

## **Health Disparities Cost U.S. Economy \$82b in Higher Healthcare Spending and Lost Productivity**

### *African-Americans Hit Hardest by Increased Costs*

WASHINGTON, Dec. 5, 2012 /PRNewswire-USNewswire/ -- A report released today by the National Urban League Policy Institute ([www.nul.org](http://www.nul.org)) found that African-Americans continue to pay a disproportionate price for health disparities, spending \$54.9 billion of the total \$82.2 billion for the U.S. in healthcare costs and lost productivity.

The report, [The State of Urban Health: Eliminating Health Disparities to Save Lives and Cut Costs](#) was underwritten by Walgreens Corporation, and examined the economic impact of health disparities in the U.S. using two measures: 1) direct medical costs and 2) the indirect cost due to lower labor market productivity. According to the report:

- Health disparities in the U.S. resulted in \$59.9 billion in increased healthcare costs, with African-Americans bearing most of this cost with \$45.3 billion. African-Americans living in urban areas in the South and Midwest saw the highest healthcare costs.
- For Hispanics, the costs of health disparities were largest in the West (\$5.3 billion) and Northeast (\$4.3 billion).
- Private insurance plans paid 38.4 percent of the healthcare costs associated with disparities (\$23 billion). Individuals and families, through out-of-pocket payments, paid 27.7 percent of those costs (\$16.6 billion)—more than Medicare and Medicaid combined.

"This report underscores the tragic reality that health disparities among African-Americans don't just carry a human cost in higher levels of illness, disability, and death; it heaps a financial burden on families who can ill-afford it," said Dr. Valerie Rawlston Wilson, the report's co-editor.

The report was written by Darrell J. Gaskin, PhD, Associate Professor of Health Economics, Johns Hopkins University; Thomas A. LaVeist, Director, Hopkins Center for Health Disparities Solutions; and Patrick Richard PhD, Assistant Professor of Health Economics, The Uniformed Services University of the Health Sciences. Jacqueline Ayers, Director of Healthcare Policy for the National Urban League Policy Institute was co-editor.

"The findings in this report underscore the urgent need for swift and full implementation of the Affordable Care Act—including Medicaid expansion," said Chanelle P. Hardy, Executive Director of the Urban League's Policy Institute. "Access to quality and affordable healthcare can't come soon enough for these families who are burdened by poor health and unnecessary expenses."

The National Urban League has voiced its support for The Affordable Care Act and believes that the provisions to promote community-based prevention efforts and expand Medicaid to those in need will play a pivotal role to reduce health disparities. The report outlines additional policy recommendations to reduce disparities and promote a healthier nation. These include:

- Protecting Medicare in budget negotiations and ensuring that any proposed changes will not impose burdensome costs on seniors with limited resources and weaken Medicare's ability to effectively negotiate prices and cost controls.

- Incentivizing Medicaid expansion for all states and preserving this crucial avenue of healthcare for more than 3.8 million African-Americans.
- Increasing minority health professionals by increasing support for programs such as the Health Careers Opportunities Program (HCOP) and the Area Health Education Centers (AHEC).

### **About the National Urban League**

The National Urban League is a historic civil rights organization dedicated to economic empowerment to elevate the standard of living in historically underserved urban communities. Founded in 1910 and headquartered in New York City, the National Urban League spearheads the efforts of its local affiliates through the development of programs and services; and advocates for public policy measures that support our mission through the activities of the Washington, DC-based Urban League Policy Institute. Today, there are nearly 100 local affiliates in 36 states and the District of Columbia, providing direct services that impact and improve the lives of more than 2 million people nationwide.

CONTACT: Pamela R. Springs, +1-202-629-5757, [pruckersprings@nul.org](mailto:pruckersprings@nul.org)