Balancing Act
Countering High Health Care Costs to Promote Healthy Arkansas Families and Children

The basic needs of all Arkansas families — a stable home; nutritious food; heating, cooling or electricity; and access to affordable health care — are deeply interwoven.

When the cost of one item climbs, like the cost of health care, it has a ripple effect on other needs, restricting what is left to meet other demands on the family budget. For some low-income families, the ripple can mean that another basic need is not addressed at all because there are no resources left to support it — parents miss a utility bill or rent payment, skip meals to stretch the family’s food, or a child doesn’t receive needed medications or visits to the doctor. Each of these sacrifices has an associated cost — not just to individual Arkansans, but also to the health of our workforce and communities as a whole. Understanding these social determinants of health can assist leaders in Arkansas to shape the state’s future and ultimately help Arkansas families move closer to achieving optimal health outcomes. In this report we focus on policy solutions that address the financial cost of health care and its inherently intertwined relationship with the overall household budget. Systematically screening and referring for assistance with social

Definitions

- **Foregone Care**: When a young child or other family member has to forego needed health care or prescriptions because the family cannot afford it
- **Health Cost Sacrifices**: When families pay for needed medical care but subsequently experience extreme difficulty paying for other basic needs, like housing, food or utilities
- **Health Care Hardships**: When families must choose between meeting their basic needs such as food and shelter and accessing needed health care because of the high cost of health care; this includes both foregone care and health cost sacrifices
- **Social Determinants of Health**: Conditions in the environments in which people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks
Why Do Families Experience Health Care Hardships?

Lack of health insurance is a fundamental barrier to getting care – common problems include not having insurance (uninsured) or having insurance that does not cover a needed service or whose required additional costs or copays are unaffordable (underinsured).<sup>6–8</sup> Arkansas has drawn national attention for its innovative response to expanding health care coverage to non-elderly adults across the state. Under the Affordable Care Act (ACA), Arkansans can purchase private health insurance plans on the state’s marketplace with federal Medicaid funds. This plan, first known as the Private Option and later Arkansas Works, distinguished Arkansas as the first southern state to expand Medicaid.<sup>9</sup> As a result, the uninsured rate for children dropped to just 4 percent in 2016, down from 6 percent in 2013 and for adults to 14 percent in 2015 from 42 percent in 2013.<sup>10,11</sup> Research has demonstrated that when parents are insured, children are also more likely to be insured and receive the care they need.<sup>12</sup> While Arkansas’ Medicaid expansion dramatically reduced uninsurance for children and adults, the benefits or health care services that are covered should also be adequate to meet their needs in order to address underinsurance.<sup>13</sup>

However, problems for families related to limited health insurance are not confined to health care access. Each expense in the family budget impacts the others, so when a family struggles with a cost of health care, they are likely also struggling to afford...

What are Health Care Hardships?

Health care hardships occur when families must choose between meeting their basic needs and accessing needed health care because of the high cost of health care. There are at least two common ways that people try to cope with the high costs of health care – foregoing needed health care to pay for other basic needs (foregone health care) and, conversely, paying for health care and then not meeting other basic needs (heath cost sacrifices). Children’s HealthWatch data depicted in this report shows that health care hardships affect families across education and employment spectrums, and they are associated with poor health outcomes. While there are no nationally collected statistics on these two coping mechanisms, one study found that 37 percent of Americans, and 42 percent of Americans with a chronic illness, reported that they had some kind of foregone health care (i.e. medical care, prescriptions, dental care, mental health care).<sup>2</sup> In a large study of families with children, 10 percent of families with children in the U.S. South experienced foregone or delayed health care due to cost and other barriers;<sup>3</sup> in Arkansas that translates to approximately 22,000 families and nearly 70,000 people.<sup>4,5</sup>
Household Food Insecurity: When families are unable to afford enough food for all members to lead active, healthy lives.

Child Food Insecurity: When family resources are so stretched that adults in the family are no longer able to buffer children from insufficient food; this is a severe form of food insecurity among children.

Housing Instability: When families are unable to pay rent or mortgage on time or moved two or more times in the previous year or have a history of homelessness.

Developmental Risk: When a young child is found to be at risk for developmental delays using a standardized screening tool that identifies potential areas of concern, such as cognitive, socio-emotional or motor delays.

How Health Care Hardships Hurt Families with Young Children in Arkansas

Children’s HealthWatch has previously reported on food insecurity in Arkansas; almost one third of the families with young children who were surveyed in the Arkansas Children’s Hospital emergency department reported food insecurity and were found to be at high risk of poor health and multiple economic hardships. In a larger sample of young children in five states, we have also demonstrated the association between multiple economic hardships, like difficulty affording food, housing, or utilities among families with young children, and impaired health of mothers and children. These negative impacts on children’s health worsen as the number of hardships increases.

In order to understand these challenges specifically among Arkansas children and their families, we examined the linkages between foregone care and health cost sacrifices, and food insecurity and housing instability among families with young children in Arkansas. Parents of 7,737 children under age 4 years were interviewed in the Arkansas Children’s Hospital Emergency Department between other basic needs. These challenges have serious implications for children’s and adults' health and well-being. Not having enough food for everyone in the home to eat (food insecurity) is linked to children’s poor physical and mental health, children’s poor cognitive and socioemotional development and parents’ poor mental and physical health. Parents and children in families who are unstably housed are similarly at risk for children’s poor health and development and parent's poor physical and mental health.
Figure 1. Children with public or no insurance have higher rates of foregone care and both foregone care & health cost sacrifices

![Figure 1: Children with public or no insurance have higher rates of foregone care and both foregone care & health cost sacrifices.](image)

Figure 2. Uninsured parents had highest rates of foregone care & both hardships, but privately insured parents had highest rates of health cost sacrifices

![Figure 2: Uninsured parents had highest rates of foregone care & both hardships, but privately insured parents had highest rates of health cost sacrifices.](image)

January 2008 and July 2016. Nearly 38% of parents reported at least one health care hardship: 19% of parents reported foregone care, 7% reported health cost sacrifices, and 11% experienced both.

Twenty-nine percent of parents reported that their uninsured young child had had to forego needed health care. The rates were somewhat lower among publically insured children; twenty-two percent of parents reported that their child with public insurance had to forego care. Rates of health cost sacrifices were approximately the same across all three insurance types. (Figure 1)

There were greater differences in health care hardships for parents when compared to children. As expected, parents who did not have insurance frequently reported health care hardships; thirty-one percent of parents who did not have insurance had to forego needed health care or prescriptions, and more than one fifth reported both foregone care and health cost sacrifices. However, those with insurance were not immune from hardships; among parents with public insurance 14 percent had experienced foregone care and 12 percent of those with private insurance had health cost sacrifices, the highest rate among the three insurance types. (Figure 2)
Health Care Hardships Put Children’s and Parents’ Health At Risk

These hardships had harmful health and development consequences for young children. Compared to children whose families did not experience any health care hardships:

Young children who had foregone care
• 43% more likely to be in fair or poor health
• 32% more likely to be at developmental risk
• 15% more likely to have been hospitalized since birth

Families who had health cost sacrifices
• 50% more likely to be in fair or poor health
• 56% more likely to be at developmental risk
• 31% more likely to have been hospitalized

Families who experienced both foregone care and health cost sacrifices
• 49% more likely to be in fair or poor health
• 38% more likely to be at developmental risk
• 22% more likely to have been hospitalized

Parents of young children also were at very high risk of poor physical and mental health if they experienced foregone care or health cost sacrifices. Compared to parents whose families did not experience any health care hardships:

Parents who had foregone care
• 174% more likely to be in fair or poor health
• Mothers were 146% more likely to report depressive symptoms

Parents who had health cost sacrifices
• 64% more likely to be in fair or poor health
• Mothers were 113% more likely to report depressive symptoms

Parents who had both foregone care and health cost sacrifices
• 268% more likely to be in fair or poor health
• Mothers were 263% more likely to report depressive symptoms

Family economic stability was also affected by both types of health care hardships. Compared to families with no health care hardships:

Families who had foregone care
• 235% more likely to be household food insecure
• 178% more likely to be child food insecure
• 160% more likely to have one or more type of housing instability

Families who had health cost sacrifices
• 272% more likely to be household food insecure
• 129% more likely to be child food insecure
• 125% more likely to have one or more type of housing instability

Families who had both foregone care and health cost sacrifices
• 604% more likely to be household food insecure
• 452% more likely to be child food insecure
• 352% more likely to have one or more type of housing instability

Though just 566 (7.4%) families reported health cost sacrifices, those who did struggled to meet many basic needs.
“Recently a mother requested assistance with deposits on an apartment for her child with seizure disorders, developmental delay, Cerebral Palsy, and Failure-to-Thrive and who is unable to walk. The mother had limited financial resources and had been evicted. The family was thus homeless and had been living with friends for the preceding several months. She has been unable to work due to her child’s substantial health care needs and her only income right now is Supplemental Security Income. As the child’s health care and related costs are considerable, she has been hesitant to look at apartments or houses due to concerns about being able to pay 1st months’ rent and deposits that are required.”

— ARKANSAS CHILDREN’S HOSPITAL SOCIAL WORKER
Working Parents with Higher Education: Still Squeezed

Higher education and employment can help families to get ahead and work towards economic stability. However, they are not a silver bullet. Children’s HealthWatch found that even among Arkansas families with young children in which parents had education beyond high school and at least one or more adult working in the household, health care hardships harmed children’s development, mothers’ health, and families’ ability to afford other basic needs. Children’s HealthWatch interviewed 2,485 such parents who were seeking care for their young children in the Arkansas Children’s Hospital Emergency Department. Among families in which parents had education beyond high school and at least one or more adult working, health care hardships were reported by 31.8 percent (791 families): 15.4 percent had foregone care, 8.4 percent had health cost sacrifices, and 8.1 percent had both.

Compared to children whose similarly educated and employed families who did not experience any health care hardships:

Young children whose families had health cost sacrifices were 83% more likely to be at developmental risk

Compared to similarly educated and employed parents whose families did not experience any health care hardships:

Parents who had foregone care
• 162% more likely to be in fair or poor health
• Mothers were 133% more likely to report depressive symptoms

Parents who had health cost sacrifices
• 90% more likely to be in fair or poor health
• Mothers were 124% more likely to report depressive symptoms

Parents who had both foregone care and health cost sacrifices
• 436% more likely to be in fair or poor health
• Mothers were 308% more likely to report depressive symptoms.

Family economic stability was also affected by both types of health care hardships. Compared to similarly educated and employed families with no health care hardships:

Families who had foregone care
• 283% more likely to be household food insecure
• 265% to be child food insecure
• 237% more likely to have one or more type of housing instability

Families who had health cost sacrifices
• 250% more likely to be household food insecure
• 230% more likely to be child food insecure
• 146% more likely to have one or more type of housing instability

Families who had both foregone care and health cost sacrifices were
• 860% more likely to be household food insecure
• 656% more likely to be child food insecure
• 749% more likely to have one or more type of housing instability

These shockingly high percents may be due to the fact that those who are employed likely have incomes that leave them ineligible for public assistance and thus unable to meet all their needs for food, housing, and health care. Employment and high school completion did not protect these families from health care and other hardships.
“As I see all the time in my clinics, parents with low incomes often face interlocking needs all at once. The extent to which health care, food, housing, and energy needs are addressed in a coordinated fashion puts those families and children in a much healthier place. If we want children to do well, then we have to care for the whole household. When more households in a community can meet their needs, we have healthier communities. That is what I want for Arkansas.”

— EDUARDO OCHOA JR., M.D., CHILDREN’S HEALTHWATCH PRINCIPAL INVESTIGATOR, ARKANSAS CHILDREN’S HOSPITAL
**Health Care Systems**

1. **Ensure health care providers implement universal screening for social determinants of health**, including food and housing insecurity and whether families have foregone care or experienced health cost sacrifices in the past.

2. **Develop strong resource and referral partnerships to address social needs**, such as food pantry partners; medical-legal partnerships; financial counselors and patient navigators schooled in a variety of public assistance program enrollment processes; home visiting programs; and social work support.

3. **Utilize electronic medical records to track social determinants of health**, provide public transparency, and implement predictive analytics to proactively address families’ needs.

4. **Increase hospital/health system cost sharing support** or charge forgiveness for patients in financial distress to minimize health care hardships.

5. **Partner with community health workers to support families in achieving health** where they live, learn, work, and play.

6. **Ensure pediatric value-based health care contracts include the flexibility to pay** for services that address social determinants of health.

**State Policy**

1. **Ensure any health care legislation maintains access** to affordable, quality health care for all Arkansas residents.

2. **Reinstate public health insurance eligibility for adults based on income** at 138% FPL or lower without the administratively burdensome work requirements recently added. Arkansas has very low unemployment rates and jobs with living wages are not readily available. Our data demonstrate that even working families with some level of higher education may have difficulty meeting the needs of their families. Even with the exemptions and assistance from ‘Registered Reporters’ in place, large numbers of hardworking Arkansans in need of health care will be cut off now that the state Medicaid waiver has gone into effect, putting their health and the health of their children and communities at risk.

3. **Include health considerations into state and local decision-making processes** across public and private sectors through a ‘Health in All Policies’ approach. For example, Baltimore, Maryland’s Cross Agency Health Task Force engages representatives from all city agencies to support 10 priority areas, which includes promoting access to quality health care for all and creating health-promoting neighborhoods. Arkansas can create a cross-sector taskforce...
that seeks to align eligibility and services across health and human service programs that lift up families and reinforce one another’s work.

4. **Create a state-level Earned Income Tax Credit (EITC)** at 20 percent of the federal EITC to strengthen working families’ health and financial stability. The EITC is a benefit for working individuals and families with low to moderate income that rewards work, increases economic mobility, and improves children’s health.\(^{24}\)

5. **Establish a “tenant’s bill of rights”** for Arkansas that includes a requirement that the landlord keep rental properties safe and habitable. Arkansas is the only state in the nation without such a bill of rights.\(^{25}\) Our data show that families experiencing health care hardships have dramatically increased odds of housing instability. Stabilizing families’ housing reduces health care costs and harm to adult and child health.\(^{26}\)

**Federal**

1. **Assess and publicize the impact of federal health care proposals** on the health and well-being of Arkansan families and children. Oppose any measures that reduce benefits or eligibility for families and children. This includes protecting Medicaid from capped funding proposals that would shift the costs of the program to the state over time and defending the Children’s Health Insurance Program (CHIP) from any cuts to the rainy day fund that was established to support states in times of natural disaster or other events leading to increases in child enrollment. Our data demonstrate the importance for family health and financial stability of ensuring that parents and children receive the care that they need at an affordable cost.

2. **Maintain current structure of and eligibility for the Supplemental Nutrition Assistance Program (SNAP)**, our nation’s largest and most-effective nutrition assistance program, including rejecting any changes that would expand work requirements or reduce access to or the amount of SNAP benefits.\(^{27}\) Our data show the interconnection between health care costs and access and a family's ability to afford enough, healthy food.

3. **Work to restore adequate Children’s Health Insurance Program (CHIP) funding.** There is a robust body of evidence to demonstrate CHIP’s positive impact on children’s health and health care access.\(^{28}\) Our data underscore the essential role that health insurance plays in connecting to children to needed care to support their healthy development.
Conclusion

In order for Arkansas families to have the best chance at a healthy, productive future, it is important to focus on all the factors that make us healthy, and commit to a greater investment in the foundational elements of well-being. Parents are best able to provide a home that allows children to thrive when they are also healthy and well. Health care providers should be aware of the linkages between health care and its costs with the challenges that families face in meeting the food and housing needs of their children. Policymakers should strive to meet the goal of health equity by meeting the needs of those at greatest risk of poor health, based on social conditions. Having higher education, a job, and health insurance does not guarantee that all the medical and other basic needs of the family are met. State and federal policies that sustain children and their parents in having access to affordable, healthy food, homes, and health care are essential for Arkansas to continue to lead the way with innovation and achieve our state’s potential.
About Children’s HealthWatch
Children’s HealthWatch is a nonpartisan network of pediatricians, public health researchers, and children's health and policy experts. Our network is committed to improving children’s health in America. We do that by first collecting data in urban hospitals across the country on infants and toddlers from families facing economic hardship. We then analyze and share our findings with academics, legislators, and the public. These efforts help inform public policies and practices that can give all children equal opportunities for healthy, successful lives.

Authors
Stephanie Ettinger de Cuba, MPH, Richard Sheward, MPP, Patrick H. Casey, MD, Anna Strong, MPH, MPS, Eduardo Ochoa, Jr., MD

Acknowledgements
We would like to thank Amanda Ptashkin, JD, of Southern Health Partners, Community Catalyst; Tamika S. Cook JT, Frank DA. Food security, poverty, and human development in the United

References