

## Healthcare Affordability and Colorado Low Wage Workers

### **The vast majority of Colorado Medicaid recipients who can work do work.**

- According to the Department of Health Care Policy and Financing, 76 percent of non-elderly adults and children enrolled in Medicaid in Colorado live in a family with at least one part-time or full-time worker.

### **Non-working Medicaid recipients are either looking for work or face substantial work barriers.**

- A Kaiser Family Foundation<sup>1</sup> study found that among unemployed adults who are uninsured and likely to gain Medicaid coverage in Medicaid expansion states:
  - 29 percent were not working because they were taking care of home or family,
  - 20 percent were looking for work,
  - 18 percent were in school,
  - 17 percent were ill or disabled, and
  - 10 percent were retired.
- As an example, in Colorado, the Medicaid expansion offered health coverage for the first time for disabled people on the Aid to Needy Disabled (“AND”) program. Participation in AND requires a determination of disability by the Colorado Department of Human Services. Once qualified, people receive a cash benefit of less than \$200 a month and no healthcare benefits. Generally people spend 22 months on the AND program pending determination of eligibility for SSI.
- 41,000 veterans in Colorado rely on Medicaid; the total number of veterans on Colorado Medicaid increased by 65% following implementation of the Medicaid expansion.<sup>2</sup>

### **For those who can work, Medicaid can help them keep their job or search for work.**

- Many low-wage workers do not have access to employer provided health insurance coverage. Health insurance is essential to maintaining health and the ability to continue to work.

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<sup>1</sup> <http://www.kff.org/medicaid/fact-sheet/are-uninsured-adults-who-could-gain-medicaid-coverage-working/>

<sup>2</sup> <http://familiesusa.org/product/cutting-medicaid-would-hurt-veteran>

- Healthy people are better able to work. Three-quarters of beneficiaries in Ohio who received care under the Affordable Care Act's (ACA) Medicaid expansion and who were looking for work reported that Medicaid made it easier to do so.<sup>3</sup>
- For those who were currently working, more than half said that Medicaid made it easier to keep their jobs.

**Low-wage jobs are becoming an increasingly larger share of the Colorado economy and these jobs often lack health coverage and consistent schedules.**

- One-quarter of the state's labor force (about 600,000 workers) earn less than \$12.48 an hour. These low-wage jobs make up 25.4% of the Colorado economy.
- Low-wage jobs are less likely to provide health coverage, often offer unpredictable hours and schedules, and with Colorado's rising cost of living, don't pay enough for families to meet their basic needs.<sup>4</sup>
- Minimum wage this year is \$9.30 an hour. While someone working 40 hours a week, 52 weeks a year would make too much to qualify for Medicaid, low wage workers are far more likely to have shift work with unpredictable incomes. Examples include food preparation and service workers, maids, housekeepers and home care attendants.

**Part time workers want but cannot find full time work<sup>5</sup>**

- An estimated 98,000 workers in Colorado want more hours than their part-time employment offers.
- 16.7% of part time workers in Colorado want but cannot find a full time job because of slack business conditions, seasonal employment and other work conditions. That number was 25% during the recession.
- Nearly one-third of involuntary part-time workers experience an average of 13 weeks of unemployment annually. 13 weeks of unemployment would put a minimum wage worker under the Medicaid eligibility threshold of 133% FPL. (\$9.30 an hour x 40 hours a week x 39 weeks = \$14,508 annual gross income).

**The number of Coloradans in low-wage jobs is rising**

- The number of Coloradans employed in low-wage jobs continues to rise in significant part due to the growth in service jobs that pay less than \$12.48 an hour. For instance, the median wage of maids in Colorado is \$10.70, home healthcare workers \$11.83, food preparation workers \$10.93, cooks \$12.11, and cashiers \$10.14 according to the 2016 Colorado Occupational Employment Statistics. 48% of working Colorado women are employed in low wage job groups e.g. service, food

<sup>3</sup> <http://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Assessment.pdf>

<sup>4</sup> Colorado Fiscal Institute compiled this data. <http://www.coloradofiscal.org/> Contact: Chris Stiffler

<sup>5</sup> <http://cclponline.org/working-part-time-isnt-enough/>

preparation, administrative support, sales, personal care aides) compared to 37% of working Colorado men.

- There are about 50,000 cashiers in Colorado and 79% of cashiers in Colorado make less than \$12.48. There are 36,000 janitors whose median wage is \$11.97, which means about 55 percent of janitors make wages classified as “low wage.”<sup>6</sup>

### **A Colorado Example- Yuma and Eastern Plains<sup>7</sup>**

- 14.5% of people in Yuma live in poverty and 60% of children qualify for free lunch even though unemployment is quite low, at 1.6 percent in December 2016.<sup>8</sup>
- The typical food preparation worker in Yuma makes \$10.22/hour. That worker would need to work 59 hours a week to afford the \$31,576 cost of living to make ends meet in Rural Colorado according to the Economic Policy Institute’s budget calculator.<sup>9</sup>
- The median wage for waiter/waitresses in the eastern plains of Colorado is \$9.27 an hour which means they would need to work 66 hours a week to afford the cost of living. Eastern plains janitors make a median wage of \$10.82 an hour and need to work 56 hours a week in order to make ends meet.
- Childcare workers have a median wage of \$9.64 an hour on the eastern plains of Colorado which means they would need to work 63 hours a week.
- Cashiers make \$9.45 an hour requiring 64 hours of work a week.

### **Low wage workers cannot afford health insurance or out of pocket costs**

- In 2013, the median U.S. household between 100 and 250 percent of the federal poverty level had \$766 in liquid assets and \$326 in net financial assets.<sup>10</sup>
- People living below the poverty level generally have no resources they can devote to out of pocket health care and/or insurance costs.<sup>11</sup>

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<sup>6</sup> Colorado Fiscal institute compiled this data. <http://www.coloradofiscal.org/> Contact: Chris Stiffler

<sup>7</sup> Colorado Fiscal Institute

<sup>8</sup> <https://datausa.io/profile/geo/yuma-county-co/#economy>; <http://datacenter.kidscount.org/data/tables/469-students-qualifying-for-free-or-reduced-price-lunch#detailed/10/1457/false/870/109/11515,7665>;

[https://alfred.stlouisfed.org/series?seid=COYUMA5URN&utm\\_source=series\\_page&utm\\_medium=related\\_content&utm\\_term=related\\_resources&utm\\_campaign=alfred](https://alfred.stlouisfed.org/series?seid=COYUMA5URN&utm_source=series_page&utm_medium=related_content&utm_term=related_resources&utm_campaign=alfred)

<sup>9</sup> <http://www.epi.org/resources/budget/>

<sup>10</sup> <http://files.kff.org/attachment/issue-brief-consumer-assets-and-patient-cost-sharing>

<sup>11</sup> [http://cclponline.org/wp-content/uploads/2013/12/test-terry\\_THE-COST-OF-CARE\\_presentation-for-Interim-Health-Care-Committee.pdf](http://cclponline.org/wp-content/uploads/2013/12/test-terry_THE-COST-OF-CARE_presentation-for-Interim-Health-Care-Committee.pdf).