

Impact of the American Rescue Plan Act on the Massachusetts Health Care System

EXECUTIVE SUMMARY

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INTRODUCTION

In response to the health and economic damage caused by the COVID-19 pandemic, Congress passed the American Rescue Plan Act (ARPA) in March 2021, which makes \$1.9 trillion available to individuals, states and territories, counties, cities, community organizations, educational institutions, and other entities. Some funds are intended to shore up or even expand programs and agencies that have been depleted during the pandemic, while other funds are designated or available to create new programs. ARPA contains many health-related provisions, with particular focus on behavioral health services (inclusive of mental health and substance use care), the health care workforce, and programs that make health insurance coverage and health care available to more people. This summary focuses on the key components of ARPA that will affect health care in Massachusetts.

KEY HEALTH-RELATED PROVISIONS OF ARPA AND EQUITY CONSIDERATIONS

ARPA affects MassHealth (the Massachusetts Medicaid program and Children's Health Insurance Program), its members, and providers. Undergirding many of ARPA's health provisions are goals of equity that address the short-term disparate impacts of COVID-19 across groups distinguished by race, ethnicity, and income. COVID-19 has shined a spotlight on long-standing disadvantages in health status, health coverage, and access to high-quality care among populations of color, people with low incomes, people with disabilities, and other groups.

Provisions Affecting MassHealth and Its Members

A section of ARPA offers states the chance to temporarily **extend Medicaid coverage to new birth parents**, who might otherwise become ineligible as soon as 60 days after giving birth. This provision is designed to help new parents—and indirectly, their insured newborns—to obtain the health care, counseling, and preventive services they need to thrive after a pregnancy and to avoid serious health challenges that, while rare, disproportionately affect people of color and parents with low incomes. This ARPA provision aligns with a Massachusetts proposal to extend postpartum coverage, which would enable MassHealth to begin delivering the benefit earlier than ARPA allows.

The full report describes racial and ethnic disparities in maternal mortality and postpartum health that this provision is designed to address. Extending postpartum Medicaid coverage can bring substantial (if sometimes difficult-to-measure) benefits to those eligible for the extension; a recent article in the *Journal of the American Medical Association* reported that individuals who are Hispanic or Indigenous, unmarried, age 35 years and older, and with less than a high school education face a greater risk than others of being uninsured after delivery, with associated risks to their health.¹

Another piece of ARPA funding would improve access to **community-based mobile crisis intervention services** for MassHealth members. These are short-term services, provided by a team of qualified professionals to assess, treat, and stabilize individuals experiencing a behavioral health emergency. This approach is designed to reduce the use of emergency medical services and hospital emergency departments in non-life-threatening mental health and substance use crises and to reduce reliance on law enforcement in such situations. The longer-term goal of these services is to make the default response to behavioral health crises a health care rather than a public safety model, thereby reducing the role of the justice system in such situations. Moving crisis response away from arrest and incarceration would also address an important equity issue. According to a 2020 report, “[Massachusetts] significantly outpaced national race and ethnicity disparity rates in incarceration, imprisoning Black people at a rate 7.9 times that of White people and Latinx people at 4.9 times that of White people.”²

Broader access to crisis response services is an issue for the entire population but is of particular concern for people of color. Among all adults in the United States with a diagnosed need for behavioral health care, only 22 percent of Latinx people and 25 percent of Black people receive treatment, compared with 38 percent of White people.³ And opioid overdoses in Massachusetts continue to be a grave problem for all; in 2020 the opioid-related death rate for Hispanic

males was 57.9 per 100,000 population, 55.1 for Black non-Hispanic males, and 46.4 for White non-Hispanic males. The opioid overdose death rate was significantly lower for females.

ARPA offers states enhanced funding to immediately **enhance, expand, or strengthen Home- and Community-Based Services (HCBS)** and to make longer-term plans to sustain these improvements. HCBS are long-term services and supports that are used by MassHealth members who are older adults or who have physical, intellectual, or developmental disabilities.

ARPA HCBS provisions also offer the opportunity to address disparities in another way: The HCBS workforce is a low-paid one, with half of home care workers having incomes sufficiently low to qualify for MassHealth themselves. Some ARPA funds are designated to raise the hourly wage of these workers, which also addresses important gender and racial equity issues. Home care workers are overwhelmingly women and disproportionately people of color, and home care is one of 10 occupations in the metro Boston area projected to add the most workers of color to the workforce this decade.⁴

Individuals with low and moderate incomes will benefit from ARPA provisions in various ways, including indirectly. **Community health centers (CHCs)** will receive an infusion of funds for COVID-19-related activities and for more general use. People of color, who are disproportionately represented in CHCs' patient populations, can benefit from concerted efforts to prevent, detect, and vaccinate against COVID-19. The rates of infection among Latinx and Black Massachusetts residents have been disproportionately high,⁵ owing primarily to the disproportionate representation of these groups in higher risk occupations (such as food service workers) and living situations that offer less protection against the virus.⁶ Take-up of the vaccine by Black and Latinx residents has been slower than in the population overall,⁷ likely due to a combination of access barriers, insufficient outreach, and a hesitant approach to the vaccine rooted in current and historical distrust of the health care system as a result of past harms and inequities in care. CHCs are in and of the communities they serve and are in a good position to help close these gaps through outreach, education, and service to their patients.

Health Insurance

ARPA contains provisions that pertain to the Health Connector—Massachusetts' health care marketplace—and its clients. ARPA increases federal health insurance subsidies and expands eligibility for them, making coverage more affordable and available, which is particularly important in a time when many people lost health insurance with their jobs in the pandemic-related economic downturn.

Several other sections of ARPA will have an impact on health and health care, primarily by adding funding to existing programs. There is a focus on behavioral health of the population at large and of health care providers, and on replenishing and building the health care workforce, with an emphasis on underserved areas and populations. ARPA allocates a large sum of money as "State and Local Fiscal Recovery Funds" to aid recovery from the economic impacts of the public health emergency. Massachusetts will receive about \$5.3 billion of these funds.⁸ How Massachusetts will use its allocation is now under discussion among the governor and members of the legislature, but it is likely that some of these funds will have some impact on the health of Massachusetts residents and the health care system, either directly or indirectly.

CONCLUSION

ARPA makes available an unprecedented amount of largely one-time or time-limited funds designed to accomplish many things, both broad and more specific to health and health care. States, localities, and non-governmental organizations in line to receive ARPA funds are all acutely aware of the aid's temporary nature. While serving its short-term purpose of "rescue," ARPA also presents opportunities for lasting improvements in health care delivery, health status, and health equity. Policymakers and all who desire these improvements should seize ARPA's opportunities.

ENDNOTES

- 1 Daw, Jamie R., Katy B. Kozhimannil, and Lindsay K. Admon, “Factors Associated With Postpartum Uninsurance Among Medicaid-Paid Births,” *JAMA Health Forum*, 2021, <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2781280>.
- 2 Bishop, Elizabeth Tsai, Brook Hopkins, Chijindu Obiofuma, and Felix Owusu, “Racial Disparities in the Massachusetts Criminal Justice System,” Criminal Justice Policy Program of Harvard Law School, September 2020, <https://hls.harvard.edu/content/uploads/2020/11/Massachusetts-Racial-Disparity-Report-FINAL.pdf>.
- 3 McGuire, Thomas G, and Jeanne Miranda. “New evidence regarding racial and ethnic disparities in mental health: policy implications.” *Health Affairs (Project Hope)*, vol. 27,2, 2008, pp. 393–403.
- 4 Langston, Abbie, Justin Scoggins, and Matthew Walsh, “Advancing Workforce Equity in Boston: A Blueprint for Action,” National Equity Atlas, 2021, <https://nationalequityatlas.org/research/workforce-equity-boston>.
- 5 17,903 and 8,390 per 100,000 population, respectively, compared with 5,469 per 100,000 for white non-Hispanic residents. Massachusetts Department of Public Health, “COVID-19 Interactive Data Dashboard,” <https://www.mass.gov/info-details/covid-19-response-reporting>, accessed June 14, 2021.
- 6 Figueroa, J.F., R.K. Wadhera, D. Lee, R.W. Yeh, B.D. Sommers, “Community-Level Factors Associated With Racial And Ethnic Disparities In COVID-19 Rates In Massachusetts,” *Health Aff (Millwood)*, 39(11), November 2020, pp. 1984–1992.
- 7 Commonwealth of Massachusetts, “Weekly COVID-19 Municipality Vaccination Data—June 10, 2021,” Weekly COVID-19 Vaccination Dashboard, <https://www.mass.gov/info-details/massachusetts-covid-19-vaccination-data-and-updates#weekly-covid-19-municipality-vaccination-data->, accessed June 14, 2021.
- 8 Rosewicz, Barb, Mike Maciag, and Melissa Maynard, “How Far American Rescue Plan Dollars Will Stretch Varies by State,” Pew Charitable Trusts, June 2021, <https://www.pewtrusts.org/en/research-and-analysis/articles/2021/06/28/how-far-american-rescue-plan-dollars-will-stretch-varies-by-state>, accessed July 7, 2021.

