

Decision 2020: Electing Indiana's Future

Health Care

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INTRODUCTION

Health is a principal public concern in Indiana in 2020. From mid-March through the end of August, nearly 100,000 Hoosiers were diagnosed with COVID-19, and more than 3,000 died. The epidemic has affected all corners of the state, striking hard Indiana's vulnerable elderly and minority populations, straining its health care, public health, and education systems, and harming the state's short- and long-term economic outlook. In addition to COVID-19 concerns, Hoosiers continue to face serious issues related to health care access, cost, and outcomes; a significant share of the population is in fair to poor physical and mental health; and systems to protect the public's health are underfunded.

INSURANCE COVERAGE AND ACCESS TO CARE

The possession of affordable, sound health insurance coverage is a critical factor affecting an individual's access to health care services. According to a report issued by the Indiana University Richard M. Fairbanks School of Public Health, more than 92 percent of Hoosiers were covered by health insurance in 2018, a rate higher than the national average. Indiana's rate of private insurance coverage also is higher than national averages, with two out of three Hoosiers getting their insurance through private sources.¹



However, this also means that in 2018 approximately 1 in 13 Hoosiers lacked health insurance. Furthermore, the rates among vulnerable populations who are uninsured show troubling trends.² According to the Indiana Youth Institute, in 2017, Indiana had a lower percentage of children covered by health insurance than the national average (93.4 percent versus 94.8 percent), and Indiana was one of only 13 states that saw an increase in the number of uninsured children. Hispanic children were the least likely to be covered by health insurance in the state (89.8 percent).³

Cost-sharing mechanisms, such as premiums, copayments and deductibles, aim to keep down health care spending. Increasingly, we are seeing employment-based insurance turning to High Deductible Health Plans (HDHPs) as the insurance vehicle through which Hoosiers receive their job-based coverage. HDHPs are more affordable for employers to offer than traditional health plans, and they obligate the person with coverage to directly pay for a significant share of health care costs out-of-pocket. More than half of all Indiana employees were enrolled in HDHPs in 2018, a rate slightly higher than the national average (51.9 percent vs 49.1 percent). In 2017, Hoosiers spent a little more than \$1 out of every \$9 of their income on health care before their insurance kicked in.⁴ Furthermore, a recent study found that Indiana residents spend \$790 more per person on health care than the national average (\$7,690 in Indiana, versus \$6,900 nationally).⁵

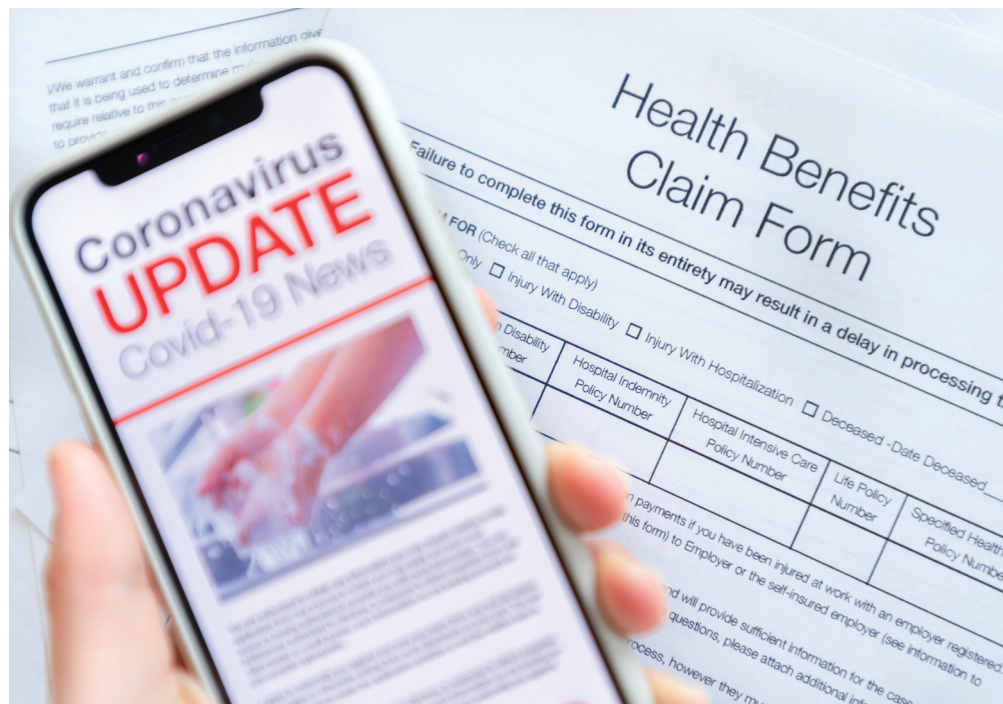
While requiring those with insurance to pay out-of-pocket costs reduces spending on health care services, studies find they are a blunt instrument through which to contain health care costs. Studies have found that HDHPs are linked with “patient confusion, unpaid bills, and underinsurance rates,” an overall reduction in consumer use of preventive care, and decisions to forego or delay necessary care due to cost concerns.⁶ A recent survey found 4 in 10 adults with insurance indicated they had trouble affording their deductible.⁷ This survey predated the disruptions to family income and insurance coverage caused by the COVID-19 pandemic and associated economic downturn.

Access to care also is affected by the geographic location of clinics, specialty care, and hospitals. According to the United Health Foundation, Indiana ranks 40th in clinical care access, and for access to primary care, Indiana is 38th in its ratio of primary care physicians per population. Indiana communities also have relatively low access to critical specialty care services, ranking 42nd in both the ratio of dentists per population and mental health providers per population.⁸

Federal policies, including the new “public charge” rules issued early in 2020, also are projected to have an adverse “chilling effect” on immigrant families’ health insurance coverage and appropriate use of health care services.⁹ The rules have led many individuals and families who are eligible for coverage to forego both benefits and care out of concern for adversely affecting their ability to apply for permanent residency.

It is too soon to tell how severe the long-term impact of the COVID-19 pandemic, and the associated economic slowdown, will be on health insurance coverage for Hoosiers. However, early reports indicate that these events will have a significant negative impact. Because such a large share of people have employment-based insurance, the fact that tens of millions of people nationwide have lost their jobs during the pandemic means many also lost their health insurance coverage. According to the Commonwealth Fund, these losses were disproportionately felt among Hispanic workers and those with annual incomes under \$50,000.¹⁰ A recent study of small businesses that provided health insurance coverage found nearly one-third of respondents were unsure they could continue to cover insurance costs beyond August 15.¹¹

Medicaid comprises a significant share of the Indiana state budget. The economic downturn is predicted to cause a severe decrease in state revenue. At the same time, significantly more Hoosiers are predicted to be looking to the state for assistance with health care coverage. According to the Pew Charitable Trusts, the COVID-19 epidemic is already adding to the number of new enrollees in state Medicaid programs. Researchers also predict a “real surge” in enrollment and more pressure on state budgets and programs in the months and years to come, as an increasing number of families suffer financial hardship.¹²



VULNERABLE POPULATIONS

Children’s Health

While new initiatives have begun to address infant mortality rates in Indiana, the state’s overall rate remains above the national average. According to the Indiana Youth Institute, nearly 7 out of every 1,000 births in Indiana resulted in an infant death, compared to just under 6 out of every 1,000 nationally. Furthermore, Indiana saw significant disparities across racial groups in their risk of infant mortality. Black infants are more than two times as likely as white infants in Indiana (12.5 per 1,000 vs. 5.7 per 1,000) to die before their first birthday.¹³

Child maltreatment—abuse and neglect—is associated with the victim suffering near term and long-term adverse health effects.¹⁴ Indiana had the 10th highest rate in the nation of children experiencing abuse or neglect, according to the latest statistics available from the U.S. Department of Health and Human Services Children’s Bureau. While Indiana’s 2018 rate of maltreated children was its lowest since 2015, it was still nearly 80 percent higher than the national average (16.4 victims per 1,000 children, vs. 9.2 per 1,000).¹⁵

With the COVID-19 epidemic, we have seen a dramatic decline in the number of reports of child abuse and neglect; however, child advocates fear this is because children have been isolated for the first several months of the pandemic from those who might report maltreatment, such as teachers and counselors, rather than a decline in abusive behavior.

Substance Use and Suicide

Indiana has among the nation’s highest smoking rates (21.1 percent in 2018).¹⁶ Every year, more than 11,000 Hoosiers die from smoking-related illness. Furthermore, the ill effects of smoking presents a significant drag on the Indiana economy. According to one report, smoking cost Hoosiers \$2.9 billion in related health care costs, and \$3.17 billion in lost productivity.¹⁷

Indiana received more than an estimated \$550 million in tobacco settlement payments and taxes in fiscal 2019. However, the state had the region's lowest tobacco taxes, and allocated a budget for tobacco prevention efforts that was approximately 10 percent of the annual spending target recommended by the Centers for Disease Control and Prevention.

Indiana has taken significant steps to respond to the opioid crisis. However, many Hoosier families continue to face shortages of access to needed mental health, substance use, and recovery services. Indiana's death rate due to opioid overdose (17.5 per 100,000 population, age-adjusted) and all drug overdoses (25.6 per 100,000) are both higher than the national averages (14.6 per 100,000 and 20.7 per 100,000, respectively).¹⁸

The decline in economic and social well-being that has accompanied the COVID-19 epidemic has raised significant concerns about a looming rise in the rate of so-called "deaths of despair"—deaths associated with drug misuse, alcohol, and suicide, especially among working class white Americans. Indiana is projected over the next decade to see approximately 1,600 additional such deaths over current rates due to these causes.¹⁹

HEALTH OUTCOMES AND PUBLIC HEALTH

Hoosier health is not only governed by access to and use of affordable, high-quality health care services. As the Robert Wood Johnson Foundation states, where we live, work, go to school, and play have an even greater effect on our ability to live healthy lives and flourish. According to the CDC, Indiana had among the nation's highest premature death rates for white, Black, and American Indian and Alaska Native populations. While both rates were above the national average, premature death rates for Blacks in Indiana was 30 percent higher than for whites. The CDC estimates that between 20 percent and 40 percent of premature deaths are preventable.

When it comes to health outcomes, Indiana ranked 41st overall in United Health Foundations' 2019 Health Rankings report. The state ranked in the bottom quintile in heart attacks, high blood pressure, cardiovascular disease, chronic obstructive pulmonary disease, and strokes. The state also rated below the national median in asthma, cancer, heart disease, high cholesterol, and share of the population with multiple chronic conditions. More than 1 in 3 Hoosier adults are obese, and 1 in 8 Hoosiers has diabetes, an increase of 23 percent since 2012.²⁰

The COVID-19 epidemic has highlighted the need for states and communities to have a strong, resilient public health system to support healthy communities, reduce health disparities, and protect against and effectively respond to infectious disease outbreaks. Indiana's rate of investment in public health is among the lowest rates in the country. According to the latest available statistics, Indiana's overall state investment per capita in public health was just above one-third the national average (\$12.40 per Hoosier vs. \$35.77 per United States resident).²¹

Finally, Indiana also rated in the bottom tier for state public health preparedness overall performance. Local health departments nationwide have lost 21 percent of their workforce capacity since 2008, and 23 percent of local health departments reported at least one job lost to layoffs and/or attrition during calendar year 2018.²²

These statistics predate the COVID-19 outbreak. The projected significant downturn in state revenue raises the prospect of dramatic additional cuts to state and local public health personnel and service.

Every corner of the state has been affected by the pandemic; however, the COVID-19 outbreak has had a disproportionate negative effect on our state's communities of color. While just under 10 percent of Hoosiers are Black, from late April through late June 2020, more than 28 percent of those hospitalized for COVID-19 were Black. Indiana residents of Hispanic and American Indian descent also were significantly more likely to be hospitalized due to infection with the virus. When it comes to coronavirus deaths, as of late August 2020, Blacks comprised 14 percent of those who died from the virus in our state, and some of the state's largest outbreaks took place in locations, including processing plants and criminal justice settings, where nonwhite populations are disproportionately represented.²³

POLICY RECOMMENDATIONS

- **Health care costs:** Continue to encourage health care stakeholder cooperation and policies in line with the "comprehensive portfolio of activities" recommended in the January 2020 Indiana University Fairbanks School of Public Health health care cost report. These include implementation of an all-payer claims database to improve transparency, encouraging narrow provider networks to contain costs, and encouraging individuals with HDHPs to use preventive services.
- **Access to physical and mental health care:** Expand access to and availability of telehealth and parahealth, and relax scope of practice rules, to enhance service availability in rural/underserved/vulnerable communities.
- **Health of children and families:** Continue to implement reforms aimed at improving the state's Department of Children and Family Services, which serves families with abused and neglected children.
- **Public health and prevention:** Protect investments in public health and community preparedness, and response programs, despite the bleak near-term budgetary outlook.
- **Health equity:** Reinforce and enhance state public health agencies' commitment to identifying, studying, and eliminating health disparities and improving health equity.
- **Chronic illness:** Increase the state tobacco tax to reduce

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Indiana University Center for Civic Literacy

The Center for Civic Literacy is a multi-disciplinary center. It was first established with support from an IUPUI Signature Center grant. It was created in response to recognition of Americans' troublingly low levels of civic knowledge, and to investigate both the causes and consequences of widespread civic illiteracy—the lack of basic knowledge needed to make informed public judgments. Our mission is to increase public understanding of our civic deficit and its effect on democratic decision-making, and to identify and promote the use of effective tools to help educators and others correct the problem. The Center for Civic Literacy fulfills its mission through scholarly research and publication, public teaching, and community-based partnerships.

Indiana University Public Policy Institute

The Indiana University Public Policy Institute produces unbiased, high-quality research, analyses and policy guidance to promote positive change and improve the quality of life in communities across Indiana and the nation. Our clients use our research to enhance their programs and services, to develop strategies and policies, to evaluate the impact of their decisions—and ultimately to help the people they serve. Established in 1992, PPI is part of the IU O'Neill School of Public and Environmental Affairs.



Decision 2020: Electing Indiana's Future

Every four years, in conjunction with Indiana's gubernatorial election, the IU Public Policy Institute (PPI) sponsors a Gubernatorial Candidates Forum. This year's event will be broadcast by WFYI and other Indiana Public Broadcasting Stations, as well as available for viewing at go.iu.edu/Decision2020. The event is intended to further the mission of PPI and its Center for Civic Literacy (CCL) to produce unbiased, high-quality research, analyses, and policy guidance to promote positive change and improve the quality of life in communities across Indiana and the nation.

Cities and states today face significant issues and their elected officials have considerable latitude in addressing those issues.

In Indiana, the 2020 gubernatorial and legislative elections will determine how the state pursues policies in education, infrastructure, taxation, health care, environmental policy, and much more. These policies affect us in meaningful and sustained ways on a daily basis. In order to cast an informed vote, citizens must understand what the issues are, the candidates' approaches to those issues, and the legal and political systems within which they must make their preferred policies work.

CCL faculty and staff identified key policy areas facing Indiana in 2020, and enlisted experts in each of those areas. The resulting issue briefs provide policymakers and citizens with important context, background, and identify critical policy issues. Each brief is based upon research and analysis of available data about the state of Indiana, and includes comparisons with other states as well as national trends. Each guide also points readers to local and state level resources offering additional information on the topic.

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Author:

Ross D. Silverman, JD, MPH

Professor of Health Policy and Management

Indiana University Richard M. Fairbanks School of Public Health

Professor of Public Health and Law

Indiana University Robert H. McKinney School of Law