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Examining Family Budgets and Food Insecurity

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Chairman McGovern, distinguished members of the Rules Committee, and everyone participating today: thank you for gathering here and holding this hearing to discuss the critical issue of food insecurity. I appreciate the opportunity to draw on my research expertise to highlight the experiences and voices of Americans who are living in or near poverty, shouldering sometimes devastating health cost burdens, and struggling to feed their families.

My name is Jamila Michener. I am a social scientist whose research focuses on poverty, racial inequality, and public policy. I spend much of my time studying and teaching about the ways public policies interact with the larger economy to shape (and often constrain) civic and material well-being of low-income families. Much of my work is focused specifically on health policy. My research speaks to the circumstances of Americans living in or near poverty, who are disproportionately people of color, and who must navigate the U.S. healthcare system in a context of economic instability and insecurity.¹ As co-director of the [Cornell Center for Health Equity](#), not only do I conduct my own research, but I also support other scholars in conducting research on health policy, health systems, and the social determinants of health.

A central takeaway I want to emphasize today is that health is an exceptionally expensive resource in the United States.² It should not be, but it is. Healthcare is contingent on economic status and exceedingly difficult for many people to afford (even those who have health insurance).³ This means that maintaining your health and the health of your family can create budgetary burdens and siphon resources that would otherwise be used

¹ Michener, Jamila. 2018. *Fragmented Democracy: Medicaid, Federalism, and Unequal Politics*. New York: Cambridge University Press.

² Tikkanen, Roosa and Melinda K. Abrams. 2020. "U.S. Health Care from a Global Perspective, 2019: Higher Spending, Worse Outcomes." The Commonwealth Fund. Available: <https://www.commonwealthfund.org/publications/issue-briefs/2020/jan/us-health-care-global-perspective-2019>

³ Emanuel, Ezekiel J., Aaron Glickman, and David Johnson. "Measuring the Burden of Health Care Costs on US Families: The Affordability Index." *JAMA* 318, no. 19 (2017): 1863-1864.

for crucial needs like food and nutrition. As the Rules Committee consider pathways to ending hunger, I urge you to confront the related challenge of providing people with affordable access to high quality health care.

Key Facts: Healthcare, Financial Burdens, and Food Insecurity

The evidence is clear: low-income families are made more financially precarious when they pursue their healthcare needs. Here are a few relevant facts.

- A little over one quarter of U.S. adults (26 percent) say they or a household member have had problems paying medical bills in the past year, and about half of this group (12 percent of all Americans) say medical bills had a major impact on their family.⁴
- In 2020, roughly 18% of U.S. households reported having medical debt.⁵
- Patient out-of-pocket healthcare costs are up 10 percent since last year, with the 2021 total of patient financial responsibility costing approximately \$491 billion.⁶
- In 1980, the average annual patient financial responsibility was \$250 per patient. That figure skyrocketed to \$1,650 by 2021.⁷
- Medical debts are higher in poorer neighborhoods. In the lowest-income ZIP codes, people owe an average of \$677.⁸
- People who report problems paying medical bills in the past year commonly respond by spending less on household necessities. A 2018 survey found that 30

⁴ Ashley Kirzinger, Cailey Muñana, Bryan Wu and Mollyann Brodie. 2019. “Data Note: Americans’ Challenges with Health Care Costs.” Available online: <https://www.kff.org/health-costs/issue-brief/data-note-americans-challenges-health-care-costs/>

⁵ Kluender, Raymond, Neale Mahoney, Francis Wong, and Wesley Yin. “Medical Debt in the US, 2009-2020.” *JAMA* 326, no. 3 (2021): 250-256.

⁶ Heath, Sarah. 2021. “Patient Out-of-Pocket Healthcare Costs Balloon by 10% Since 2020.” Available: <https://patientengagementhit.com/news/patient-out-of-pocket-healthcare-costs-balloon-by-10-since-2020>

⁷ Heath, Sarah. 2021. “Patient Out-of-Pocket Healthcare Costs Balloon by 10% Since 2020.” Available: <https://patientengagementhit.com/news/patient-out-of-pocket-healthcare-costs-balloon-by-10-since-2020>

⁸ Kluender, Raymond, Neale Mahoney, Francis Wong, and Wesley Yin. “Medical Debt in the US, 2009-2020.” *JAMA* 326, no. 3 (2021): 250-256.

percent of those surveyed struggled to pay for necessities such as food, heat, and housing due to medical costs.⁹

- These struggles are worse for Americans with chronic illnesses. Approximately 1 in 3 chronically ill people report being unable to afford food, medications, or both.¹⁰
- In a study of people with heart disease, more than one-third of people with medical bill problems said they had skipped needed drugs, cut back on groceries, or were in general “financial distress.”¹¹

Food Insecurity and Medical Costs: A Debilitating Cycle

A growing body of evidence links food insecurity to common and preventable chronic conditions, including obesity, hypertension, and type 2 diabetes. Food insecurity makes people sick. Importantly, however, the relationship between food insecurity and chronic disease also goes in the other direction: bad health makes it harder to work, leading to lower income and increased risk of food insecurity.¹²

Working families experience a high and growing burden of health care costs. Estimates indicate that 9 percent of the total costs to raise a child go towards healthcare.¹³ Even when someone is insured, out of pocket health care expenses stack up quickly and include costs for services not often covered by insurance (dental, vision, mental health services etc.), health insurance premiums and copays, prescription drugs, medical supplies, and more.

⁹See: <https://www.norc.org/PDFs/WHI%20Healthcare%20Costs%20Coverage%20and%20Policy/WHI%20Healthcare%20Costs%20Coverage%20and%20Policy%20Issue%20Brief.pdf>

¹⁰ Berkowitz, Seth A., Hilary K. Seligman, and Niteesh K. Choudhry. “Treat or Eat: Food Insecurity, Cost-related Medication Underuse, and Unmet Needs.” *The American Journal of Medicine* 127, no. 4 (2014): 303-310.

¹¹ Norton, Amy. 2019. “Food or Heart Meds? Many Americans Must Make a Choice”: <https://www.medicinenet.com/script/main/art.asp?articlekey=218680>

¹² Berkowitz, Seth A., Sanjay Basu, James B. Meigs, and Hilary K. Seligman. “Food Insecurity and Health Care Expenditures in the United States, 2011–2013.” *Health services research* 53, no. 3 (2018): 1600.

¹³ See: <https://www.usda.gov/media/blog/2017/01/13/cost-raising-child>

On the other side of the ledger, health problems can create barriers to earning income. Income suffers when people must take days off from work for doctors' appointments and hospital stays, stop working altogether to care for ill family members who are not covered under the current health insurance system, receive surprise bills for services that they thought were covered by their health insurance, or reduce their work hours to deal with health issues. Even the cost burden of employer sponsored healthcare has grown from an average of 28 percent in 2010 to 30 percent in 2016, with insurance premiums growing faster than income.¹⁴

All of this points to a devastating cycle by which food insecurity and medical financial spark mutually reinforcing patterns of precarity that leave too many Americans sick and hungry.

A Perspective from the Ground: Beyond the Numbers

For millions of Americans, lower health care costs could mean eliminating the difficult choices between receiving medical treatment or putting food on the table. Some of my research involves systematic qualitative interviews with people facing these kinds of problems. If the statistics and patterns described thus far seem abstract or far away, consider what they mean for a real person, struggling to make it by.

Margie is a woman from Illinois who a 61-years-old at the time I interviewed her. She was unemployed but actively looking for work. She was also a diabetic with high health care

¹⁴ McCarthy-Alfano, Megan, Aaron Glickman, Kristin Wikelius, and Janet Weiner. 2019. "Measuring the Burden of Health Care Costs for Working Families." *Health Affairs*. Available: <https://www.healthaffairs.org/doi/10.1377/hblog20190327999531>

costs. Unfortunately, she was too young to qualify for Medicare and not enrolled in Medicaid (though she was likely eligible for the latter). Margie needed both food and medicine to live, but she sometimes found herself in the impossible position of having to prioritize one over the other. She explained it this way:

Go to the grocery store, then you can't go to the doctor, because I have to go to the doctor every three months, I have to have pills every damn day. So that is very expensive, you know...sometimes you have got to choose between medicine and food. That's rough.

To navigate the complex dance of balancing a slim budget to meet both her health and nutrition needs, Margie utilized every resource she could. For example, she relied heavily on community health clinics in her neighborhood:

I get a discount when I go to the board of health clinic...that's all I got to depend on is those clinics because I pay 15 dollars to see the doctor, every three months...I go there to see the doctor, he prescribes the same medicines...I got like three or four medicines I take a day... but hell they're talking about closing [the clinic] down now...I'm afraid that when they do, if this goes any further, then I'm going to be broke. And I can't still afford to pay my insurance or my medical bills.

Margie's experiences are exemplary of a larger pattern: many Americans have limited budgets that are stretched unbearably thin by mounting medical costs. They rely on a patchwork of federal, state, and local policies and programs to survive. When those policies lack sufficient resources, economically vulnerable Americans are unable to make ends meet and face choices between core necessities like food and medicine.

Policy Paths Forward

This is not the way it has to be. Though some people may have become accustomed to stories like Margie's, most Americans do not believe that anyone should have to make these tradeoffs. 63% of Americans believe that the government has a responsibility to ensure everyone has healthcare.¹⁵ Government should play a fundamental role in securing

¹⁵ Jones, Bradley. 2020. "Increasing Share of Americans Favor a Single Government Program to Provide Health Care Coverage." PEW Research Center: <https://www.pewresearch.org/fact->

widespread protection from the debilitating financial consequences of the U.S. healthcare system. Some existing programs are safeguards from the economic disaster that exacerbates food insecurity.

Medicaid, our nation's largest health insurance program, provides health coverage to low-income families. Medicaid serves more than 80 million Americans.¹⁶ Medicaid protects people from debt, bankruptcy, eviction, and other financial catastrophes by providing them with much needed access to healthcare.¹⁷ Supporting and strengthening Medicaid can help the very families most likely to face food insecurity. This means expanding Medicaid in states that have not done so and strengthening the program everywhere.

Changes made during the pandemic have taught us more about what works to keep as many people insured through Medicaid as possible. Policies that allow for continuous eligibility (removing the constant risk of being disenrolled), easy and accessible application and

<https://www.kff.org/coronavirus-covid-19/issue-brief/analysis-of-recent-national-trends-in-medicaid-and-chip-enrollment/>

¹⁶ Corallo, Bradley and Aviut Mehta. 2021. "Analysis of Recent National Trends in Medicaid and CHIP Enrollment." Kaiser Family Foundation: <https://www.kff.org/coronavirus-covid-19/issue-brief/analysis-of-recent-national-trends-in-medicaid-and-chip-enrollment/>

¹⁷ Callison, Kevin, and Brigham Walker. "Medicaid Expansion and Medical Debt: Evidence From Louisiana, 2014–2019." *American Journal of Public Health* 111, no. 8 (2021): 1523-1529; Hu, Luo, Robert Kaestner, Bhashkar Mazumder, Sarah Miller, and Ashley Wong. "The Effect of the Affordable Care Act Medicaid Expansions on Financial Wellbeing." *Journal of Public Economics* 163 (2018): 99-112; Zewde, Naomi, Erica Eliason, Heidi Allen, and Tal Gross. "The Effects of the ACA Medicaid Expansion on Nationwide Home Evictions and Eviction-court Initiations: United States, 2000–2016." *American Journal of Public Health* 109, no. 10 (2019): 1379-1383; Kuroki, Masanori. "The Effect of Health Insurance Coverage on Personal Bankruptcy: Evidence from the Medicaid Expansion." *Review of Economics of the Household* 19, no. 2 (2021): 429-451.

renewal processes, and reduced administrative burdens are all an important part of making sure everyone who needs Medicaid can get it.¹⁸

Another key goal should be to improve coordination between public benefits programs focused on health—like Medicaid—and those focused on nutrition, like WIC and SNAP. Research shows that both WIC and Medicaid participation are associated with less food insecurity and fewer cost-related medical challenges.¹⁹ Still, programs like these often operate in silos despite serving largely overlapping populations. Coordination, communication, and learning between programs can help to make existing policies more effective, while providing essential resources in the most humane way possible.²⁰ Improvement in the administration and coordination of public programs can ensure that the people administering Medicaid, WIC, SNAP, and other policies understand the resources available to program participants, are trained to identify problems like food insecurity, and can direct program participants towards resources and solutions.

Even beyond major public programs like Medicaid, there are numerous important options for alleviating the challenges that emerge at the nexus of food insecurity and medical scarcity. The range of possibilities include robust and continual funding for local health institutions²¹, especially those in low-income communities and communities of color;

¹⁸ Barnes, Carolyn, and Sarah Petry. "“It Was Actually Pretty Easy”": COVID-19 Compliance Cost Reductions in the WIC Program." *Public Administration Review* (2021); Herd, Pamela, and Donald Moynihan. "Administrative Burdens in Health Policy." *Journal of Health & Human Services Administration* 43, no. 1 (2020); Sugar, Sarah, Christie Peters, Nancy De Lew, and Benjamin D. Sommers. "Medicaid Churning and Continuity of Care: Evidence and Policy Considerations Before and After the COVID-19 Pandemic." (2021). Assistant Secretary for Planning and Evaluation (ASPE) Office of Health Policy:

<https://aspe.hhs.gov/sites/default/files/private/pdf/265366/medicaid-churning-ib.pdf>.

¹⁹ Berkowitz, Seth A., Hilary K. Seligman, and Niteesh K. Choudhry. "Treat or Eat: Food Insecurity, Cost-Related Medication Underuse, and Unmet Needs." *The American Journal of Medicine* 127, no. 4 (2014): 303-310.

²⁰ Bell, Loren, Rebecca Ledsky, Sandra Silva, and Jodi Anthony. *An Assessment of the Impact of Medicaid Managed Care on WIC Program Coordination With Primary Care Services*. No. 2239-2019-2847. 2007.

²¹ See: <https://bphc.hrsa.gov/program-opportunities/american-rescue-plan>

regulations that limit the incidence of “surprise” billing²²; and programs that provide relief from medical debt.

Conclusion

These policy options only scratch the surface. The imperative is clear: food and medicine are both fundamental human rights. In a country with the resources and wherewithal of the United States, we can provide both vital resources to every denizen, especially those that are most vulnerable.

²² See: <https://www.hhs.gov/about/news/2021/07/01/hhs-announces-rule-to-protect-consumers-from-surprise-medical-bills.html>