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HEALTH DIVIDES

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Colorado's Earned Income Tax Credit creates wealthier —and healthier— working families

By Ali Mickelson
CFI Director of Legislative and Tax Policy

The state's last economic forecast in June gave advocates for hard-working Colorado families a reason to celebrate.

State economists predicted revenues in the 2014-15 fiscal year that ended in June would be sufficient to permanently trigger the Colorado Earned Income Tax Credit (EITC), which will benefit more than 350,000 low- and middle-income working families across the state. There's been a federal EITC for decades, but advocates have been pushing for a state EITC for 15 years.

However, EITC supporters shouldn't be the only ones celebrating. Health equity advocates should also hail the activation of the EITC in Colorado.

Research shows that the federal EITC has a positive effect on mental health and health of infants and mothers. Studies also confirm the expansion of the EITC into state tax codes correlates with additional health benefits, including increased child health insurance coverage, reduced rates of obesity and

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Undocumented immigrants lack proper access to health care

By Thamanna Vasan
CFI Economic Policy Analyst

Last November, President Obama announced an executive order protecting up to 5 million undocumented immigrants from deportation by expanding the number permitted to work in the United States.

Under the executive order, undocumented immigrants who have children that are citizens or lawful permanent residents can apply for a pardon from deportation. The kids must have lived in the U.S. for at least five years, however. In addition, the Deferred Action for Childhood Arrivals (DACA) program, which gives legal status to immigrants who came to the United States as

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Healthier families

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better child health overall. The study also took in to account the differences in health outcomes based on where the children lived — rural vs. urban parts of the state.

The findings were not surprising given the health-related success of the federal credit. First, the study showed that a state EITC increases the number of children who have private health insurance. Over time, after the adoption of a state EITC, the number of children covered by private insurance increased by 8.4 percent, while participation in public health insurance programs like Medicaid and CHIP fell by 13.9 percent.

The report confirms that the actual number of insured children did not change significantly, only that those who received the EITC were increasingly obtaining private health insurance, likely as a result of the EITC's direct impact on the number of parents able to work full-time jobs that provide health benefits.

Second, the study found that implementation of a state EITC increased the level of preventive dental care in children. In states with an EITC, children were 24 percent more likely to have visited the dentist. The authors of the report speculate that this could also be the result of parent's increased wages and access to private health insurance through full-time employment.

Difference in Outcomes Before and After EITC Implementation

	Before EITC	After EITC	Percent Difference	Statistically Significant Difference (P<.05)	EITC Effect Significant in Full Analysis
Private Health Insurance	68.2%	74.2%	8.4%	yes	yes[1]
Public Health Insurance	23.1%	20.1%	-13.9%	yes	yes[1]
Annual Doctor Visit	70.3%	70.4%	0.1%		
Annual Dentist Visit	56.5%	69.8%	21.1%	yes	
Excellent Health	68.1%	69.8%	2.5%		yes[2]
Overweight	28.7%	30.1%	4.8%		
Obese	16.9%	17.1%	1.2%		
Underweight	11.3%	7.0%	-47.0%	yes	

1-for children ages 6-14 2-for children ages 11-4

The study also showed that the overall health indicators of children improved after the adoption of a state EITC. States with an EITC saw a 2.5 percent increase in the percentage of children who were reported to be in excellent health by their mothers. States with EITCs also saw a dramatic 47 percent decrease in the number of children who were underweight, measured by BMI.

Another interesting conclusion from the Carsey study shows that children in rural areas are impacted differently than children in urban areas by the adoption of a state EITC. For one, the health improvements are not as dramatic in rural areas as they are in metropolitan areas. The authors of the study recognize that this is largely due to the disparity in access to health care in rural vs. urban areas overall.

However, there was one significant improvement in rural areas tied to the passage of a state EITC. Children in rural households that receive the EITC saw a reduction in child obesity. This is attributed to higher family incomes allowing parents to make better food choices for their children (i.e., choosing to go to the grocery store instead of a fast food establishment).

That is why the permanent adoption of the EITC is so important for Colorado health and budget advocates alike. This credit will improve the lives of more than 15 percent of the state's population — making for a wealthier and healthier Colorado overall.

The EITC improves health outcomes

The Earned Income Tax Credit (EITC) is a tax policy that puts money back into the pockets of low- and moderate-income working families. Since its creation, it has been widely recognized and celebrated for its long-term effects reducing poverty, incentivizing work and

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a creating a wide array of positive social and economic outcomes for working families.

But those aren't the only positive effects of the EITC. Numerous studies have linked the federal EITC to improving health outcomes, particularly in women and children. In a study conducted by the Center for Poverty Research, researchers found that "while the EITC isn't a health program, it has a clear impact on newborn health." The study found that EITC recipients saw improved infant birth weights, reducing low birth weights and increasing the number of average birth weights, especially among African-American women.

In another study, researchers from Notre Dame and Northwestern University found that the EITC decreased the number of reported "bad mental health days" for mothers. They also found that the payment from the EITC increased the probability of excellent or very good health status. The same report linked the EITC to lowered counts of "risky biomarkers" for women, especially in the measures of inflammation and levels of diastolic blood pressure.

Finally, a 2014 study conducted by researchers at Santa Clara University found that the EITC led to improvements in mental health, especially among married mothers. These improvements included less depression symptomology, a greater sense of self-esteem and higher levels of overall happiness.

THE STUDY FOUND THAT EITC RECIPIENTS SAW IMPROVED INFANT BIRTH WEIGHTS, REDUCING LOW BIRTH WEIGHTS AND INCREASING THE NUMBER OF AVERAGE BIRTH WEIGHTS, ESPECIALLY AMONG AFRICAN-AMERICAN WOMEN.

States that adopt an EITC see added health benefits. In 2012, the Carsey Institute at the University of New Hampshire published a report on the effects of state EITC expansion on children's health. The study researched the impact of a state-level EITC on a set of health-related outcomes in children, including health insurance coverage, use of preventive medicine and health status measurements, such as body mass index (BMI).

The results of the Carsey study are very exciting for Colorado families. With the permanent adoption of the EITC in 2015, Colorado families and children in particular can look forward to not only the boost in income provided by a state EITC, but also the correlated health benefits.

The Colorado Earned Income Tax Credit is a proven, efficient and effective tax policy that makes healthier and wealthier Colorado communities. However, it is critical that EITC-eligible families know about the credit — and take it on their taxes — to see the benefits. That is why we are asking for your help in spreading the good news about the Colorado EITC. If you or your organization would like to help us spread the word about the EITC, please contact Ali Mickelson with the Colorado Fiscal Institute at mickelson@coloradofiscal.org.

Health, transit and income: What are the connections?

By Chris Stiffler
CFI Economist

Colorado currently has the fourth-fastest growing population among states, a trend adding more and more cars onto our already crowded roads and more vehicle emissions into our air. At the same time, public transit agencies are reconsidering their pricing structures.

For these reasons, it's a good time to consider the links between health and public transportation while also considering how disparate access to

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Healthy transit

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transit affects households of different income levels.

The connection between health outcomes and public transit can be seen through three factors: automobile accidents; the health effects of air pollution; and the physical benefits of using more active modes of transportation. This is why communities with quality public transportation drive less, have fewer auto accidents, see lower levels of emissions, have better physical and mental health and have more access to medical care and healthy food. All this suggests that one great way to help reduce poor health outcomes is to get more people using public transit.

Auto accidents kill about 450 people each year in Colorado and account for another 26,000 bodily injuries annually. The average U.S. lifespan is reduced by approximately 0.4 years because of the number of traffic fatalities in our country. But communities can reduce those numbers by using public transit, which is much safer. Transit-oriented communities have a quarter of the per capita car crash fatality rates as automobile-dependent communities.

More people using public transit means fewer cars on the road and less pollution in the air, which results in a lower incidence of asthma and lung-related diseases. It is estimated that vehicle emissions account for one quarter to half of air pollutants in areas where air quality doesn't meet national standards.

This is particularly important in

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Undocumented Health

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children, has been expanded to include those over the age of 30. The executive action, though temporary, has brought the policy debate around undocumented immigrants to the forefront in many arenas.

Concerns surrounding healthcare in particular are seeing a lot of stage time in this debate, as most undocumented immigrants in our communities still have little to no access to health care under the Affordable Care Act or Medicaid through state healthcare exchanges. In fact, states are left grappling with the question of providing access to these populations on the margins. Colorado, for example, still does not provide full access to Medicaid services for immigrants with legal status.

There are an estimated 11 million undocumented immigrants in the United States, and Colorado is home to approximately 180,000 of them. Research finds that more than half of these undocumented immigrants have no access to basic preventive care and treatment due to perceived deportation risks and the high costs of obtaining services.

Instead, most undocumented immigrants rely on a patchwork of services provided by local community and federally qualified health centers. Limited consistent and reliable access to health care for these individuals in our communities has far-reaching and long-term implications. In particular,

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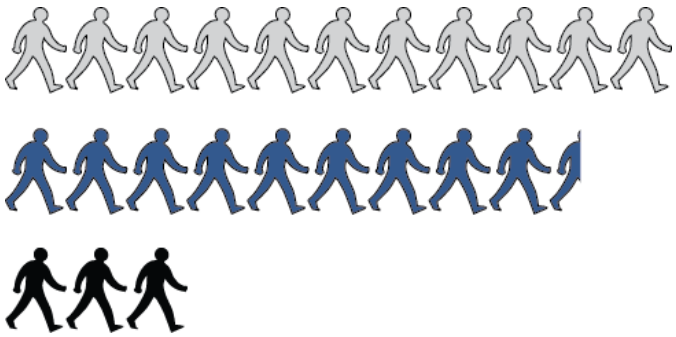
mountainous Colorado, where temperature inversion — when warm air creates a lid on top of cold air in valleys, trapping pollutants near the ground — exacerbates negative health effects from vehicle pollution. Yet health problems related to air quality are not distributed throughout the population evenly. In fact, the risks of asthma-related death are much higher for low-income individuals.

There are also individual health benefits from using public transit. Adults should be performing at least 22 minutes of moderate exercise a day, such as brisk walking, to stay healthy and help reduce heart disease, obesity and diabetes. Unfortunately less than half of Americans meet that 22-minute target. Walking to catch the bus is one of the easiest ways to ensure people get their recommended amount of physical

activity. Transit users are much more likely to meet the recommended amount of physical activity each day. The average time Americans spend walking is only six minutes a day, whereas the median time that a transit user spends walking each day jumps to 19 minutes. Inactivity contributes to numerous health problems that can be quantified by looking at average annual medical spending for adults who achieve physical activity targets compared to sedentary adults. Active adults pay 32 percent less in medical expenditures each year compared to sedentary individuals.



The burdens of obesity are also not evenly shared across populations. Low-income individuals are often more vulnerable to obesity because they also deal with unique factors that make it harder to adopt healthier behavior. For instance, healthy food is more expensive and lower income neighborhoods are more likely to have a greater availability of fast food. Low-income families may also face financial stress, the constant worry about making ends meet, which research has linked to obesity.

When the connections are made between health and mode of transportation, it's easier to see that getting more people using public transit can be a cost effective way to achieve health objectives and reduce the disparate effects of negative health outcomes on lower income Coloradans. A rapidly growing population should be accompanied by faster growth in the accessibility and affordability of public transit.

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undocumented immigrants lack access to chronic disease management and are unable to experience the full breadth of services available for preventive care.

In fact, research finds that immigrants, including undocumented immigrants and lawfully present immigrants, experience chronic diseases at lower rates than native, American-born populations. This trend is found to be particularly true with Hispanic immigrants, who experience significantly lower rates of chronic disease and have longer life expectancy when compared to their American-born counterparts.

RESEARCH FINDS THAT IMMIGRANTS, INCLUDING UNDOCUMENTED IMMIGRANTS AND LAWFULLY PRESENT IMMIGRANTS, EXPERIENCE CHRONIC DISEASES AT LOWER RATES THAN NATIVE, AMERICAN-BORN POPULATIONS.

However, the longer immigrants stay in the United States, the more likely they are to be obese and to develop heart disease, high blood pressure and diabetes. A lack of health care access can only worsen or increase the

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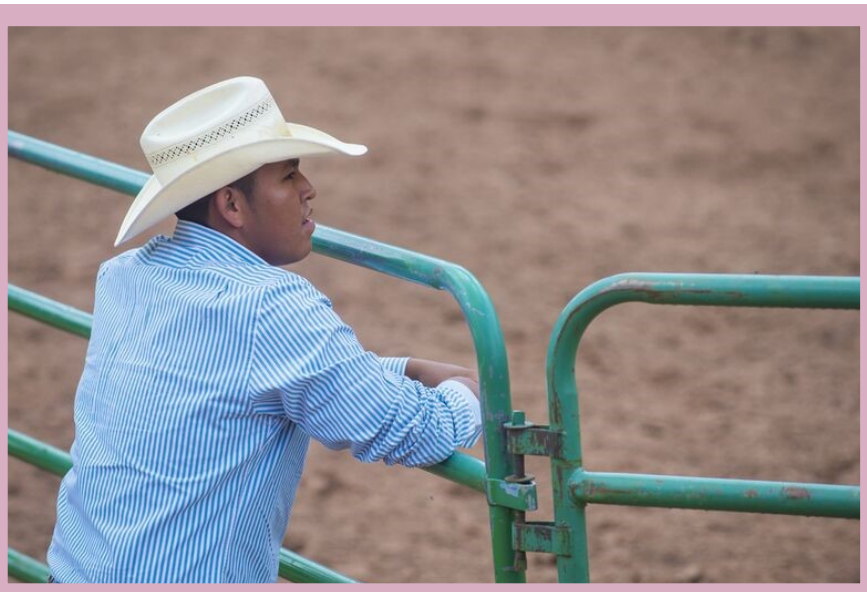

likelihood of these conditions developing in immigrant populations.

In particular, immigrant women are more likely to be diagnosed with cervical cancer. Cervical cancer is preventable with proper screening and access to vaccination against human papillomavirus (HPV). The earlier these measures are taken, the smaller the likelihood of developing cancer. However, in areas with large immigrant populations, the cervical cancer incidence rate among Hispanic women is about 64 percent higher than among non-Hispanic whites, indicating a lack of care and disease management for these populations.

However, things are looking up as states begin to slowly expand coverage to these high-need populations. About half the states already provide access to undocumented children, and California is slowly pushing through legislation for access to health care to all undocumented immigrants. The process has been a slow one, and states such as Colorado still do not provide such expansive coverage. Failing to do so can have long-lasting implications for our state and those that work and contribute our economy.

Uninsured numbers at a glance

Fewer Coloradans were uninsured in 2014 and 2015, according to the Colorado Health Access Survey (CHAS) from the Colorado Health Institute and the American Community Survey (ACS) from the United States Census Bureau. The CHAS interviews households in Colorado once every two years while the ACS is a national survey conducted annually.

Both surveys indicated a notable decrease in uninsured rates nationally and in Colorado. The uninsured rate in Colorado was 10.3 percent in 2014, according to the ACS. This is a 3.8 percentage point drop in the number of uninsured in Colorado since 2013. Nationally, 11.7 percent of all Americans were uninsured in 2014, a 2.6 percentage point drop since 2013.

The CHAS results indicate a continued decrease in the uninsured rate in the state in 2015. The CHAS interviewed households after the closing of the 2015 enrollment period and found that only 6.7 percent of Coloradans were uninsured at this time. This shows a continued decrease over the past two years in the number of uninsured Coloradans.

The Colorado Fiscal Institute provides credible, independent and accessible information and analysis of fiscal and economic issues facing Colorado. Our aim is to inform and influence policy debates and contribute to sound decisions that improve the economic well-being of individuals, communities and the state as a whole.

Our offices are located at 1905 Sherman St., Suite 225, Denver, CO, 80203. Please consider making a donation by mail or online at coloradofiscal.org

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