another key family support is health insurance – which almost all industrialized and many developing nations have expanded to all or most citizens. Some use taxes to deliver or pay for coverage; others use regulations and subsidies to expand and supplement private insurance.

Since early 1900s, most US proposals failed, until...

- **Tax subsidies for private insurance from 1940s**
- **Public insurance repeatedly defeated until Medicare for elderly and Medicaid for some of very poor in 1965**
- **Clinton health reform defeated in 1994, Obama's Affordable Care Act finally enacted on partisan lines in 2010.**

On March 23, 2010, President Barack Obama signed into law the Patient Protection and Affordable Care Act



After two years of continuing public controversy and legal challenges from 26 states, the Supreme Court upheld the core provisions of Affordable Care on June 28, 2012



PHOTO: ALEX WONG/GETTY IMAGES

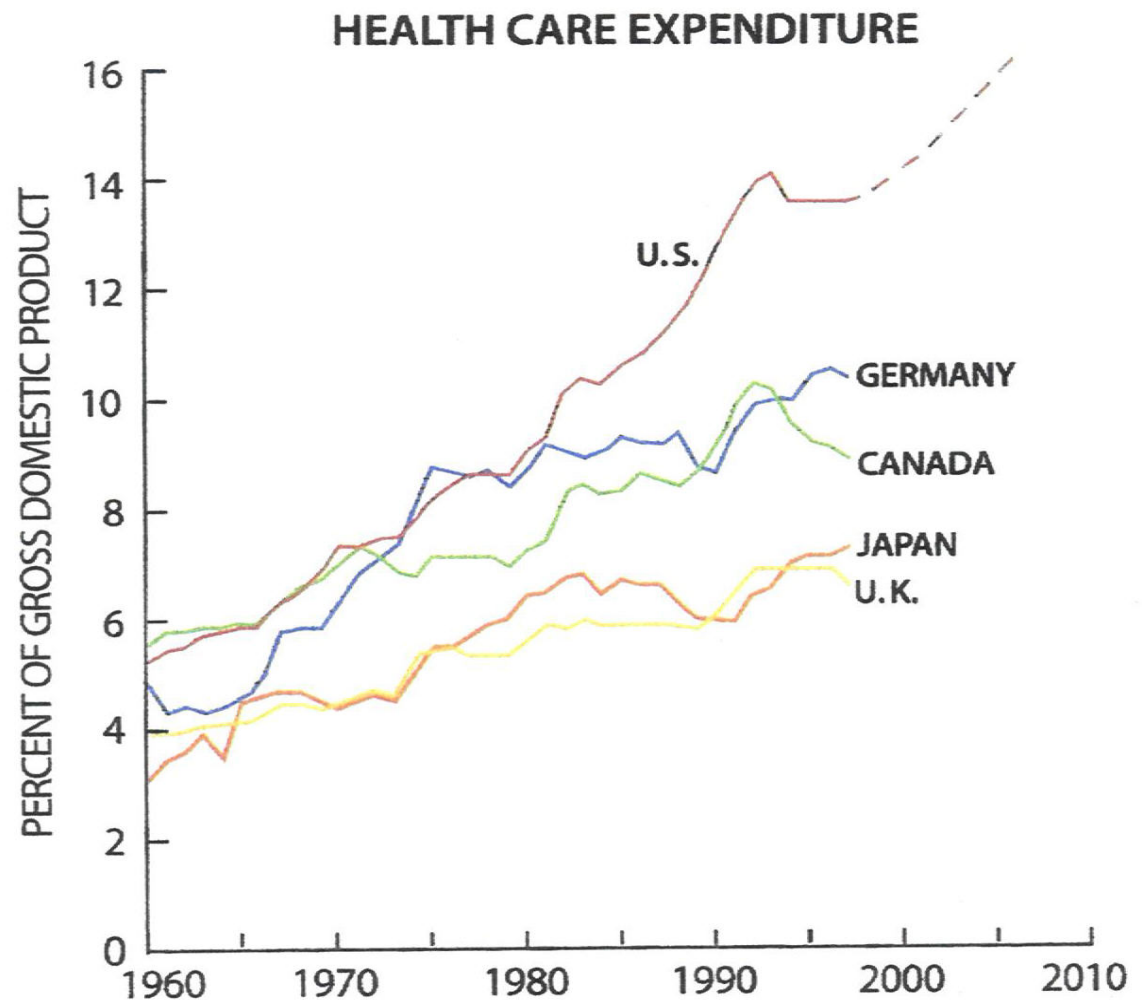


President Obama's reelection on November 6, 2012 ensured that Affordable Care would survive through the initial stages of implementation.

U.S. Health System Before 2010

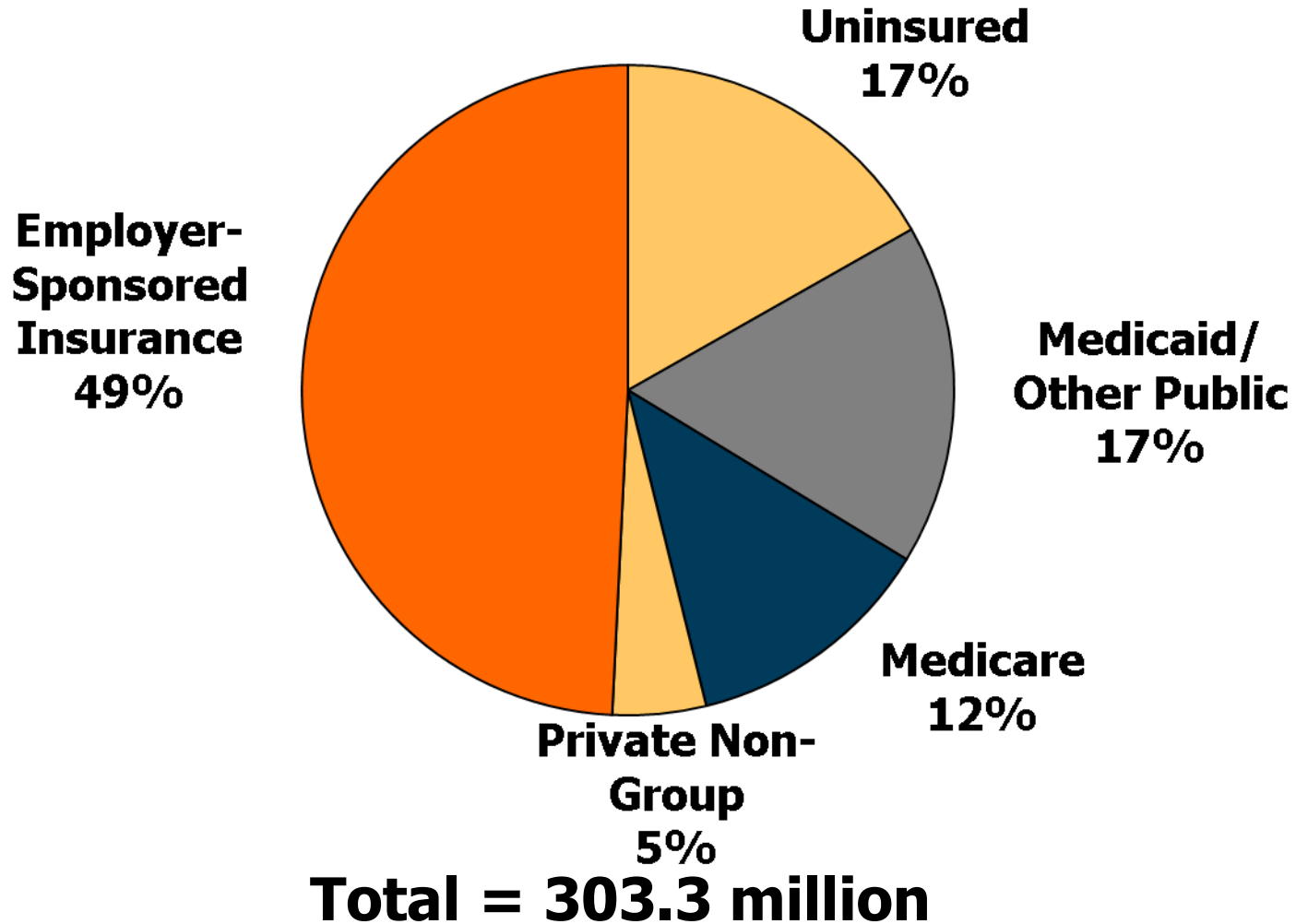
- **After 1970s, private insurance increasingly expensive, with rapidly rising health care costs – and growing numbers of nonelderly Americans without insurance.**
- **Health insurance coverage skewed toward the elderly (Medicare) and the very poor (Medicaid), and to regularly employed middle and upper income citizens whose employers offer tax-subsidized coverage.**
- **Why does insurance matter? Improves access to regular preventive care and care for chronic health problems, reduces worries about bankruptcy, and improves mental health. Some studies suggest significant improvements in physical health and longevity.**

The U.S. health care system had very high - and steeply rising -- costs.



SOURCE: Organization for Economic Cooperation and Development, Health Data 1997. Dashed line shows projections for U.S. made by Sheila Smith, Mark Freeland, Stephen Heffler et al., "The Next Ten Years of Health Spending," in Health Affairs, Vol. 17, No. 5, pages 128–140; September–October 1998.

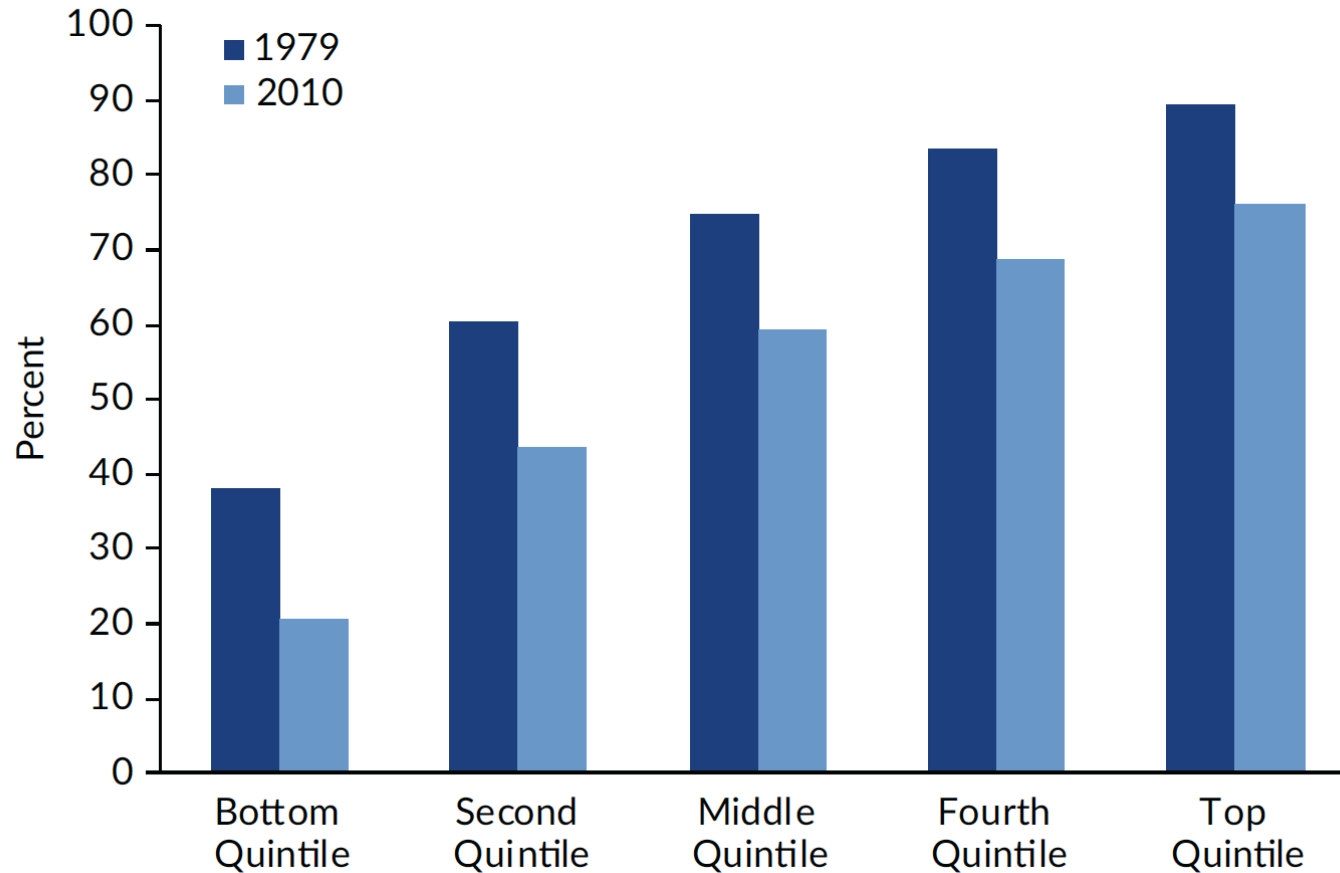
Health Insurance Coverage in the U.S., 2009



NOTE: Includes those over age 65. Medicaid/Other Public includes Medicaid, CHIP, other state programs, military-related coverage, and those enrolled in both Medicare and Medicaid (dual eligibles).

SOURCE: Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on the Census Bureau's March 2010 Current Population Survey.

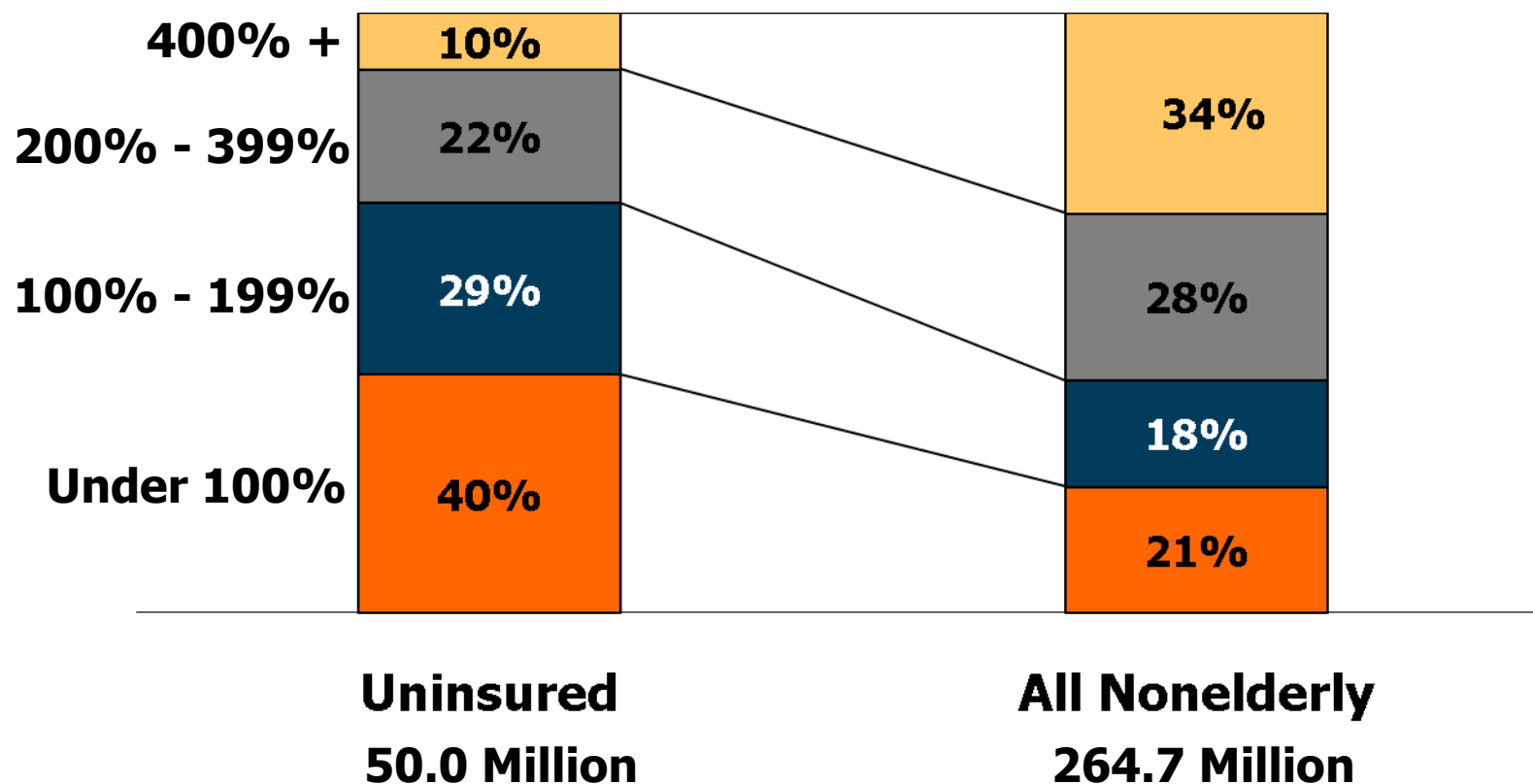
Figure 2.2 Rising Inequality in Employer-Provided Health Insurance Coverage, by Wage Group, 1979–2010



Source: Mishel et al. (2012), 200.

Note: Includes only private-sector wage and salary workers ages eighteen to sixty-four who worked twenty hours a week or more, twenty-six weeks a year or more.

Uninsured Nonelderly vs. All Nonelderly, by Family Poverty Level, 2009



NOTES: Data may not total 100% due to rounding. The Federal Poverty Level for a family of four in 2009 was \$22,050 (according to the U.S. Census Bureau's poverty threshold). Family size and total family income are grouped by insurance eligibility.

SOURCE: Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of 2010 ASEC Supplement to the CPS.

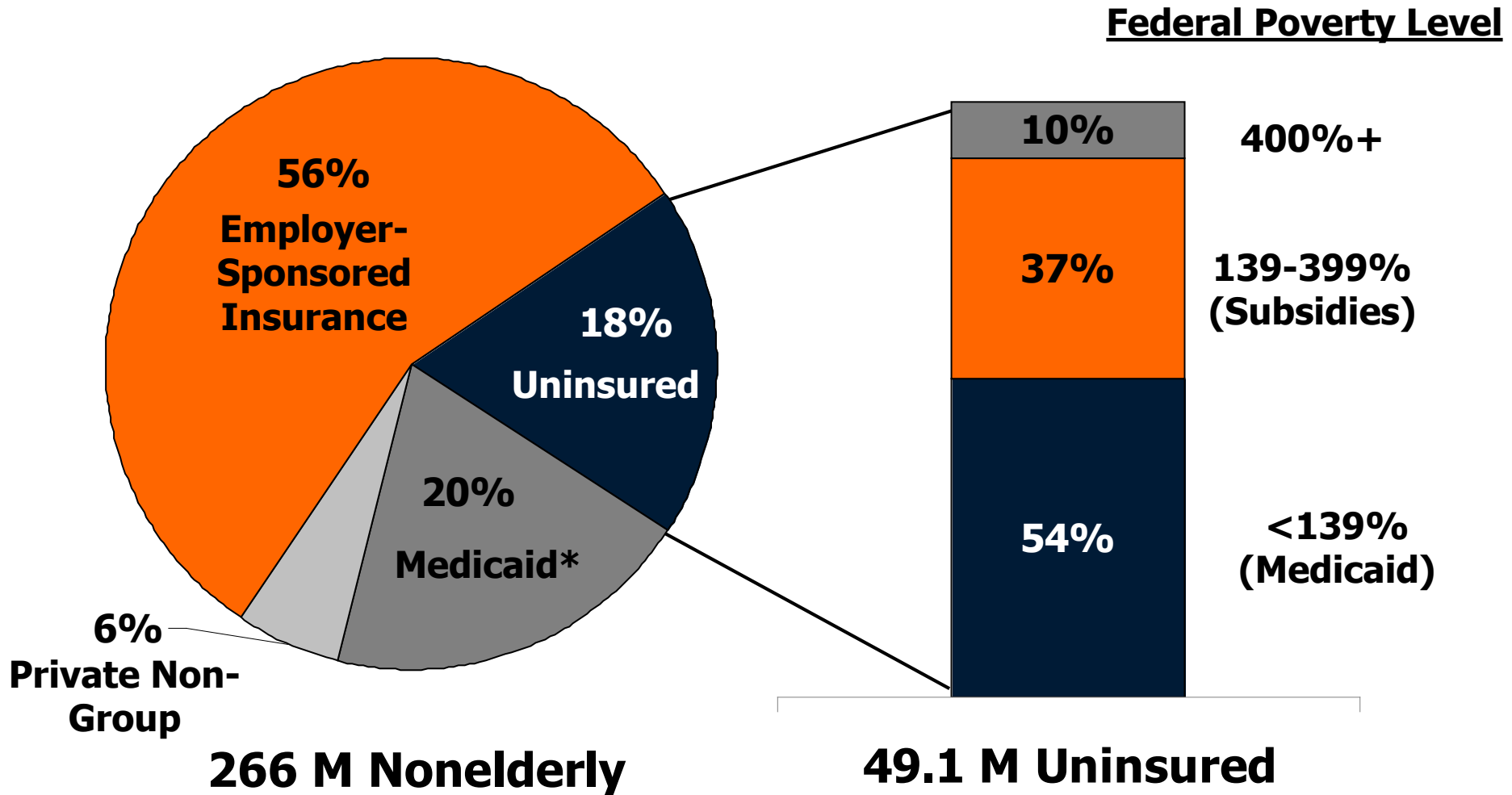
HOW DID THE UNITED STATES DEVELOP THIS KIND OF HEALTH CARE SYSTEM?

- Campaigns for government-subsidized and publicly guaranteed *universal* health insurance coverage repeatedly failed.
- Instead, government and private institutions ended up *subsidizing* employer-provided private insurance, the construction of acute-care facilities, and high-tech medicine.
- Private, fee-for-service physicians carved out leverage as the key actors in an intricate institutional system.

Patient Protection and Affordable Care Act of 2010

- **New rules of the game for insurance companies:** make profits but cannot exclude sick people or those expected to become sick.
- **Make insurance available affordable for most American citizens:** expansions of Medicaid and new subsidies for small businesses and for lower and lower-middle income people to buy plans.
- Each state establishes a **regulated insurance exchange, on which plans are listed and can be compared by potential purchasers.** Federal government sets up exchanges if states do not.
- Improvements in basic Medicare coverage, but cuts in high-end plans and slightly higher taxes for richest beneficiaries.
- New coverage for young people: parental insurance until age 26; expansions of Medicaid and subsidies to buy private plans.
- **PAID FOR** by taxes on wealthy and health care businesses.

Targeted Coverage Expansion Under Affordable Care Act



* Medicaid also includes other public programs: CHIP, other state programs, Medicare and military-related coverage. The federal poverty level for a family of three in 2012 is \$19,090. Numbers may not add to 100 due to rounding.

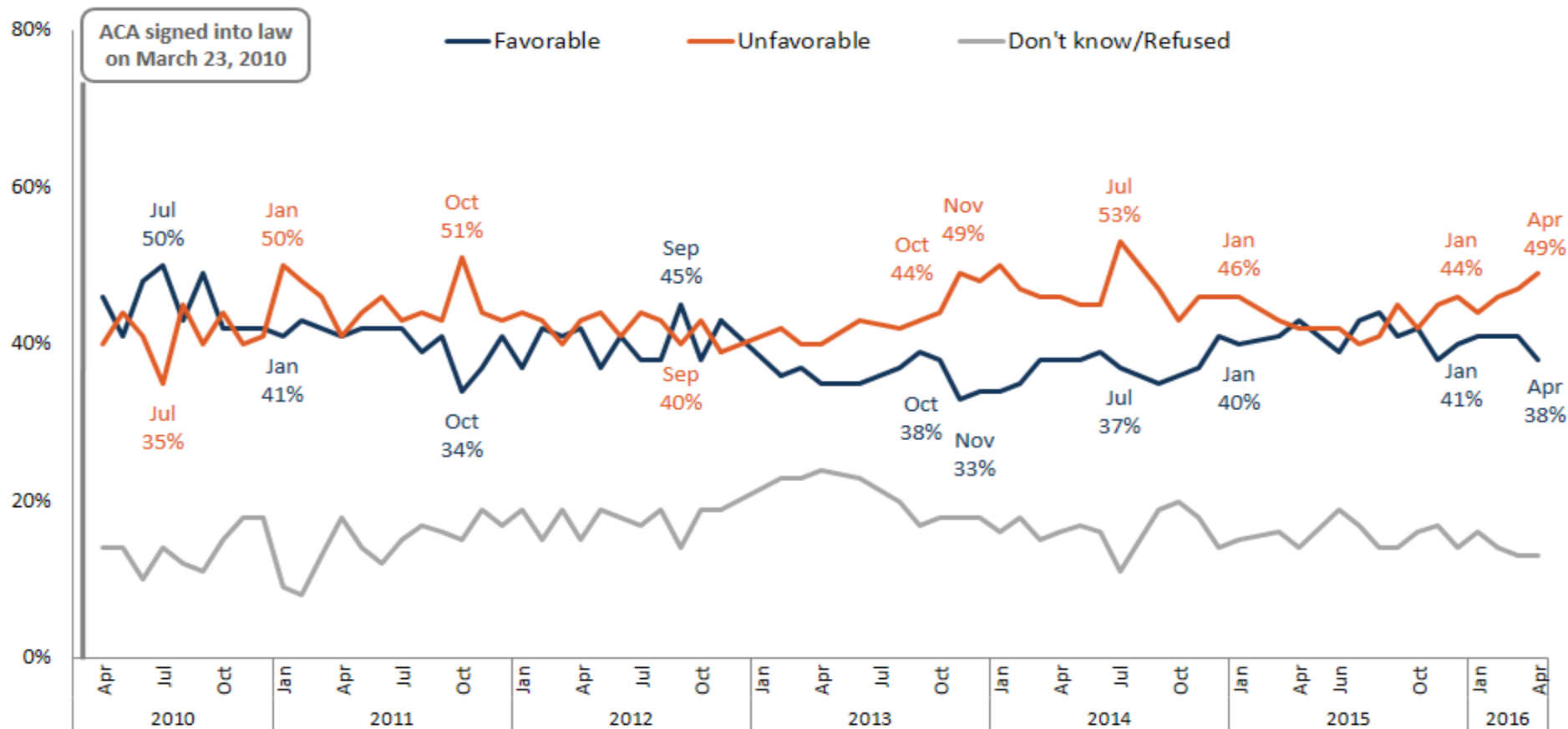
SOURCE: KCMU/Urban Institute analysis of 2011 ASEC Supplement to the CPS.

ObamaCare Implementation Challenge

- **Spread out 2010-2018, leaving citizens unaware of key benefits and allowing opponents time to obstruct.**
- **Some national funding streams are set by law and HHS Secretary has considerable regulatory authority, BUT...**
- **Each of the fifty U.S. states makes pivotal decisions:**
 - **Set up exchanges? If not, federal fail-safe.**
 - **Accept the expansion of Medicaid? Supreme Court in 2012 sparked ongoing polarized political battles by removing federal disincentives for states that refused expansion.**

As law was implemented amid continued partisan fighting, public opinion moved negative

you have a generally favorable or generally unfavorable opinion of it?

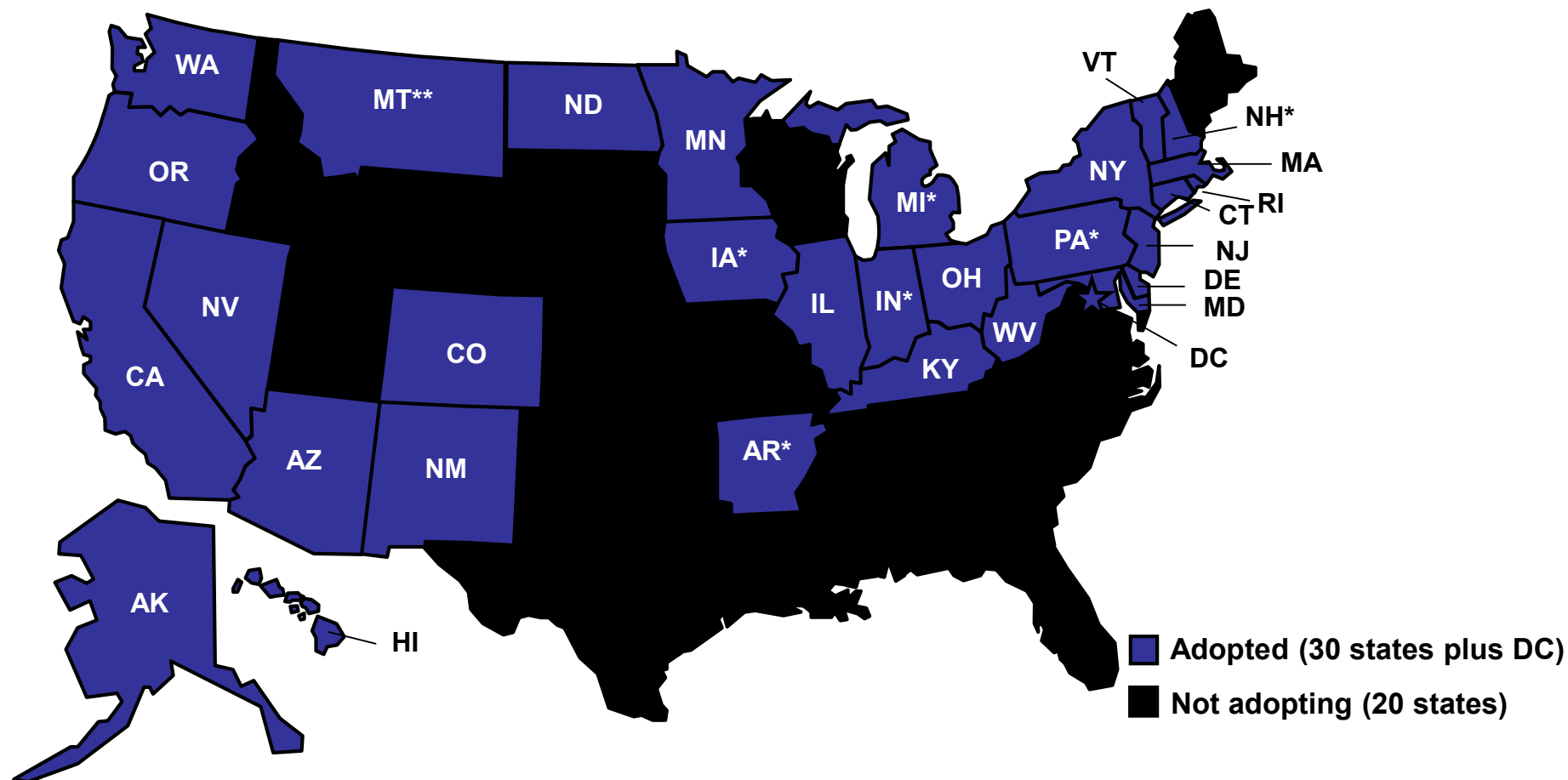


NOTE: Data not collected for Dec 2012, Jan 2013, May 2013, Jul 2013, Aug 2014, Feb 2015, May 2015, and Jul 2015.

SOURCE: Kaiser Family Foundation Health Tracking Polls

State Medicaid Expansion Decisions by late 2015

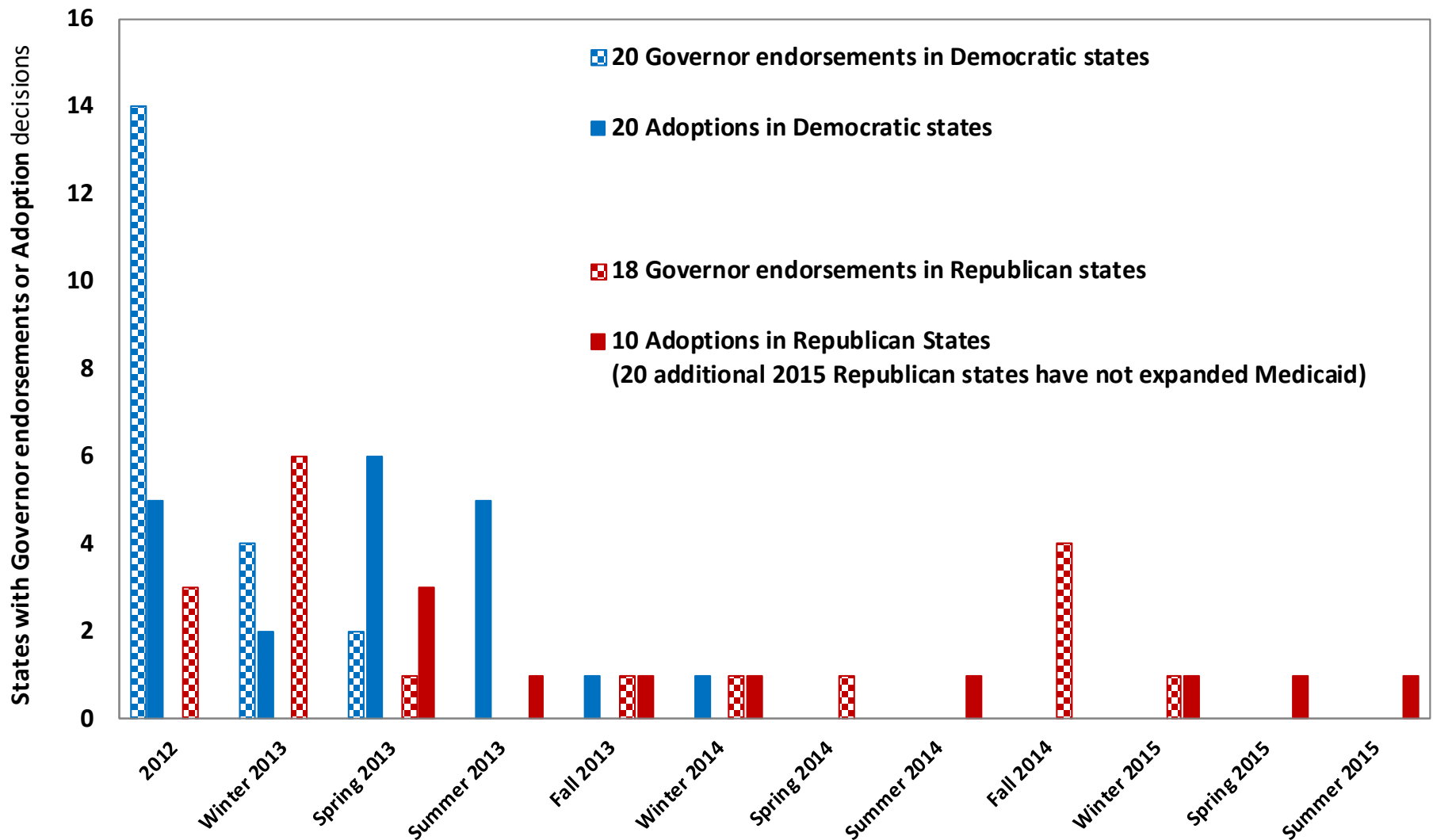
(Louisiana adopted the expansion in January 2016)



NOTES: **MT has passed legislation adopting the expansion; it requires federal waiver approval. *AR, IA, IN, MI, PA and NH have approved Section 1115 waivers. Coverage under the PA waiver went into effect 1/1/15, but it is transitioning coverage to a state plan amendment. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

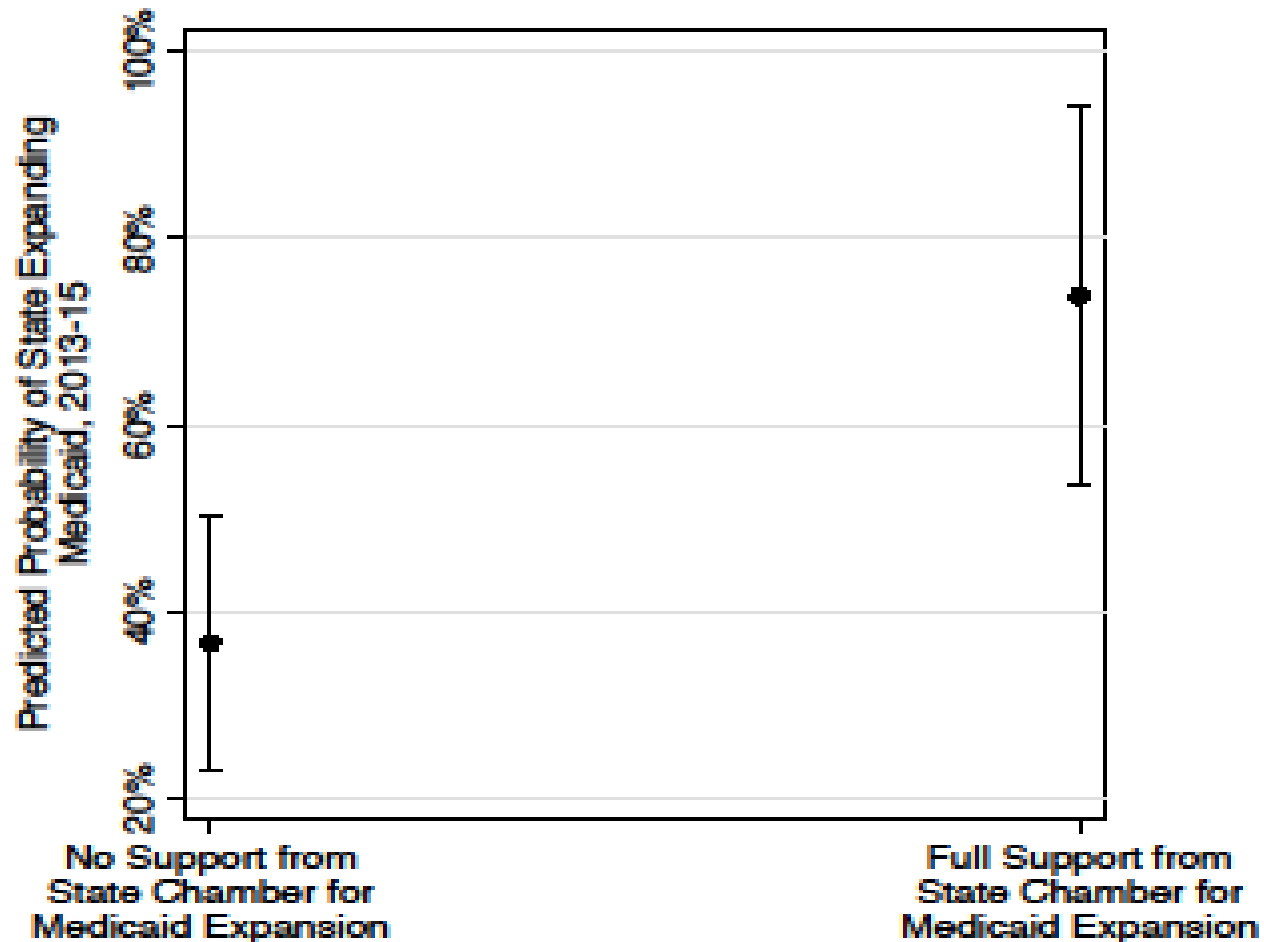
SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated July 16, 2015.
<http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>

Governor Endorsements and State Adoptions of Medicaid Expansion in Democratic or Republican Controlled/Leaning States, 2012 to 2015



Note: Party control or lean is defined as holding 3/3 or 2/3 of the governorship, state house, and state senate in the relevant year. Unicameral Nebraska is classified as Republican controlled.

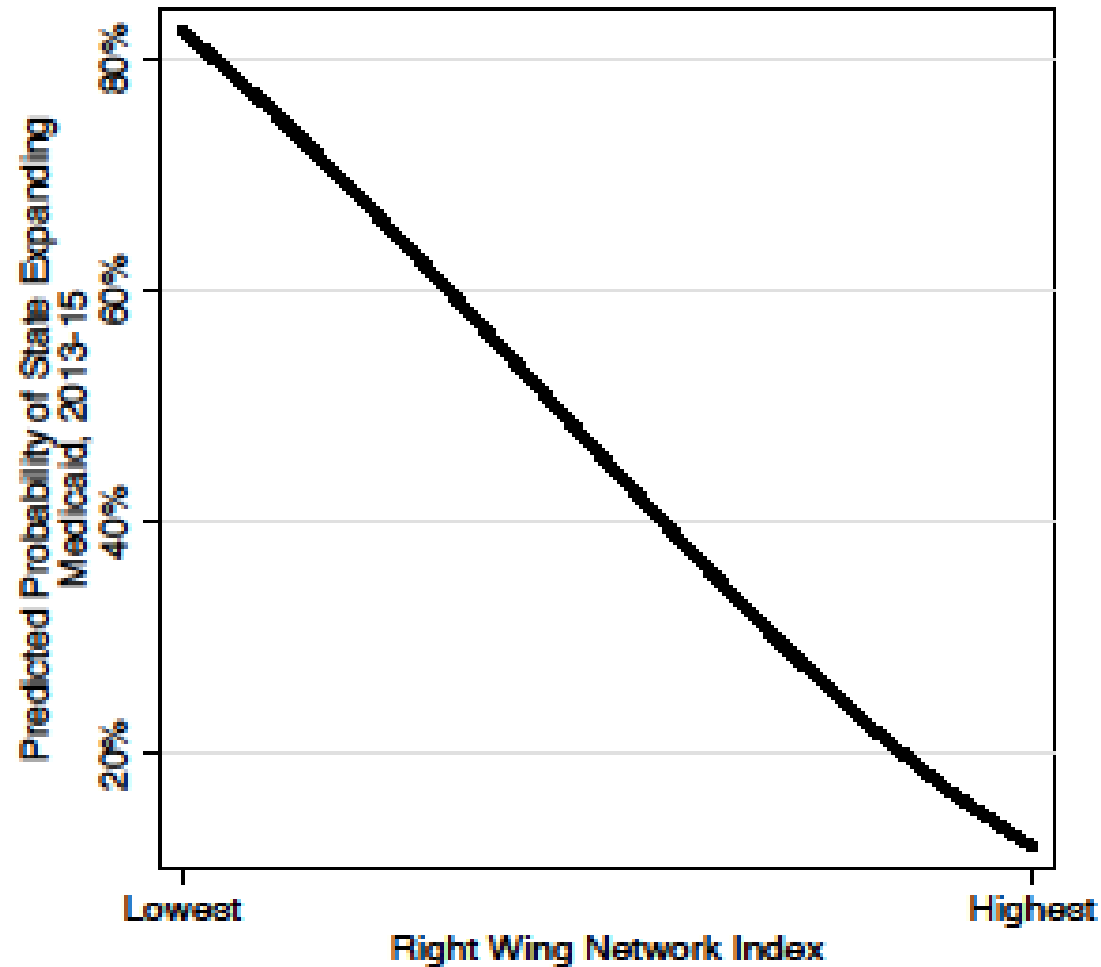
Chamber Support and Medicaid Expansion



Conservative Networks Fight Medicaid Expansion

- **American Legislative Exchange Council** organizes lawmakers, private sector firms, and conservative activists to draft and promote model bills.
- **State Policy Network** links free-market think tanks and media operations in all fifty states. Within this network, the Florida-based **Foundation for Government Accountability** took the lead in making presentations, writing OpEds, doing polls and media blitzes across many states.
- **Americans for Prosperity**, Koch-sponsored, federated organization, coordinates media, activist events, and lobbying in policy campaigns.

Right-Wing Network Strength and Medicaid Expansion

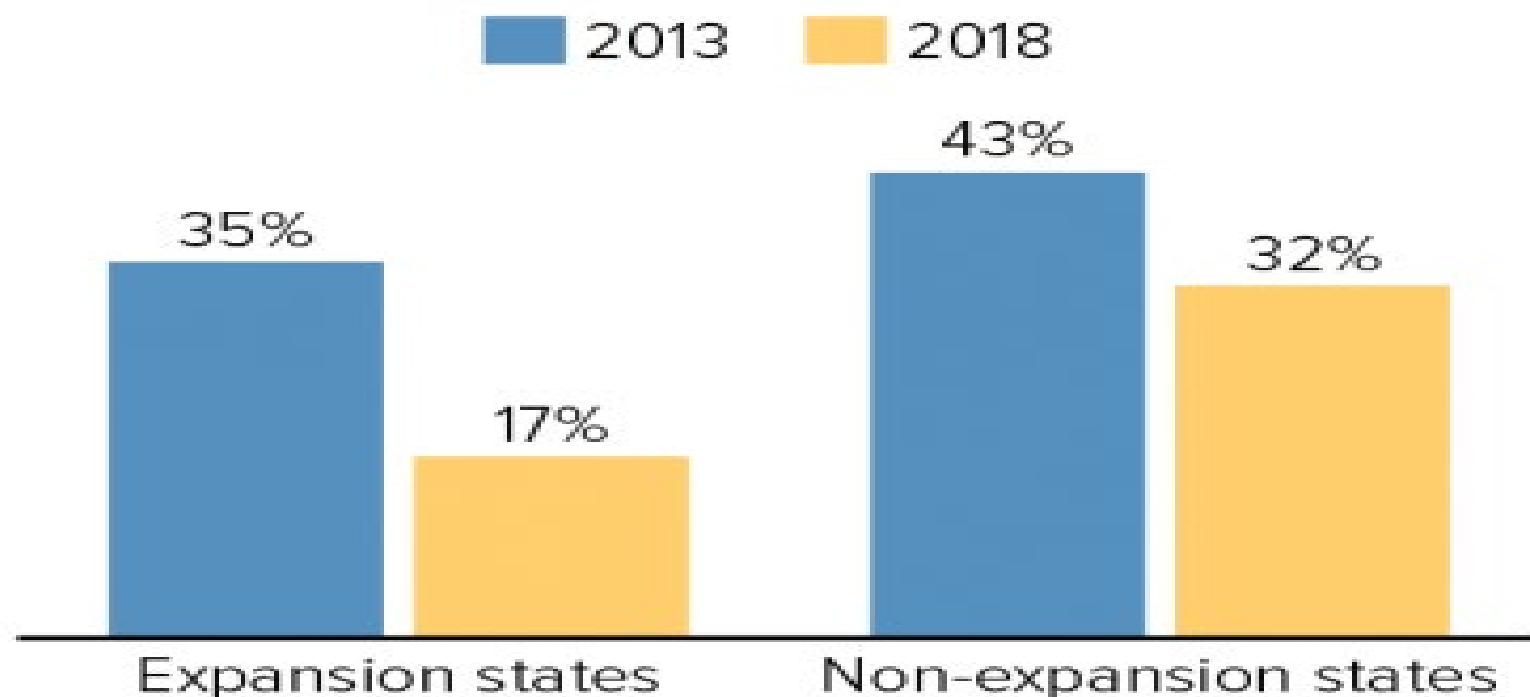


Effects?

Evidence that the Affordable Care Act, especially in Medicaid expansion states, not only expands coverage but also limits cost increases and helps low-income Americans get continuous care and avoid ruinous costs.

Expansion States Saw Large Drop in Uninsured Rates

Uninsured rate among non-elderly adults with incomes below 200% of poverty line

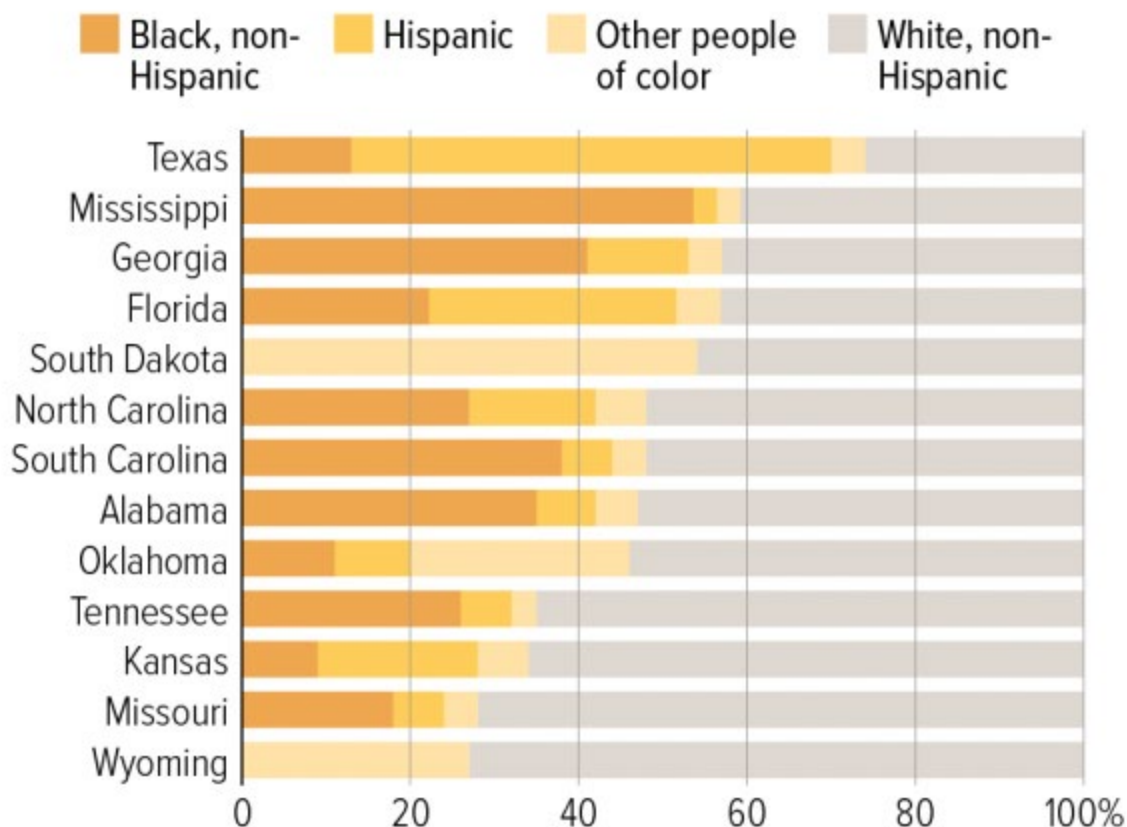


Note: States can expand their Medicaid program to low-income adults under the Affordable Care Act. Expansion took effect in 2014.

Source: CBPP analysis of Census Bureau data

Many Black, Hispanic People Would Benefit From Further State Medicaid Expansions

Share of uninsured adults who would become eligible for Medicaid, by race and ethnicity

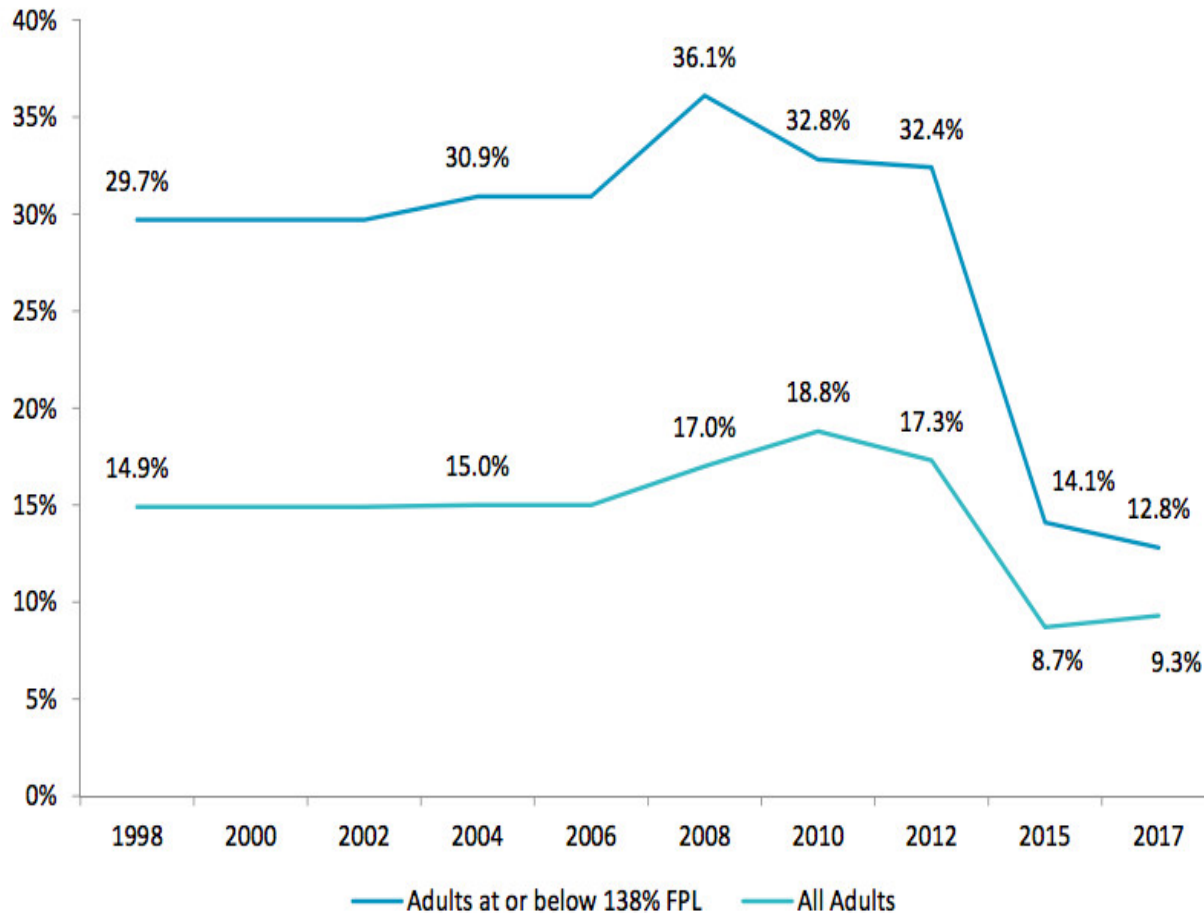


Note: Estimates by subgroup are not available for South Dakota and Wyoming, so the “other people of color” category represents all people of color, including Black and Hispanic people. Fifteen states have not implemented the Affordable Care Act’s option to expand their Medicaid program to cover low-income adults.

Source: Kaiser Family Foundation based on 2018 Census Bureau data

After Ohio Governor Kasich forced the expansion of Medicaid for the near poor (>\$21,000 for a family of three), the uninsured rate fell from 32.4% to 12.8%.

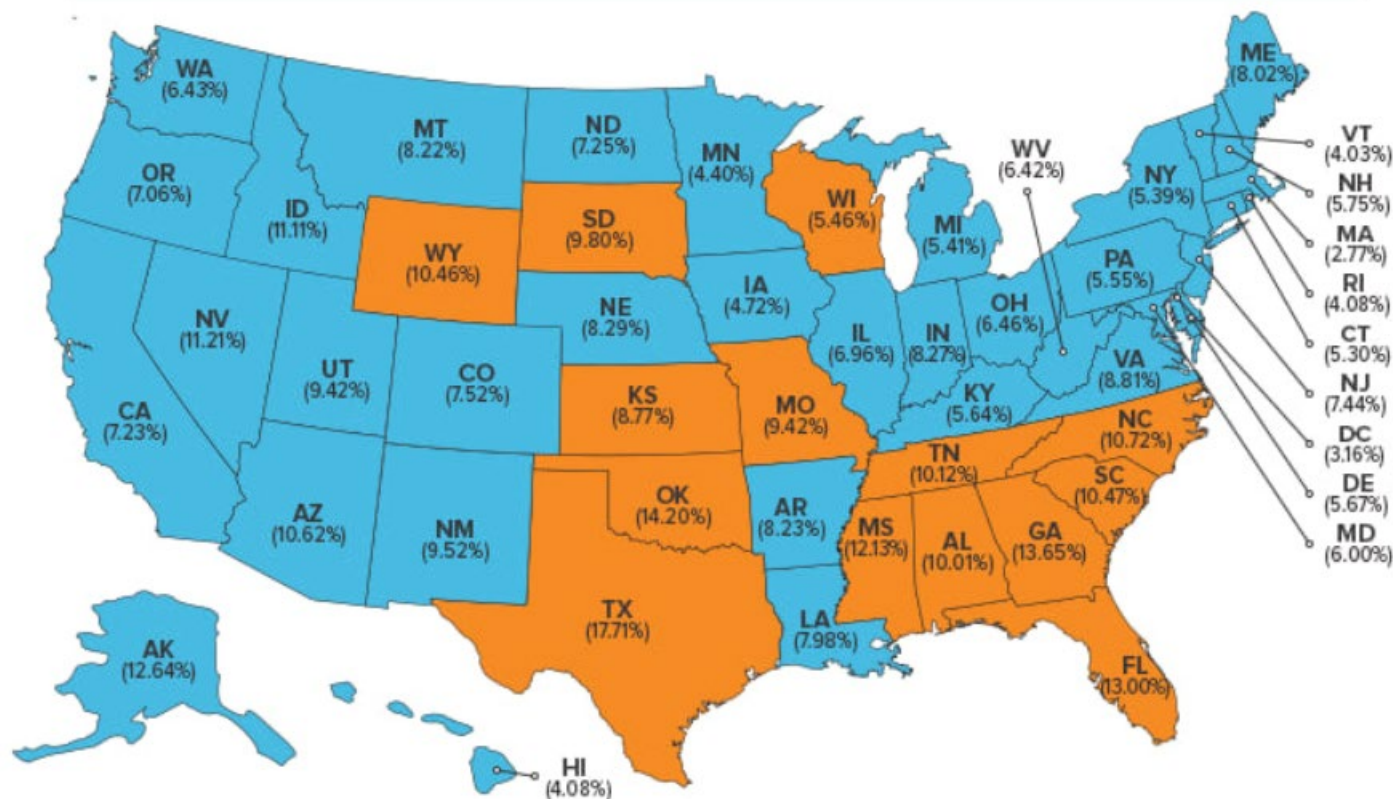
Figure 2: Percentage of Ohioans Ages 19-64 with Family Income at or Below 138% Federal Poverty Level (FPL) who are Uninsured: 1998-2017



Further Ohio results:

- Medicaid coverage makes it easier for people to work or look for work.
- Covered people are less likely to have medical debts.
- More three in ten report better health since coverage (six in ten the same); and more get opioid treatments.
- Most who leave Medicaid do so because their incomes increased, they got jobs, or obtained coverage in other ways.

Average Uninsured Rate for the States That Expanded Medicaid vs. the States That Did Not Expand Medicaid as of 2018



States in orange did not expand Medicaid having an average uninsured rate of 11.14%

States in blue expanded Medicaid having an average uninsured rate of 6.95%

Not just state-level Medicaid expansion, but the entire Affordable Care Act, has remained at the center of partisan and ideological conflicts since 2009.

- **Conservative Republicans oppose a new tax-funded entitlement for lower-income and middle-income families.**
- **Tea Partiers and Trump enthusiasts (mostly mistakenly) see “ObamaCare” as a benefit for immigrants.**

CNN Politics

September 9, 2009

appearance of President Obama at Joint Session of Congress

Rep. Wilson shouts, 'You lie' to Obama during speech



South Carolina Rep. Joe Wilson shouted "you lie" after President Obama denied the health care plan would cover illegal immigrants.

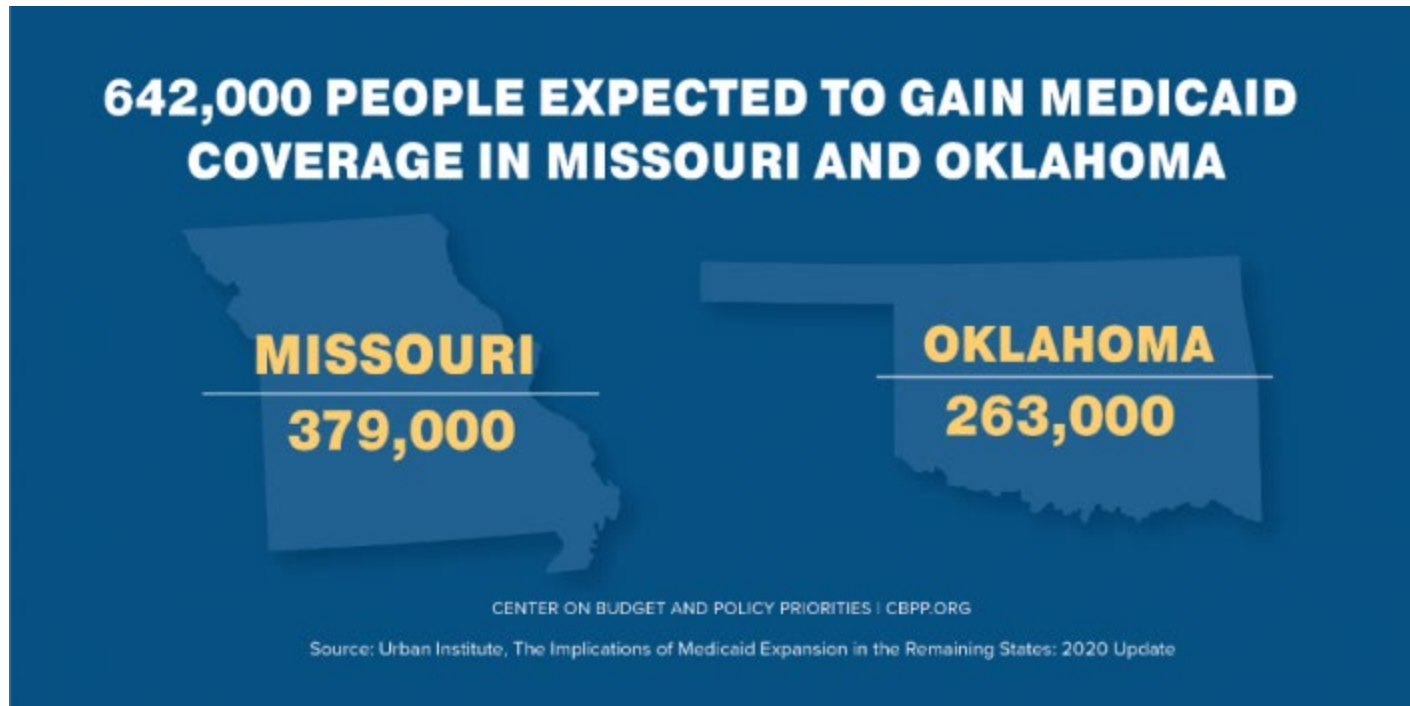
[Video clip here]

Democrats remained on political defense through 2015.

But after implementation and once Trump/GOP made repeal an actual threat in 2017, they turned to vigorous defense and pushback – with the grassroots 2017 resistance movement in the lead.

Activist originated referenda continued to push GOP-led states to expand Medicaid coverage – in 2018 in Nebraska, Idaho, and Utah.

And further referenda in 2020....

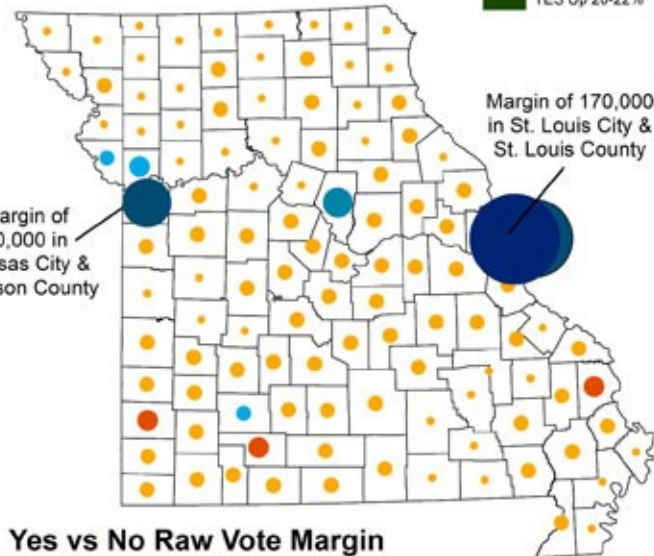
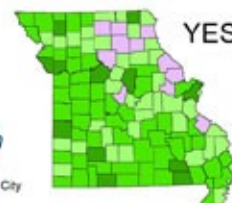
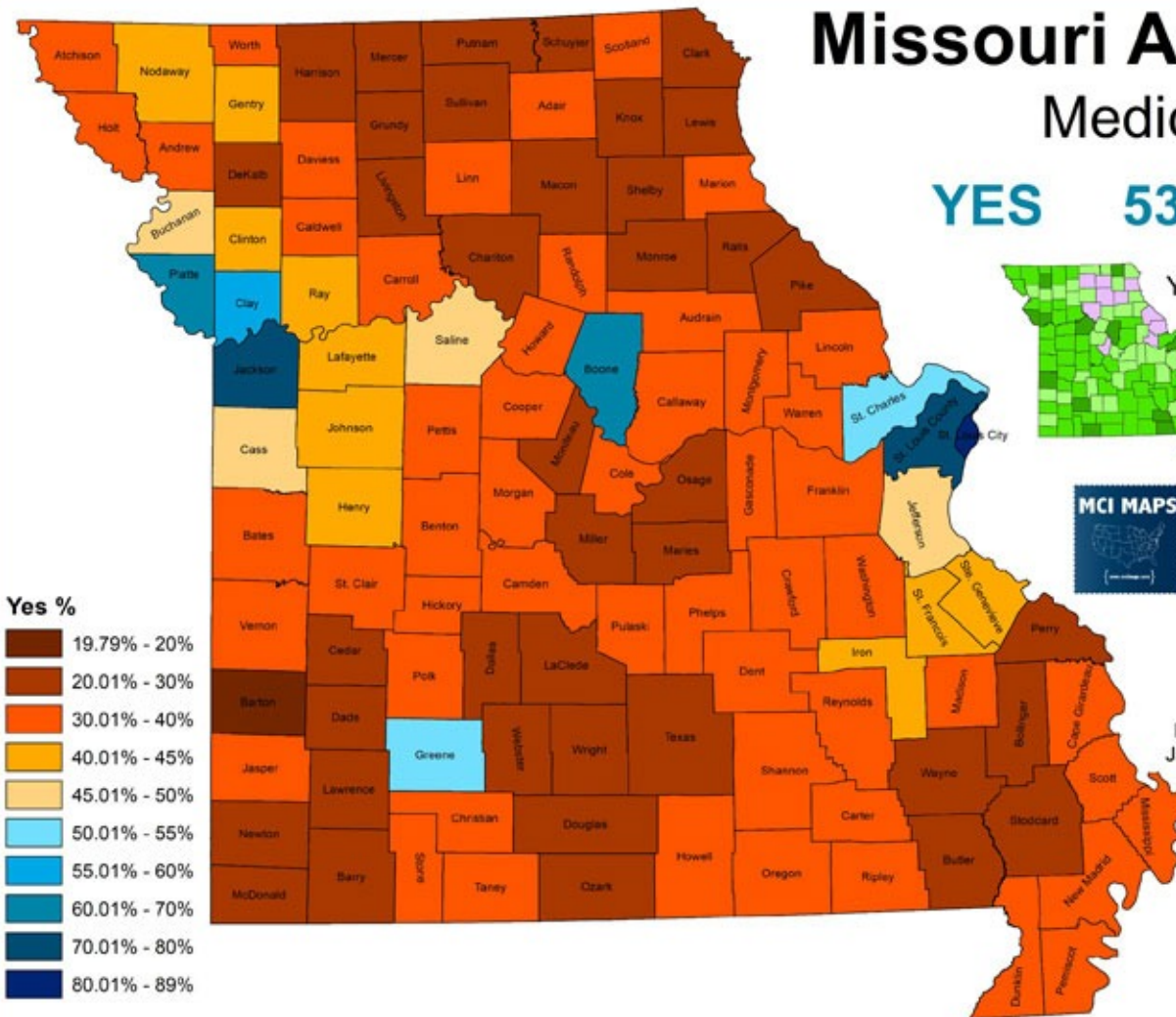


Missouri Amendment 2 (2020)

Medicaid Expansion

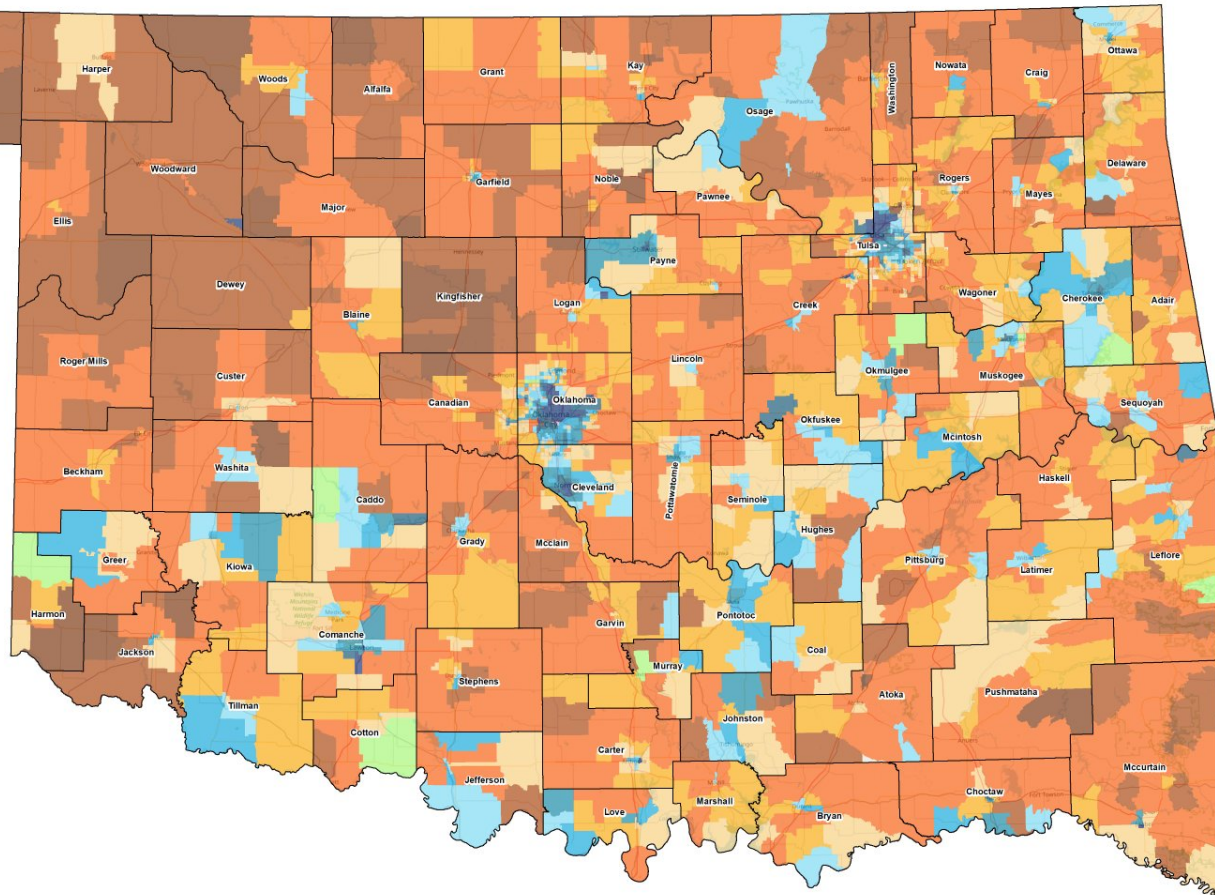
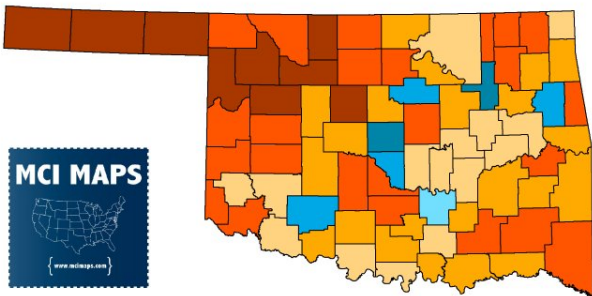
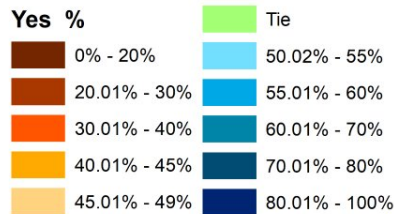
YES 53.0%

NO 47.0%



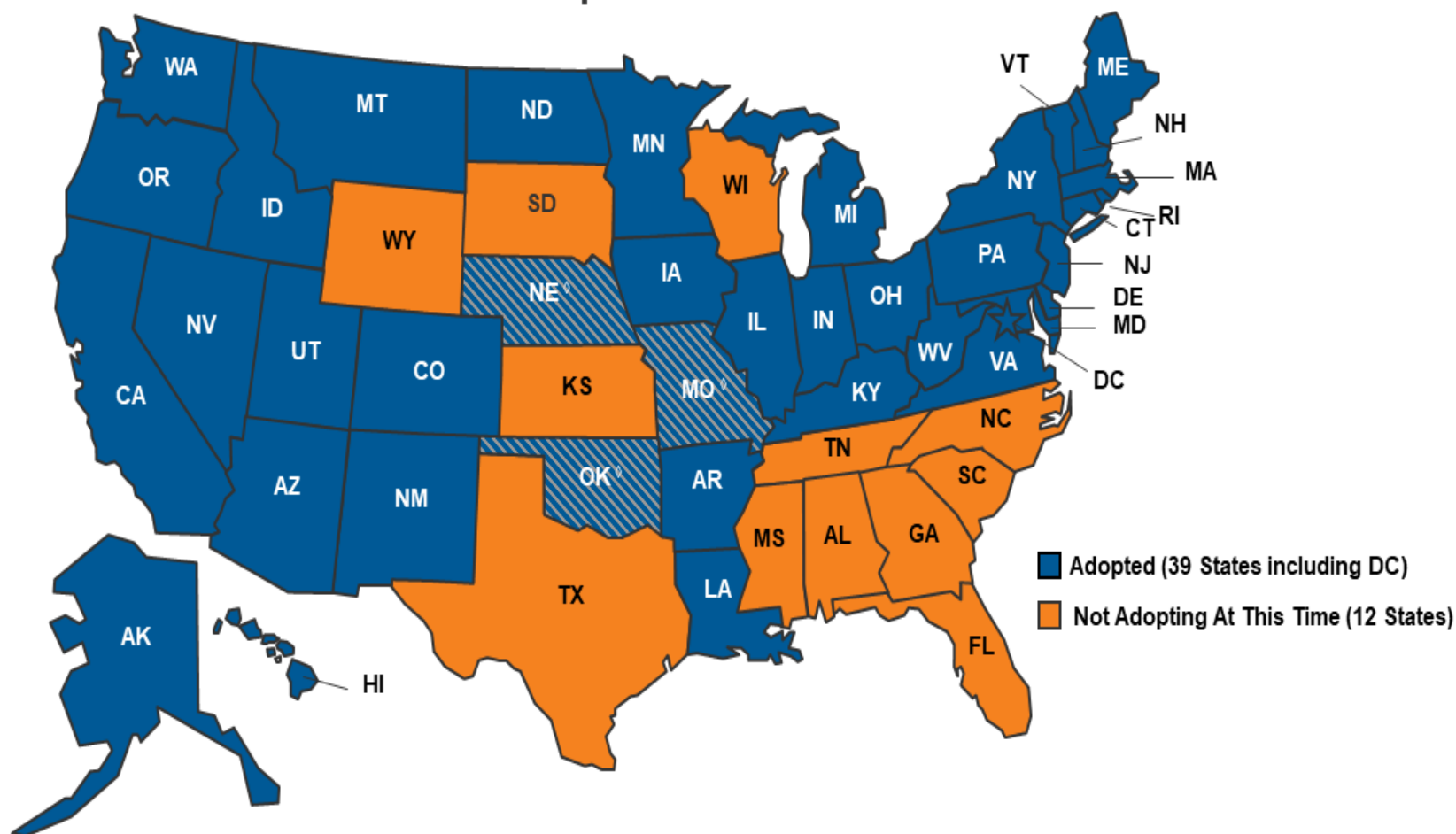
2020 Oklahoma Medicaid Expansion Referendum

Yes 50.5%
No 49.5%



By now, there are just 12 states refusing expansion.

Status of State Medicaid Expansion Decisions

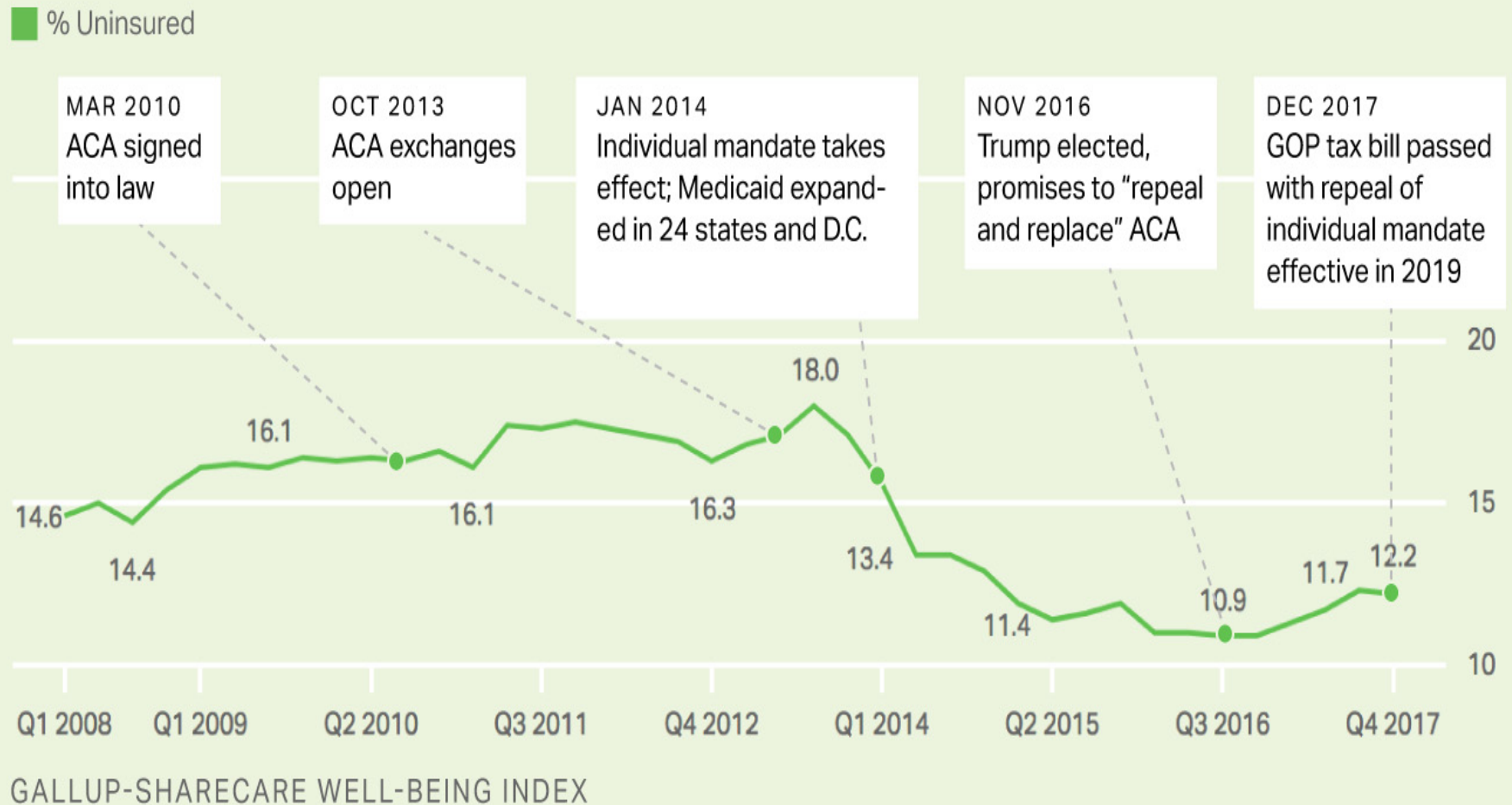


NOTES: Current status for each state is based on KFF tracking and analysis of state activity. ^oExpansion is adopted but not yet implemented in MO, NE, and OK. (See link below for additional state-specific notes).

SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated August 5, 2020. <https://www.kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>

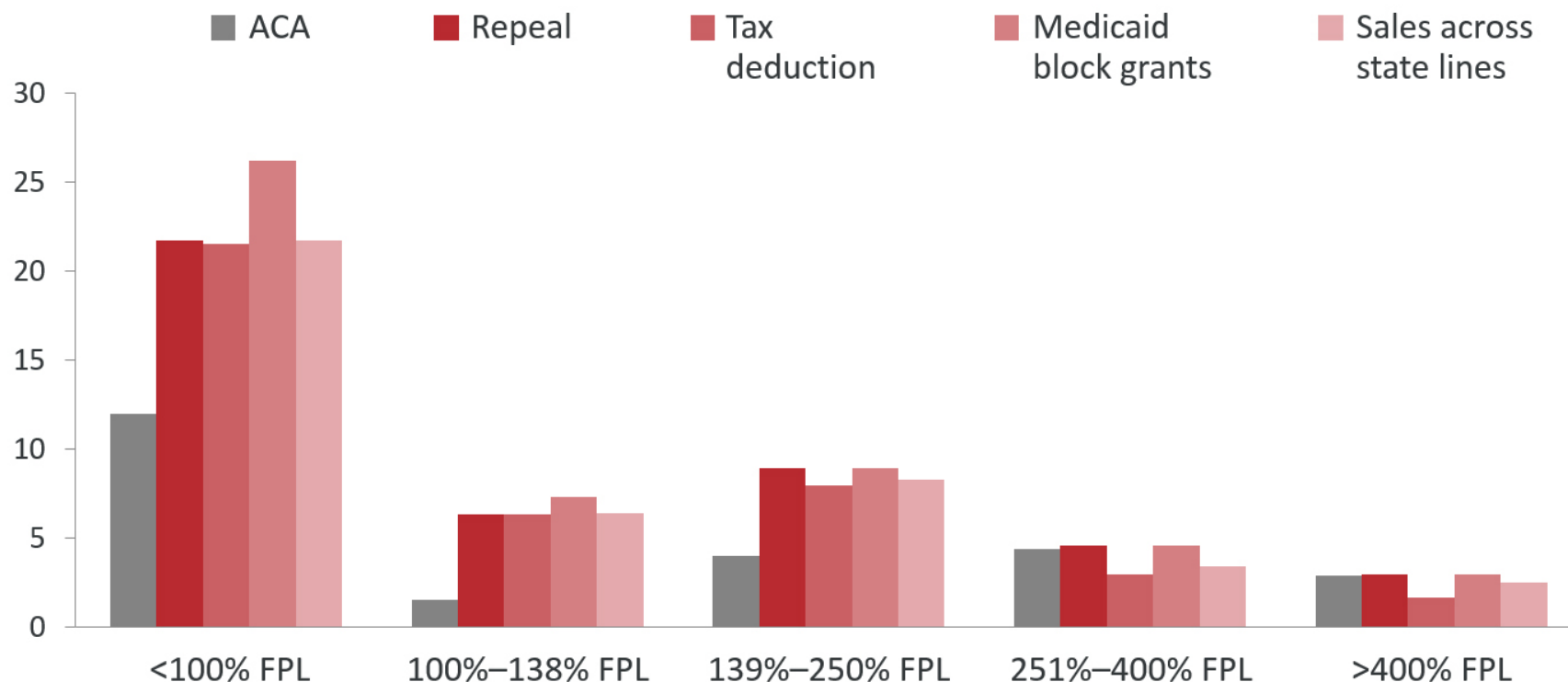
Although ACA repeal failed and was dropped by the GOP Congress after 2017, the Trump administration has used regulations to modify and weaken ACA coverage.

Percentage of U.S. Adults Without Health Insurance, 2008-2017



Impact of Trump's Proposed Reforms on Income Distribution of the Uninsured, 2018

Number of uninsured, in millions



Notes: FPL = federal poverty level. Specific numbers are available in Appendix Table A.3.

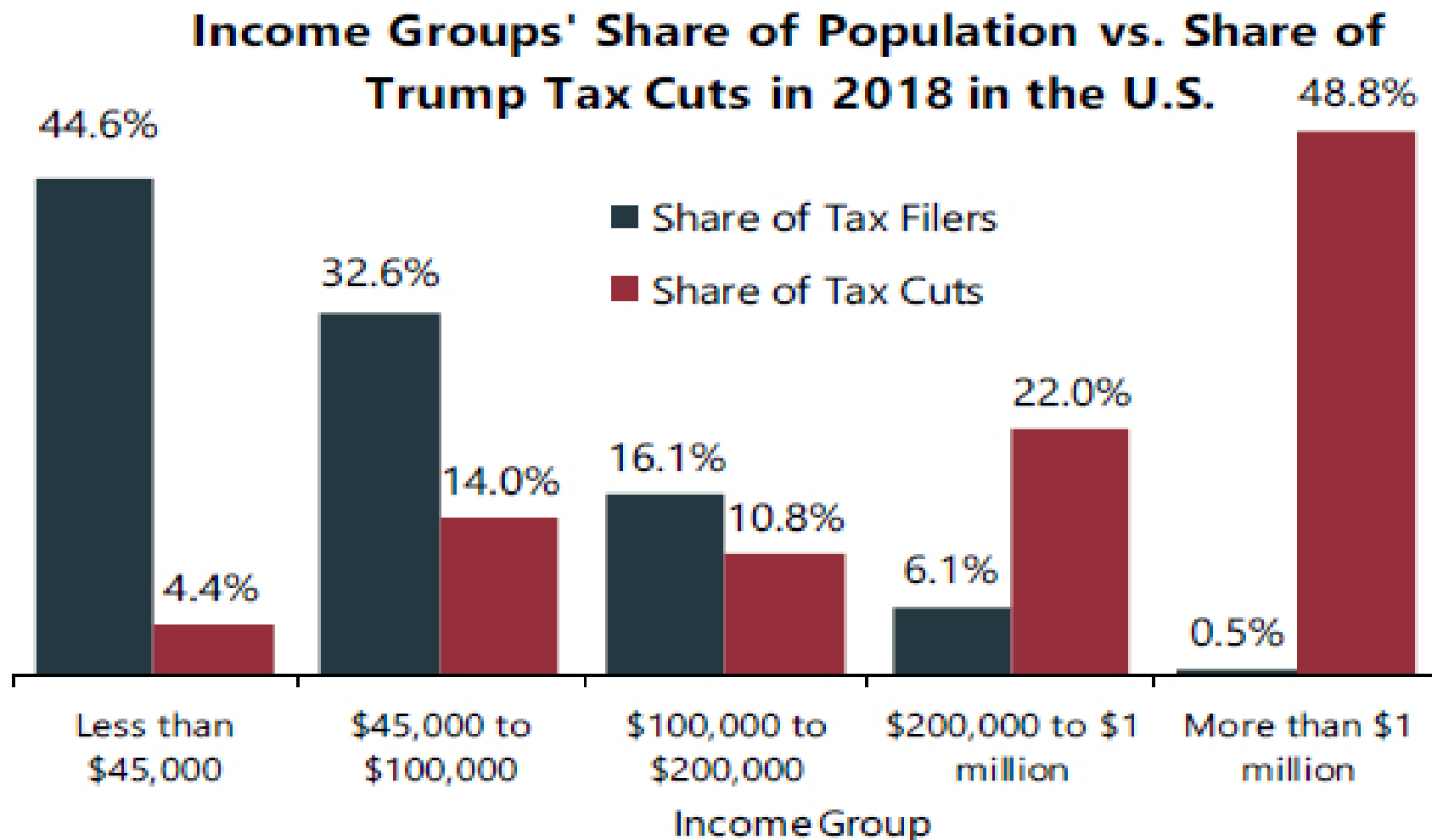
Data: RAND COMPARE microsimulation model.

Source: E. Saltzman and C. Eibner, *Donald Trump's Health Care Reform Proposals: Anticipated Effects on Insurance Coverage, Out-of-Pocket Costs, and the Federal Deficit*, The Commonwealth Fund, September 2016.



The
COMMONWEALTH
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The most important legislative initiative of the Trump/GOP was the 2017 \$2.3 trillion tax cut that increased projected deficits and U.S. income inequality



Source: Institute on Taxation and Economic Policy (ITEP), August 2017

LATE 20th/ 21st CENTURY SOCIAL TRENDS and the EMBATTLED U.S. WELFARE STATE

- **Social support/ direct spending increasingly tilted toward the elderly – *with the exception of the Affordable Care Act, the most redistributive new social program in decades***
- **Total social expenditures and tax reductions remain tilted toward top earners and investors**
- **Wages for most workers have stalled or fallen**
- **Job security and employee benefits have eroded**
- **Tensions between family life and work have grown for working parents and their children**
- **Partisan splits and polarization block most Congressional efforts to update policies or create new social supports for working families – and ObamaCare remains controversial, along with programs like Food Stamps aimed at helping the poor.**

Trump's Health Record: *At a Glance*



- *Supported repeal of the Affordable Care Act (ACA) and supporting lawsuit to overturn entire law*
- *Proposed changes to cap and limit federal funding for Medicaid and limit Medicaid eligibility*
- *Restricted access to reproductive health services*
- *Reduced insulin costs for some Medicare beneficiaries, effective 2021; proposed other ways to reduce drug prices (most have not been implemented)*
- *Made changes to immigration policy to restrict entry of individuals who are likely to use Medicaid and certain other public programs*
- *Signed federal COVID-19 emergency relief legislation; has delegated primary responsibility for COVID-19 to states*

Biden's Health Proposals: *At a Glance*



Biden's Proposals

- Retain and strengthen the ACA and create a new public option, and increase the number of people eligible for subsidies and enhance subsidies
- Retain ACA Medicaid expansion
- Provide option to enroll in Medicare at age 60
- Increase health insurance coverage options for immigrants
- *Reduce prescription drug costs*
- *Enhance funding for long-term care*
- *Restore and expand reproductive rights*
- *Expand federal COVID-19 emergency relief; put federal government in charge of the COVID-19 response*