

SOCIAL SECURITY, MEDICARE AND MEDICAID WORK FOR NORTH CAROLINA



Our *Social Security, Medicare and Medicaid Work for America* series of reports is written for public officials, members of the press, advocates and other concerned citizens. In addition to providing information about each program's history, character and vitality, as well as relating compelling, real-life stories, every report includes statistics about the number of people who receive benefits, the types of benefits they receive, and the total amount of funds flowing from these programs into a particular state, including its congressional districts and counties. Reports are available online for all 50 states, Washington D.C., Puerto Rico, American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands. A national report, "Social Security Works for the United States," is also available.

Please note that a short fact sheet summarizing the data in this report can be found at the end of the report, directly following the endnotes.

For congressional district-level Social Security data, please see "Appendix 1: Social Security Works for North Carolina's Congressional Districts," toward the back of the report, just before the endnotes.

For county-level Social Security, Medicare, Medicaid and demographic data, please see "Appendix 2: Social Security, Medicare, and Medicaid Data for North Carolina's Counties," toward the back of the report, just before the endnotes.

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We hope the report is useful to you as you work to strengthen Social Security in its 80th anniversary year, and Medicare and Medicaid in their 50th anniversary years. Please contact our Communications Director, Lacy Crawford (lcrawford@socialsecurityworks.org), if you have questions about the report.

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The Alliance for Retired Americans is a grassroots organization representing more than 4 million retirees and seniors nationwide. Headquartered in Washington, DC, the Alliance's mission is to advance public policy that protects the health and economic security of older Americans by teaching seniors how to make a difference through activism. Learn more about The Alliance and its work at www.retiredamericans.org.



The mission of Social Security Works is to protect and improve the economic status of all Americans, especially disadvantaged and at-risk populations, and, in so doing, to promote social justice for current and future generations of children as well as young, middle-aged and older adults. www.socialsecurityworks.org.



The Strengthen Social Security Coalition is made up of more than 320 national and state organizations, representing more than 50 million Americans. The Coalition is united around core principles, which include that Social Security benefits should be expanded, and the belief that our nation's Social Security, Medicare and Medicaid systems are fundamental to the well-being of America's families and to the type of nation we are. www.strengthensocialsecurity.org.

INTRODUCTION AND SUMMARY



"We can never insure one-hundred percent of the population against one-hundred percent of the hazards and vicissitudes of life. But we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age. This law, too, represents a cornerstone in a structure which is being built but is by no means complete. It is a structure intended to lessen the force of possible future depressions. It will act as a protection to future Administrations against the necessity of going deeply into debt to furnish relief to the needy. The law will flatten out the peaks and valleys of deflation and of inflation. It is, in short, a law that will take care of human needs and at the same time provide for the United States an economic structure of vastly greater soundness."

—FRANKLIN D. ROOSEVELT, August 14, 1935

In 1935, when President Franklin D. Roosevelt signed the Social Security Act into law he called it a cornerstone, the foundation, of a structure to be maintained and built upon by and for future generations. Social Security could not protect all Americans against every risk, but, as the President said, it could lessen the consequences of lost earnings in old age for workers and their families.

Since then, we have built our Social Security structure carefully and deliberately, first adding life insurance for survivors in 1939—initially for widows and dependent children, but eventually extended to widowers as well. Disability Insurance benefits were added in 1956, followed by Medicare and Medicaid in 1965. Important inflation protection—the automatic cost of living adjustment—was added in 1972, designed to maintain the purchasing power of benefits no matter how long someone lives. We built, maintained and strengthened these institutions for a reason—to enable working men and women to protect themselves and their families. We built them because we, as a nation, value hard work, personal responsibility, human dignity and caring for our parents, our children, our spouses, our neighbors and ourselves.

This report reveals the success of these institutions for North Carolina and the nation. The numbers tell part of the story—how many people receive benefits in North Carolina, in its congressional districts and counties; how many dollars flow into these jurisdictions in a year; the types of benefits and the types of people who receive those benefits. Perhaps more importantly, the report presents the stories of hard-working North Carolinians and their families whose lives have been made immeasurably better by the protections they have earned.

As you read through this report, we urge you to think of the people you know. Family members who live in dignity in old age because they can count on a Social Security check, each and every month—checks they or another family member have earned. Think of that older person who has Medicare, and with it the peace of mind that he or she can receive medical care without going bankrupt. Think of a family you know who is able to care for a functionally disabled child at home because Medicaid is there. Think of a grandparent, a parent, an older aunt, uncle, cousin or family friend, whose life savings may have been exhausted paying for nursing home care, but who is still able to receive that care because of Medicaid.

Think, too, of how these institutions, like the nation's highway system, are part of a rich legacy of those who came before, a legacy that keeps working in good times and bad. Throughout the difficult years of the Great Recession and its aftermath, Social Security, Medicare and Medicaid have been even more vital

than before for North Carolina residents, and the lifeblood of many small businesses, hospitals, nursing homes and home caregivers. Virtually all of the jobs these programs support stay in America. Figure 1 summarizes the positive impact our Social Security, Medicare and Medicaid systems are having on the people and economy of North Carolina.

FIGURE 1

Impact of Social Security, Medicare and Medicaid on the Economy and Population of North Carolina

PROGRAM	BENEFICIARIES IN NORTH CAROLINA	PERCENT OF RESIDENTS RECEIVING BENEFITS	AVERAGE BENEFIT	TOTAL ANNUAL BENEFITS ¹
Social Security	1,948,531	19.6 percent	\$14,336	\$27.9 billion
Medicare	1,568,429	16.1 percent	\$9,836	\$14.1 billion
Medicaid	1,501,300	15.2 percent	\$7,936	\$11.9 billion

Source: Social Security Administration, 2015; U.S. Census Bureau, 2013-2015; Kaiser Family Foundation, accessed June 2015. The most recent data available for total annual benefits by state are FY 2013 for Medicaid, and FY 2009 for Medicare.

SOCIAL SECURITY WORKS

As we celebrate the 80th anniversary of the enactment of Social Security, it is time to recall the contributions our Social Security system has made to American economic security. For 80 years, even as our nation has endured wars, political crises and severe economic recessions, Social Security has never missed a payment; it has paid every dollar of earned benefits, on time and in full.

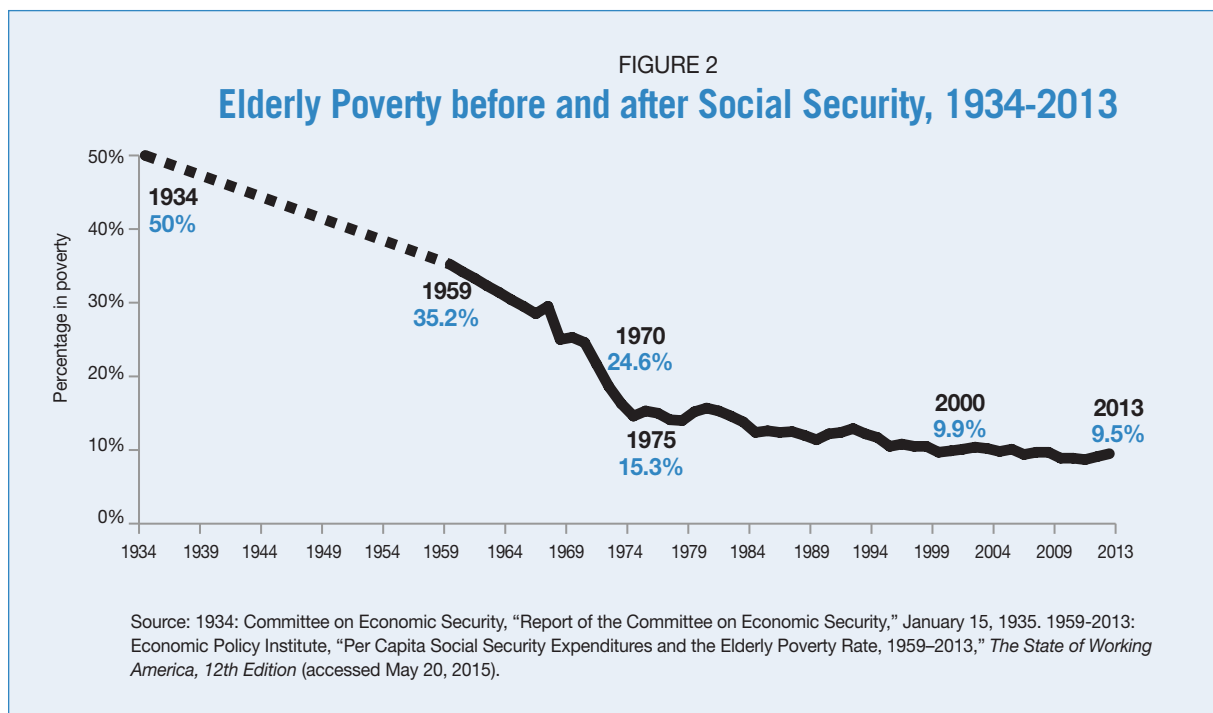
Social Security Made Dignified Retirement Possible for the Broad Middle Class

Before the creation of Social Security, poverty among older Americans was pervasive. In 1934, President Roosevelt's Committee on Economic Security estimated that "at least one-half" of all Americans aged 65 and older were poor.¹ These seniors had to rely on family, friends and private charity for support—or literally, go to the poor house. In addition to short-term measures designed to address the immediate crisis, F.D.R. introduced Social Security old-age insurance in 1935 to ensure that both current and future generations of Americans would enjoy a

measure of security in their later years. By 1959, when the Census first began to officially count the poor, poverty among older Americans had declined to 35 percent [Figure 2].

And poverty among seniors continued to fall throughout the rest of the 20th century—to 25 percent by 1970 and about 10 percent in 2000, where it has hovered ever since, as measured by the official federal poverty line.² Research suggests that the entire decline in elderly poverty between 1967 and 2000 can be attributed to the maturation and expansion of the Social Security program.³

Social Security provided \$848 billion in benefits in 2014 to 59 million beneficiaries—nearly 1 in 5 (18.3 percent) Americans.⁴ It is important to recognize that Social Security is more than a retirement program for seniors. Nearly 17 million people under age 65 received Social Security benefits in 2014—about 2 in 7 (28.7 percent) beneficiaries.⁵



In fact, Social Security is the nation's largest and, despite its modest benefits, most generous children's program. The vast majority of America's children are protected against financial destitution in the event of the death, disability, or old age of workers on whose support they depend. As a consequence of Social Security's protections, there were an estimated 8.5 million children under age 18 receiving Social Security benefits in 2014, 11.6 percent of all children.⁶ These included an estimated 3.2 million children who received Social Security benefits directly, and an additional 5.3 million children who lived in households where all or part of the income of the household came from Social Security. In addition to these children under age 18, there were 140,000 student children aged 18-19, as well as 1.0 million disabled adult children in 2014.⁷

Social Security benefits are modest: the average annual Social Security benefit for all beneficiaries was \$14,375 in 2014, and \$15,943 for retired workers.⁸ Despite their modest size, Social Security's benefits are vital for the vast majority of beneficiaries, young and old alike. Almost two-thirds (64.6 percent) of elderly beneficiaries relied on Social Security for half or more of their income in 2012.⁹ The program lifted 22.1 million Americans out of poverty in 2013, including 1.2 million children.¹⁰

Social Security Provides Critical Protection against Lost Wages Due to Disability

Social Security Disability Insurance (DI) provides insurance against a risk faced by all Americans: the experience of a life-changing disability that renders one unable to support oneself through work. When workers who have paid into Social Security become incapable of substantial work, as defined by the program's strict eligibility criteria, they can expect to have, as a result of their work and Social Security contributions, a portion of their wages replaced by DI. For these disabled workers and their families, Social Security is a lifeline. Social Security's DI benefits provide 75 percent of the income or more for nearly 6 in 10 non-institutionalized beneficiaries.¹¹ Nonetheless, 1 in 5 DI beneficiaries remains in poverty.¹²

GUS, Wisconsin

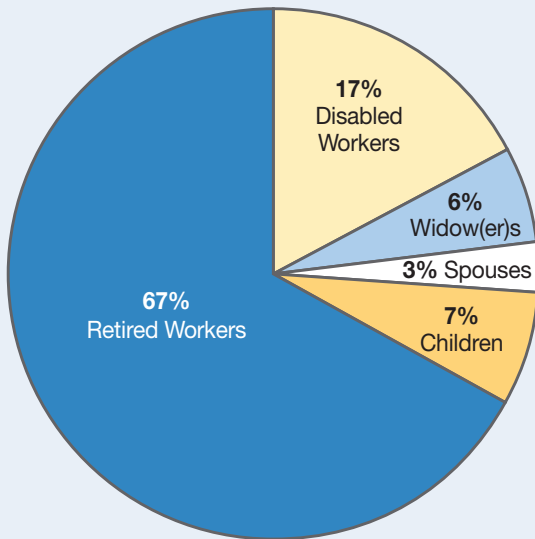
Gus was a "tunnel rat" in Vietnam—one of the volunteer Army infantrymen who specialized in entering the web of narrow tunnels created by the VietCong. The tunnel rats would kill enemy soldiers hiding there and plant explosives to destroy these underground avenues of guerilla warfare.

For his service in this capacity he was awarded the Silver Star, the third highest decoration for valor given by the Army. Sixteen days after he was mustered out of the Army, he returned to his home in Wisconsin—and was in a serious car crash, sustaining a high-level spinal cord injury.

Because his injury was sustained outside military service, he was not eligible for service-connected disability compensation and had to turn to Social Security Disability Insurance. "To put it quite simply," he says, "SSDI was a life saver."

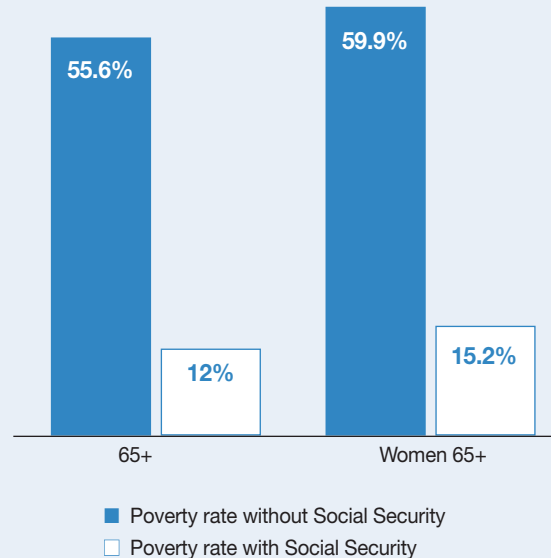
Through their hard work and Social Security contributions, nearly all American workers earn Social Security's retirement, disability and survivorship protections for themselves and their families. Social Security is the primary disability and life insurance protection for most North Carolina workers. A 30-year-old worker with a spouse and two young children, earning \$30,000-\$35,000, receives Social Security insurance protections equivalent to disability and life insurance protections worth about \$631,000 and \$612,000, respectively.¹³ Today, 212 million working Americans have earned Social Security's protections for themselves and their families.¹⁴

FIGURE 3
North Carolina's Social Security Beneficiaries, 2014



Source: Social Security Administration, 2015

FIGURE 4
Poverty Rate for North Carolina Beneficiaries 65+ with/without Social Security, 2011-2013



Source: Center on Budget & Policy Priorities, 2015

There is a significant chance that a worker will need Social Security's disability and/or survivor protections before he or she retires. Nationwide, just over 1 in 4 people who turned 20 in 2013 are projected to become severely disabled during their working years.¹⁵ And 1 in 8 of today's 20-year olds are projected to die before reaching retirement age.¹⁶ Taken together, this means that roughly 1 in 3 young adults entering the workforce today will die or become disabled before reaching the full retirement age.¹⁷ Social Security provides peace of mind throughout the life span, insuring families against lost wages due to old age, disability or death.

Social Security Works for North Carolina's Residents and Economy [Figure 1]

- Social Security provided benefits to 1,948,531 North Carolinians in 2014, around 1 in 5 (19.6 percent) residents.¹⁸
- North Carolinians received Social Security benefits totaling \$27.9 billion in 2014, an amount equivalent

to 7.1 percent of the state's total personal income.¹⁹

- The average Social Security benefit in North Carolina was \$14,336 in 2014.²⁰
- Social Security lifted 884,000 North Carolinians out of poverty in 2013.²¹

Social Security Works for North Carolina's Seniors²²

- Social Security provided benefits to 1,299,071 of North Carolina's retired workers in 2014, two-thirds (66.7 percent) of beneficiaries [Figure 3].²³
- The typical benefit received by a retired worker in North Carolina was \$15,575 in 2014.²⁴
- Social Security lifted 616,000 North Carolinians aged 65 or older out of poverty in 2013.²⁵
- Without Social Security, the elderly poverty rate, as defined by the official poverty level,²⁶ in North Carolina would have increased from 1 in 8 (12 percent) to 5 in 9 (55.6 percent) [Figure 4].²⁷

Social Security Works for North Carolina's Women

- Social Security provided benefits to 1,018,328 North Carolina women in 2014, 1 in 5 (20 percent) North Carolina women.²⁸
- Social Security provided benefits to 51,825 North Carolina spouses in 2014, 1 in 37 (2.7 percent) beneficiaries [Figure 3].²⁹
- Social Security lifted 352,000 North Carolina women aged 65 or older out of poverty in 2013.³⁰
- Without Social Security, the poverty rate of elderly women would have increased from 1 in 7 (15.2 percent) to 3 in 5 (59.9 percent) [Figure 4].³¹

Social Security Works for North Carolina's Widow(er)s

- Social Security provided survivors benefits to 120,801 North Carolina widow(er)s in 2014, 1 in 16 (6.2 percent) North Carolina beneficiaries [Figure 3].³²
- The typical benefit received by a widow(er) in North Carolina was \$15,088 in 2014.³³

Social Security Works for North Carolina's Workers with Disabilities³⁴

- Social Security provided disability benefits to 332,173 North Carolina workers in 2014, 1 in 6 (17 percent) North Carolina beneficiaries [Figure 3].³⁵
- The typical benefit received by a disabled worker beneficiary in North Carolina was \$13,211 in 2014.³⁶

Social Security Works for North Carolina's Children

- Social Security is the primary life and disability insurance protection for 98 percent of North Carolina's 2,287,549 children.³⁷
- Social Security provided benefits to 144,661 North Carolina children in 2014, 1 in 13 (7.4 percent) North Carolina beneficiaries [Figure 3].³⁸
- Social Security is the most important source of income for the 224,773 children living in North Carolina's grandfamilies, which are households headed by a grandparent or other relative.³⁹

SUSIE, North Dakota

Susie worked with her husband in their family shoe store for more than 22 years.

"That's how we made our living," she says. "We made about \$100,000 a year during good years. It wasn't all profit, we also had expenses but we got by." And even though her husband passed away 19 years ago, she's reminded of their sacrifices and successes when she receives her earned Social Security and Medicare.

She began work as a waitress at 14 years old in tiny Reeder, North Dakota. From there she maintained a series of jobs including later on, at her own shoe store. Today, she receives about \$700 a month from Social Security along with support from Medicare. Even in Dickinson, the money doesn't go far. "I'm on both Medicare and Social Security, and together they pay less than I earned when I worked," Susie says.

At 68 years old, Susie has the benefit of hindsight when she surveys her life and the lives of other seniors. When asked how she feels about some who say seniors could afford to get by on \$50 less each month if Social Security were cut, she has a stark reminder for younger generations: "Yes, \$50 is a big deal! That means that I will have to drastically cut my food budget. It's already being cut as we speak. I don't even do entertainment out of the house anymore, because I can't afford it. My way of living has been reduced dramatically."

Social Security Works for North Carolina's African Americans

- In North Carolina, Social Security provided benefits to one-quarter (27.1 percent) of African American households in 2013, 209,298 households.⁴⁰
- Nationwide, Social Security lifted 1,231,000 African Americans aged 65 or older out of poverty in 2012.⁴¹ Without Social Security, the poverty rate among African American seniors would have increased from 1 in 6 (18 percent) to half (51 percent).⁴²
- Nationwide, Social Security provided nearly three-quarters (71.5 percent) of the income of African American elderly couples and unmarried individuals receiving benefits, on average, in 2012. Social Security made up 90 percent of the total income for nearly half (46.4 percent) of these African American elderly households.⁴³
- African Americans were 12.6 percent of the population in 2011, but represented 19 percent of disabled worker beneficiaries.⁴⁴

Social Security Works for North Carolina's Latinos

- In North Carolina, Social Security provided benefits to 1 in 13 (7.5 percent) Latino households in 2013, 15,572 households.⁴⁵
- Nationwide, Social Security lifted 999,000 Latinos aged 65 or older out of poverty in 2012.⁴⁶ Without Social Security, the poverty rate among Latino seniors would have increased from 1 in 5 (21 percent) to half (52 percent).⁴⁷

- Nationwide, Social Security provided three-quarters (74.5 percent) of the total income of Latino elderly couples and unmarried individuals receiving benefits, on average, in 2012. Social Security was 90 percent of the income for more than half (52.6 percent) of these Latino elderly households.⁴⁸
- The Social Security Administration estimates that Latinos receive a higher rate of return on their Social Security contributions than the overall population—the highest of any group. That's because they tend to have lower lifetime income, longer life expectancy, higher incidence of disability, and larger families.⁴⁹

Social Security Works for North Carolina's American Indians and Alaska Natives

- In North Carolina, Social Security provided benefits to 2 in 7 (30 percent) American Indian and Alaska Native households in 2013, 11,733 households.⁵⁰
- Nationwide, Social Security provided 90 percent of the income for 1 in 8 (12 percent) elderly American Indian and Alaska Native married couples, and half (50 percent) of elderly unmarried persons in 2011.⁵¹
- Since Social Security has a higher income replacement rate for workers with lower earnings, Social Security replaces a larger share of pre-retirement earnings for American Indians and Alaska Natives than for the overall population. The median earnings of working-age American Indians and Alaska Natives is about \$34,600, compared to \$43,000 for all working-age people. Social Security provides average benefits of about \$14,546



and \$12,207 annually for American Indian and Alaska Native men and women aged 65 or older, respectively.⁵²

Social Security Works for North Carolina's Asian Americans, Hawaiian Natives and Pacific Islanders

- In North Carolina, Social Security provided benefits to 1 in 8 (12.4 percent) Asian American, Hawaiian Native and Pacific Islander households in 2013, 8,668 households.⁵³
- Nationwide, Social Security provided, on average, over two-thirds (67.7 percent) of the total income for Asian American households with beneficiaries aged 65 or older in 2012. Social Security was 90 percent of the income for over 4 in 10 (44.4 percent) Asian American elderly households.⁵⁴
- Nationwide, Asian Americans and Pacific Islanders receive a high rate of return from Social Security because of their long life expectancies. An Asian American or Pacific Islander man aged 65 in 2011, can expect to live until age 85, compared to age 82 for all men. An Asian American or Pacific Islander woman of the same age can expect to live until age 88, compared to age 85 for all women.⁵⁵

Social Security Works for North Carolina's Rural Communities

- Social Security is more important to North Carolinians living in rural or non-metropolitan counties than to North Carolinians living in metropolitan counties. One-quarter (24.4 percent) of rural North Carolinians received Social Security in 2014, compared with 1 in 5 (18.4 percent) metropolitan North Carolinians.⁵⁶
- Social Security is more important to the local economies of North Carolina's rural or non-metropolitan counties than to its metropolitan counties. Total personal income in North Carolina's rural counties was \$71.9 billion in 2014 of which \$7.4 billion, or 10.3 percent, was from Social Security. By comparison, total personal income in the state's metropolitan counties was \$309 billion, of which \$21.1 billion, or 6.8 percent, was from Social Security.⁵⁷

Social Security Works for Immigrants

- Social Security is critical for immigrants, of whom 7 in 10 (71.5 percent) are Latino or Asian American in 2013.⁵⁸
- New immigrants tend to have lower career earnings, so Social Security is likely to be a larger source of retirement income for them. Nationwide, the median household income of foreign-born residents was \$47,753 in 2013, 10.8 percent lower than the median for native-born Americans, which was \$52,910.⁵⁹
- Social Security is a lifeline for older workers who have serious health problems, difficult jobs or major work disabilities, among whom immigrants are disproportionately represented.⁶⁰ Nearly 6 in 10 (55.7 percent) immigrant workers aged 58 or older work in physically demanding jobs or difficult conditions, compared with 4 in 10 (43.8 percent) native-born workers.⁶¹
- An analysis by the Office of the Chief Actuary of the Social Security Administration shows that providing a path to citizenship for the country's 11 million unauthorized immigrants would net Social Security \$284 billion by 2024, and extend Social Security's full solvency by two years.⁶²



Social Security Works for Same-Sex Couples and Their Families

Social Security has generally looked to state law to determine who is married. Until recently, however, the federal Defense of Marriage Act and state restrictions on the right of same-sex couples to marry prevented same-sex couples and their families from obtaining all of the Social Security protections provided to different-sex married couples and their families. With

RUBY, Arizona

I was born when Franklin Delano Roosevelt was elected into office in 1932, and three short years later he signed Social Security into law. I am retired now, so Social Security affects my life that way, but it also affected my life, and my children's lives, through survivors' benefits because we received benefits after their father died prematurely. It was a hunting accident. A guy across the hill from him shot, and my husband was hit, so I was left with the five kids.

It was such a shock that I didn't really know what I was going to do. It was really difficult. I got to the point where for three months, I could barely do anything and I finally had to go to the doctor. I could barely put one foot in front of me to physically walk to the doctor's office. I don't know what I would have done without Social Security. When I went to work, I only earned one dollar thirty cents an hour. It was tough but it was workable. Without Social Security I don't know how it would have been.

the Supreme Court's historic rulings in *U.S. v. Windsor* (June 26, 2013) striking down the Defense of Marriage Act, and in *Obergefell v. Hodges* (June 26, 2015), affirming the constitutional right of same-sex couples to marry in all states, federal marriage benefits and protections are now available to all same-sex couples, regardless of state of residence.

Married same-sex couples and their families in every state will now be able to claim the same spousal, survivor, and young dependent benefits guaranteed to all other married couples and their families.⁶³ Social Security's crucial protections will potentially benefit thousands of Americans, including:

- the 390,000 same-sex couples who are currently married under state law;⁶⁴
- the estimated 70,000 same-sex couples in the 13 states that did not previously recognize or allow same-sex marriage who are expected to marry in the next three years;⁶⁵
- the estimated 210,000 children being raised by same-sex couples.⁶⁶

Social Security is Fiscally Responsible and Affordable

A public trust, Social Security is the nation's most conservatively financed and carefully monitored institution. Social Security does not, and, by law, cannot add a penny to the federal debt.⁶⁷ While the federal budget has run a deficit in every year but five over the last half century, Social Security is not allowed to pay benefits unless it has the funds to cover every penny of the cost; it simply does not have borrowing authority.⁶⁸ This is why Social Security has nothing to do with reducing the federal budget deficit, and should not be part of any deficit reduction legislation considered by our nation's leaders.

It is only because Social Security is required to project its finances 75 years into the future—an extremely long projection period by virtually any measure—that we even know about its modest long-term shortfall.⁶⁹ The 2015 report, signed by Social Security's trustees—the secretaries of the Treasury, Health and Human Services and Labor, the Commissioner of Social Security and two Public Trustees appointed by

the President—projects that Social Security can pay all benefits in full and on time for 19 years.⁷⁰ After that, if Congress were not to act, it could still pay 79 cents of every dollar of earned benefits.⁷¹

Social Security's projected shortfall is incredibly modest as a share of the economy. Even with the retirement of the baby boomers, Social Security's costs are projected to go from their current level of 5.0 percent of gross domestic product (GDP) to 6.1 percent in 2037, after which they are projected to fall and then rise again gradually to 6.2 percent in 2090.⁷² The cost of bringing Social Security into actuarial balance is equal to roughly 1 percent of GDP.⁷³ This increase in Social Security spending is smaller than the increase in spending on public education that occurred when the boomers were children.⁷⁴

Rising Inequality Calls for Scrapping Cap, Expanding Benefits

While incomes at the top—from wages and investments—have skyrocketed in recent decades, the wages of the typical worker have stagnated: the median male worker earned roughly the same amount, adjusted for inflation, in 2010 as his predecessor in 1964.⁷⁵ As a result, whereas from 1948-79 two-thirds of income growth went to the bottom 90 percent, from 1979-2012 *all* income growth has gone to the top 10 percent.⁷⁶ In other words, since 1979, the bottom 90 percent of households have, as a whole, seen their income decline in real terms.



While the lowest 94 percent of earners make Social Security contributions on all of their wages, millionaires and billionaires contribute on only the first \$118,500 of their earned income in 2015.⁷⁷ And their investment income is completely outside the Social Security system. The fact that virtually all aggregate income growth has been occurring above the Social Security tax cap has hurt Social Security's finances, and is projected to harm them even more in the coming decades.⁷⁸

We should not only scrap the cap, i.e. remove the limit on wages subject to Social Security contributions, but also incorporate high earners' investment income into Social Security. This would ensure that high earners contribute to Social Security on all their income at the same rate as average workers. And it would eliminate all of Social Security's projected 75-year funding gap, while providing enough revenue to expand benefits.⁷⁹ In addition or alternatively, dedicating revenue from the federal estate tax, our most progressive tax, to our Social Security system would also reduce income and wealth inequality while providing sufficient revenue to expand Social Security. It is important to recognize that the idea of a system of old age and disability pensions, financed from an estate tax, was proposed by one of our nation's Founding Fathers, Thomas Paine, over two centuries ago.⁸⁰

Social Security Must Not be Held Hostage to the Need for Fund Rebalancing by 2016

Though Social Security is a single program, its benefits are paid from two separate trust funds—the Old Age and Survivors Trust Fund (OASI) and the Disability Insurance (DI) Trust Fund. From time to time, the funds need to be rebalanced. This requires Congressional legislation. For long-anticipated, well-understood reasons, Social Security's actuaries project that a rebalancing between the two trust funds will have to be enacted before the end of 2016, to allow DI benefits to continue to be paid in full and on time.⁸¹ Several major demographic shifts between 1980 and 2010 increased the size of the disability beneficiary population considerably. During that period, the working-age population increased by nearly half, resulting in more covered workers who might become eligible for DI. The Baby Boomers

aged into their disability-prone years and this, together with lower birth rates in the generations that followed, shifted the population's age distribution, increasing the prevalence of disability. Finally, the growing number of women in the workforce since 1970 has resulted in a significant increase (from 50 to 68 percent) in the number of women insured for disability benefits.⁸² The weak labor market and falling interest rates of the Great Recession compounded these strains on the system's finances, primarily by lowering the revenues coming into the system, as well as by reducing the interest earned on the DI Trust Fund's reserves. All of these trends which have hurt the disability fund's solvency are now projected to level off.⁸³

There is a simple way to extend DI solvency to 2034—by rebalancing the share of payroll contributions going into the Social Security retirement and disability trust funds, as Congress has done 11 times, in both directions, in the past.⁸⁴ This would guarantee workers' full suite of Social Security protections without affecting the system's overall solvency. Moreover, by scrapping the cap and incorporating high earners' investment income into Social Security, the solvency of both the DI and OASI funds could be extended to nearly the end of the century.⁸⁵

MIKE, Ohio

Mike was a small business owner. He had his own home construction business. While on vacation in the Bahamas, he suffered a massive stroke. He was only 60 years old. Although he did receive some initial medical attention in the Bahamas, his family, through the help of friends, was able to charter a plane to bring him back to the States for treatment.

His stroke left him paralyzed on his right side and with aphasia, which means he could understand, but not speak. While most SSDI cases take a couple of years to get approval, Mike's case was so compelling, he was approved immediately. In the seven years since his accident, Mike has managed to go through his IRA, which he used to pay for unexpected medical expenses. If he did not have SSDI and now his Social Security retirement benefit, his family does not know what he would have done.

MEDICARE WORKS

For half a century, Medicare has given seniors and people with disabilities access to efficient, affordable health care they can count on. It protects beneficiaries and their families against health-related expenditures that might otherwise overwhelm their finances. Even more importantly, it allows them to receive necessary—and often life-saving—medical care that many would otherwise not be able to afford.

For 50 Years, Medicare Has Provided Health Care in Retirement and Disability⁸⁶

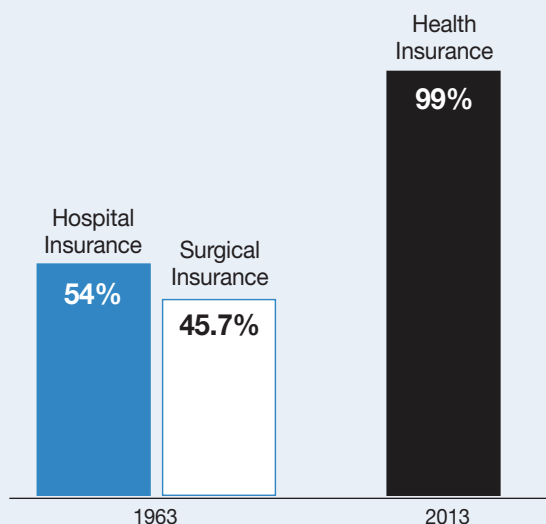
As we celebrate the 50th anniversary of Medicare, it is worth reflecting on the difference it has made in our lives. Before Medicare, roughly half of the elderly were uninsured [Figure 5]. This is because private health insurance companies, which must generate returns for their shareholders, were not able or willing to insure seniors and people with disabilities at affordable rates,

given these groups' greater medical needs. Those who were insured paid nearly three times as much as younger people, even though they had, on average, only half as much income.⁸⁷

To prevent these growing health care costs from continuing to threaten the economic security of Americans in retirement, the Social Security Act was expanded in 1965 to include a health insurance program for the elderly, known as Medicare. Today virtually all Americans aged 65 and older have health insurance, predominantly through Medicare.⁸⁸

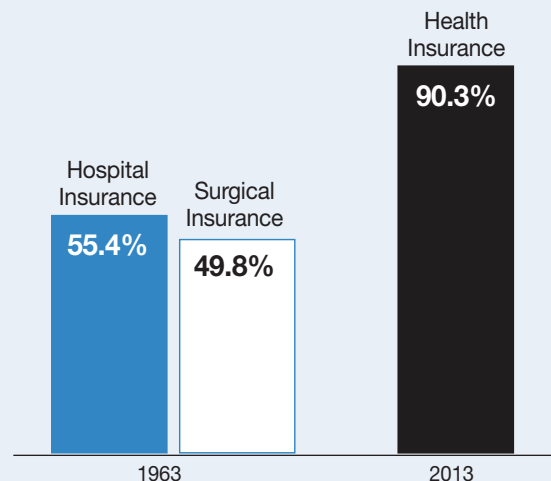
In 1972, Medicare was expanded to include people with disabilities under age 65 who receive Social Security Disability Insurance benefits. People with disabilities are eligible for Medicare after a two-year waiting period.⁸⁹ In 1963, before Medicare, only about

FIGURE 5
Americans 65 or Older with Health Insurance, 1963 vs. 2013



Source: 1963: National Center for Health Statistics, "Health Insurance Coverage: United States—July 1962–June 1963," August 1964. 2013: U.S. Census Bureau, "Health Insurance Coverage Status by Sex by Age," 2011–2013 American Community Survey 3-Year Estimates, 2013.

FIGURE 6
Americans with Disabilities with Health Insurance (All Ages), 1963 vs. 2013



Source: 1963: National Center for Health Statistics (NCHS), "Health Insurance Coverage: U.S.—July 1962–June 1963," August 1964. 2013: U.S. Census Bureau, "Age by Disability Status by Health Insurance Coverage Status," 2011–2013 American Community Survey 3-Year Estimates, 2013.

Note: The NCHS and U.S. Census Bureau both define disability as a chronic condition that impedes normal life and work activities. This definition is broader than the stricter definition used by Social Security and Medicare: inability to engage in "substantial gainful activity" as the result of a medical condition expected to last at least 1 year or end in death.

“[T]he later years of life should not be years of despondency and drift....Since World War II, there has been increasing awareness of the fact that the full value of Social Security would not be realized unless provision were made to deal with the problem of costs of illnesses among our older citizens.”

— LYNDON BAINES JOHNSON, January 7, 1965

half of Americans with disabilities (of all ages) had health insurance [Figure 6]. Today, 90 percent do.

If Medicare did not exist, many seniors and people with disabilities today would not be able to afford basic medical services. Medicare beneficiaries are mostly people of modest means. Half had annual incomes below \$23,500 in 2013.⁹⁰ Even with Medicare, more than one-third of the average Social Security check of retirees and their surviving spouses is consumed by out-of-pocket health care costs.⁹¹

Medicare: One System with Four Parts

Medicare works—for seniors, people with disabilities, people with end-stage renal disease and people with ALS (Lou Gehrig’s disease). For all of these populations, the program covers needed hospital, physician, medical testing, pharmaceutical and rehabilitation services, as well as other necessary medical services and equipment.⁹² Medicare provided health care coverage to 53.8 million Americans in 2014, of whom 84 percent (45.1 million) were aged

65 or older; and the remaining 16 percent (8.7 million) were severely disabled workers.⁹³ The average expenditure per Medicare beneficiary in 2014 was \$10,641.⁹⁴

Medicare consists of four parts, each of which provides different medical benefits or service delivery options. Medicare Part A, the Hospital Insurance (HI) program, covers hospital stays as well as select kinds of skilled nursing facility services and home health and hospice care. Hospital Insurance is earned during one’s working years, and paid for by insurance contributions of 2.9 percent of wages, divided equally (1.45 percent each) between employers and employees.⁹⁵ Since 2013, households with income above the unindexed threshold of \$200,000 (\$250,000 for couples) pay an additional 0.9 percent Hospital Insurance contribution on their earned income (without an employer match). Medicare Part A’s funding is further supplemented by a portion of the federal income taxes that Social Security beneficiaries with incomes above certain unindexed thresholds pay on their benefits.⁹⁶



Medicare Part B, the Supplemental Medical Insurance (SMI) program, helps pay for physician care and related medical services including preventive care, lab tests, and durable medical equipment. One quarter of its costs are funded from premiums (generally deducted from beneficiaries’ Social Security checks), and three-quarters from general federal revenues.⁹⁷ The 5.5 percent of beneficiaries with incomes above \$85,000 (\$170,000 for couples) pay significantly higher premiums.⁹⁸ For low-income Medicare beneficiaries who are also enrolled in Medicaid, Medicaid can cover Medicare’s Part B premium and out-of-pocket costs. Low-income beneficiaries ineligible for full Medicaid benefits may qualify for one of several Medicare

Savings Programs, to help cover the cost of Medicare Part B premiums and cost sharing.⁹⁹

Medicare Part C, also known as the Medicare Advantage program, allows beneficiaries to enroll in a private insurance plan that covers Medicare Part A and B benefits (and usually Part D as well, described below). About 15.7 million Medicare beneficiaries were enrolled in Medicare Advantage in 2014—three in ten (30 percent) beneficiaries.¹⁰⁰ These private plans receive payments from Medicare to cover physician and hospital services (and in most cases, prescription drug benefits). Historically, Medicare Advantage plans have cost more for the same services as provided under traditional Medicare (Parts A and B).¹⁰¹ Prior to passage of the Patient Protection and Affordable Care Act of 2010 (ACA), Medicare was paying Medicare Advantage insurance companies over \$1,000 per person more on average annually than traditional Medicare.¹⁰² These extra costs resulted in not only higher government outlays but also higher Part B premiums for those enrolled in traditional Medicare. The ACA included provisions designed to bring the costs of Medicare Advantage closer to those of traditional Medicare.¹⁰³

Medicare Part D, the prescription drug benefit, covers most outpatient prescription drugs. Part D benefits are provided by private plans that contract with Medicare. Part D benefits are purchased by beneficiaries either as stand-alone plans, or as part of a Medicare

Advantage plan. In 2014, 37.6 million beneficiaries were enrolled in a Part D plan—7 in 10 (69.9 percent) beneficiaries.¹⁰⁴ The ACA ensures that seniors and people with disabilities in Part D who reach the prescription drug coverage gap, known commonly as the “donut hole,” receive discounts on brand-name and generic prescription drugs. This year, beneficiaries reach the coverage gap after spending \$2,960 on covered drugs, and the donut hole closes at the catastrophic coverage limit of \$4,700.¹⁰⁵ On drugs purchased within the coverage gap, beneficiaries in 2015 only pay 45 percent of the price for brand-name covered drugs, and 65 percent for generic drugs. As a result of the ACA, these discounts will increase steadily until the donut hole is completely closed in 2020.

For most beneficiaries, roughly one-quarter of Part D costs are funded by premiums (generally deducted from beneficiaries’ Social Security checks), and three-quarters from general revenue. States are required to pay premiums for low-income beneficiaries who are enrolled in Part D programs. Assistance paying for Medicare Part D premiums and cost sharing is also available for eligible low-income beneficiaries through the Low-Income Subsidy of Medicare Part D (commonly known as Extra Help), a program administered by the federal government through the Social Security Administration. A small proportion—about 5 percent—of Part D beneficiaries with incomes above \$85,000 (\$170,000 for couples) pay higher premiums. Higher-income beneficiaries pay between 35 and 80 percent of Part B and D program costs, with the share rising with income.¹⁰⁶

Medicare Has Lower Administrative Costs than Private Health Insurance

Even though the traditional Medicare program (Parts A and B) covers people who, on average, have more health care claims and more expensive medical conditions than those covered by private insurance, its administrative costs are lower than those of private insurers. Traditional Medicare’s administrative costs were 1.6 percent of total expenditures in 2014.¹⁰⁷ Private health insurance’s administrative costs are generally much higher, for they include additional



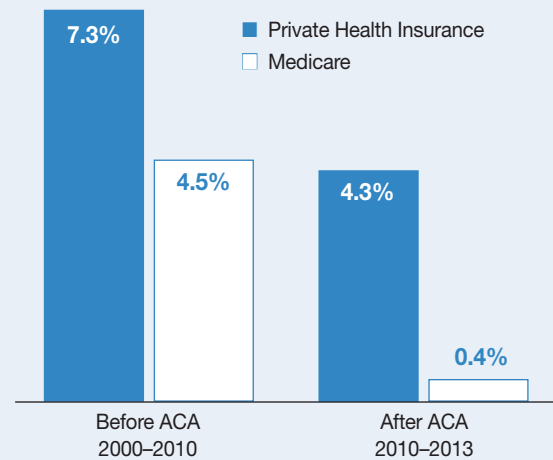
non-medical expenses such as marketing, advertising and retained profit to insurers. The Congressional Budget Office (CBO) estimated that in 2007 these administrative costs varied from about 7 percent for large employer plans with 1,000 or more covered employees to as much as 30 percent for insurance sponsored by very small firms or purchased by individuals.¹⁰⁸

Traditional Medicare is also more efficient than Medicare Advantage plans. The Government Accountability Office (GAO) found that in 2006, Medicare Advantage plans' administrative costs averaged 16.7 percent.¹⁰⁹ The ACA stipulated that starting in 2014, Medicare Advantage plans could not devote more than 15 percent of their Medicare payments to administration, profits and other non-healthcare related items. In response, these plans are now becoming more efficient. A recent GAO study found that in 2011, Medicare Advantage plans' administrative costs had dropped to 13.6 percent—still far above those of traditional Medicare.¹¹⁰

Medicare Controls Health Costs Better than Private Insurance As Well, Especially since ACA

In the United States, we pay far more for doctors, hospitals and pharmaceutical products than other countries. In 2011, we spent 17.7 percent of gross domestic product (GDP) on health care, compared to an average of 9.4 percent across all advanced economies.¹¹¹ Within our overpriced health care system, Medicare historically performs better than private insurance at controlling costs. For common benefits provided in Medicare and private insurance, from 1969 to 2013, per-person costs increased by 9.1 percent per year in private insurance, compared to about 7.5 percent in Medicare.¹¹² In the decade immediately prior to passage of the ACA in 2010, the costs of commonly provided benefits grew by 7.3 percent per enrollee per year in private health insurance, vs. 4.5 percent in Medicare. Figure 7 shows that since the passage of the ACA, which added many new cost-control provisions to our health care system, and particularly to Medicare, Medicare outperforms private health insurance even more starkly.

FIGURE 7
Average Growth Rate in Costs of Private Health Insurance vs. Medicare for Common Benefits per Enrollee, before and after ACA



Source: Centers for Medicare & Medicaid Services, National Health Expenditure Accounts, "NHE Tables" (accessed June 30, 2015).

Indeed, since passage of the ACA, Medicare's costs for commonly provided benefits per enrollee have risen at less than one-tenth the rate of private insurance. Part of this slowdown in cost growth is no doubt attributable to the Great Recession; but the recession began in December 2007 and officially ended in June 2009, while the stark decline in cost growth did not begin until 2010 and has persisted through the latest data available (2013). Hence much of the slowdown in cost growth cannot be explained by the recession; the ACA's numerous payment and delivery reforms have surely played a role in containing costs as well.¹¹³

Tools in the ACA Must be Leveraged to Ensure Medicare's Long-Term Affordability

The Affordable Care Act is showing promising initial signs of bending the cost curve throughout our health care system, particularly in Medicare.¹¹⁴ While the ACA has been implemented only gradually since 2010, the structural reforms contained in the law sent immediate signals to the health care industry that value, not quantity, would be rewarded in the post-

ACA world, particularly in the Medicare program.¹¹⁵ Physicians and hospitals, on the one hand, and Medicare Advantage plans, on the other, quickly began changing how they do business in anticipation of the new value-based system. (Insurers in the individual and group health insurance markets had to become more efficient as well.)

The ACA's cost-control provisions include measures to encourage provision of coordinated care for groups of patients (so-called Accountable Care Organizations, or ACOs); reimbursement of providers on the basis of expected costs for clinically-defined episodes of care ("bundled payments") rather than simply paying for each service billed ("fee-for-service"); reduction of excessive payments to private insurers who operate in Medicare Advantage; reduction of payments to hospitals with high rates of preventable readmissions; increased monitoring and punishment of waste, fraud and abuse; comparative effectiveness research to get a better sense of what works and what doesn't; and a new innovation center (the Center for Medicare & Medicaid Innovation), tasked with testing innovative payment and service-delivery models to reduce program expenditures while preserving or enhancing the quality of care.¹¹⁶ Each of these measures is likely to result in higher-quality care at lower costs over the long term. At a minimum, these innovations will inform ongoing initiatives to control costs and enhance health care quality.

In part as a result of the ACA, the Medicare Hospital Insurance (Part A) Trust Fund's solvency has been extended by 13 years, from 2017 to 2030, after which time it will be able to pay 86 percent of payments from current payroll contributions and other revenue in 2030, and 79 percent in 2039 and thereafter.¹¹⁷ To express Medicare's finances another way, the total long-term shortfall in hospital insurance funding over the next 75 years is now less than one fifth as large as it was before the passage of the Affordable Care Act.¹¹⁸

Still, Congress must pursue policies that sustain affordable access to Medicare benefits over the long term. In so doing, however, it must resist efforts to simply shift costs from the federal government to

beneficiaries. The most egregious of such proposals would replace Medicare with a voucher, as proposed in this year's House Republican Budget.¹¹⁹ Without a strong public Medicare system, the cost of health care for seniors and people with disabilities would likely rise much faster than at present, and higher out-of-pocket costs could keep millions of lower and even many middle-income beneficiaries from getting the care they need.¹²⁰

Cutting Medicare benefits would simply shift costs to the sickest and oldest among us, forcing some seniors and people with disabilities to forego treatment, likely leading to more costly health care needs like emergency room visits, ambulance rides and hospitalizations, and worse health outcomes over the long-term. Promising proposals are available, however, to control Medicare's costs without shifting the burden to older adults and people with disabilities. For starters, Congress could allow Medicare to use its considerable market power to negotiate better prices for beneficiaries on prescription drugs. Currently, under the law that created the Part D program, Congress is forbidden from doing so.¹²¹ Medicare's administrators are also *prohibited* by Congress from conducting cost-effectiveness research, the kind of research more efficient health-care systems around the world use to determine whether their money is being spent on care that actually works and improves upon existing treatments.¹²²



The bottom line is that substantial cost-savings are possible within our health care system without sacrificing quality or coverage. To this end, policymakers should continue to leverage the cost-control tools contained in the Affordable Care Act, and resist any efforts to shift Medicare costs to seniors and people with disabilities.

Medicare Works for North Carolina's Economy.

- Medicare provided \$14.1 billion in benefits to North Carolinians in 2009—23.4 percent of all health care spending in the state.¹²³ The average expenditure per Medicare beneficiary was \$9,836 [Figure 1].¹²⁴

Medicare Works for North Carolina's Residents.

- Medicare insured 1,568,429 North Carolinians in 2012—1 in 6 (16.1 percent) state residents [Figure 1].¹²⁵

Medicare Works for North Carolina's Seniors.

- 1,251,452 of North Carolina's 1,568,429 Medicare beneficiaries were aged 65 or older in 2012—7 in 9 (78.1 percent) beneficiaries.¹²⁶

Medicare Works for North Carolina's People with Disabilities.

- 351,399 of North Carolina's 1,568,429 Medicare beneficiaries were people with disabilities in 2012—2 in 9 (21.9 percent) beneficiaries.¹²⁷

Medicare Works for North Carolina's Residents with End-Stage-Renal Disease (ESRD).

End-stage-renal disease (ESRD) occurs when a person's kidneys stop functioning at a level needed for everyday life. People suffering from ESRD generally must undergo dialysis treatment or receive a kidney transplant, which are both prohibitively expensive.¹²⁸

Medicare Works for North Carolina's Residents with Amyotrophic Lateral Sclerosis (ALS).

Amyotrophic Lateral Sclerosis, more commonly known as ALS, or Lou Gehrig's disease, is a nervous system disease that gradually shuts down all muscles in a person's body, eventually resulting in death from respiratory failure.¹²⁹ Many North Carolina residents with ALS would impoverish themselves or their families without the help of Medicare.

Seniors and people with disabilities cannot be economically secure if they are one illness away from bankruptcy. Medicare should be strengthened, not cut. As private-sector health insurance continues to rise in cost, preserving a strong public Medicare program is more important than ever.

MEDICAID WORKS

The period from the beginning of the 20th century through the end of the 1950s witnessed significant medical advancements.¹³⁰ Yet by the 1960s, these achievements had still failed to reach many: an estimated 40 to 50 million Americans were poor and lacked adequate medical care.¹³¹ Children from low-income families were only able to visit doctors half as frequently as their middle-class peers. And public assistance for low-income Americans was fragmented, with inadequate benefits and, in some states, no medical benefits at all.¹³² Consequently, health care for the nation's poor was an essential component of President Johnson's War on Poverty, declared in 1964.¹³³ Medicaid, the joint federal-state program that helps with medical and long-term care costs for people with low income and resources, was one of the major steps taken in the fight to end poverty.

Before Medicaid, 2 out of 3 Low-Income Americans Lacked Health Insurance

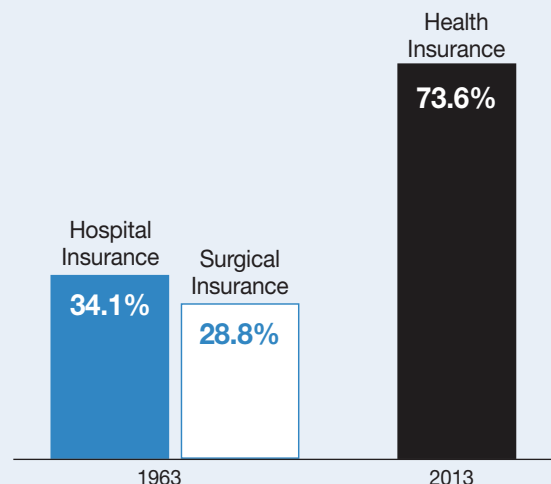
As we celebrate the 50th anniversary of Medicaid, let us recall what a difference it has made. We built our Medicaid system to provide health and long-term care coverage for low-income families, seniors and people with disabilities. In 1963, before Medicaid was created, only 34.1 percent of low-income Americans had hospital insurance, and only 28.8 percent had surgical insurance—the two most common forms of health insurance at that time.¹³⁴ Today, thanks to Medicaid and its expansion through the Affordable Care Act of 2010, nearly three-quarters of Americans (73.6 percent) living in or near poverty have some form of health insurance [Figure 8].¹³⁵

For half a century, Medicaid has provided crucial health and long-term care coverage for low-income Americans. While Medicaid originally insured only Americans receiving cash welfare assistance, Congress expanded Medicaid over the years to help insure those without affordable access to private insurance as well as the increasing number of people left behind by erosions of coverage in the private system.¹³⁶ In

2013, Medicaid insured 55.4 million Americans—a broad range of Americans including pregnant women, children and some parents in both working and jobless families, and children and adults with physical and mental disabilities. Medicaid also helps some poor elderly and disabled Medicare beneficiaries with premiums, co-pays and other health care needs.¹³⁷ Medicaid is a lifeline for low-income Americans who, without the program, would likely be uninsured.

Before the Affordable Care Act, the federal government required states to provide Medicaid to children and pregnant women up to a minimum income threshold (which states had the option to raise), and to provide Medicaid to parents and children in families with income up to the threshold in effect for welfare in the state on July 16, 1996. These thresholds were and remain extremely low in many states: 33 states

FIGURE 8
Low-Income Americans with Health Insurance, 1963 and 2013



Source: Data from 1963: National Center for Health Statistics, "Health Insurance Coverage: United States - July 1962-June 1963," August 1964. Data for 2013: U.S. Census Bureau, "Health Insurance Coverage Status by Ratio of Income to Poverty Level in the Past 12 Months by Age," 2011-2013 American Community Survey 3-Year Estimates, 2013.

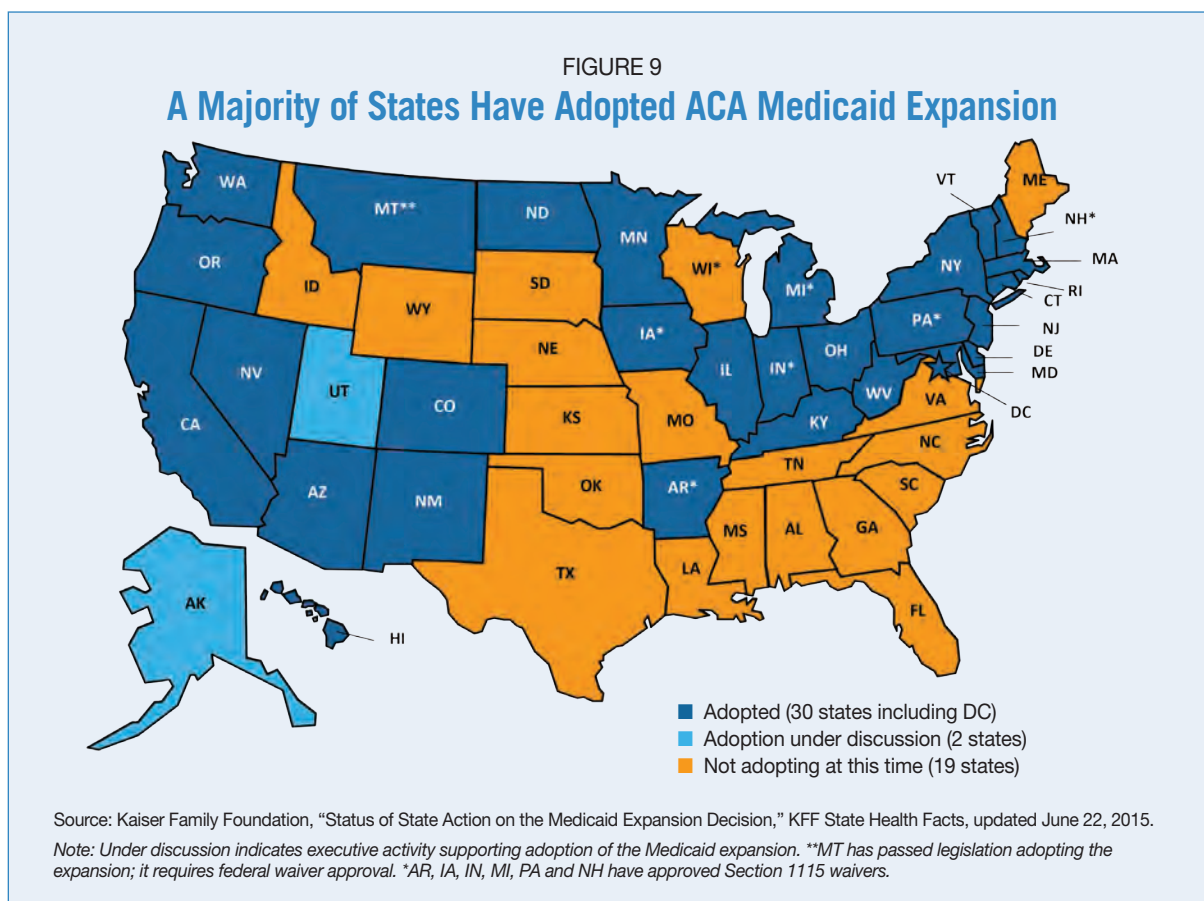
Note: In 1963, "low-income" = annual family income <\$2,000 (\$15,226 in 2013 dollars); in 2013, low-income = <138% of the poverty threshold (\$15,856 for an individual).

limited coverage to families with incomes below the federal poverty line, which is \$11,770 for an individual and \$24,250 for a family of four in 2015;¹³⁸ and in 17 states, Medicaid eligibility was restricted to families living on *less than half* the poverty line.¹³⁹ Adults without dependent children (unless pregnant or disabled) were excluded from Medicaid eligibility by federal law unless a state used state-only funds or obtained a waiver from the federal government (CMS).¹⁴⁰

The Affordable Care Act expanded Medicaid eligibility to nearly all individuals with incomes at or below 138 percent of poverty (\$16,243 for an individual in 2015), broadly expanding the program to reach low-income adults who were previously excluded from Medicaid. In June 2012, however, the Supreme Court ruled, in effect, that states could opt out of the Medicaid expansion. To date, 29 states and the District of Columbia have expanded Medicaid coverage under the Affordable Care Act, 19 have not, and in 2 states it is under discussion [Figure 9].

In the states that have expanded Medicaid, uninsured rates for all working-age adults have fallen by more than half, from 14.6 percent to 7.5 percent. The 21 states that have not expanded Medicaid also saw a decline in uninsured rates—due to the ACA's individual mandate, health insurance exchanges, premium subsidies, greater awareness of coverage, and enrollment simplification—but the decline has been much smaller, namely just under one third (from 21.4 percent to 17.1 percent).¹⁴¹

Medicaid remains especially crucial to seniors and people with disabilities in need of long-term care services. Medicare does not cover most long-term care costs, and private insurance plans that cover long-term care are often prohibitively expensive. As a result, many individuals exhaust their assets under the weight of steep long-term care costs and become eligible for Medicaid, which pays nearly half of long-term costs nationwide.¹⁴² The ACA established enhanced opportunities for state Medicaid programs to shift more long-term care spending to home and



community-based long-term services and supports, rather than institutional care.¹⁴³

Nearly two-thirds (63 percent) of all Medicaid spending is for seniors and people with disabilities.¹⁴⁴ About one out of every four—16.5 million—seniors and people with disabilities depended on Medicaid in 2011. That included 6.4 million seniors and 10.1 million people with disabilities.¹⁴⁵ All told, 21 percent of Medicare beneficiaries were also enrolled in Medicaid (as so-called “dual eligibles”) in 2011.¹⁴⁶

Medicaid is also crucially important to children, who are about half of its beneficiaries nationwide.¹⁴⁷ More than one in every three of the nation’s children now receive their health insurance through Medicaid or the smaller Children’s Health Insurance Program (CHIP).¹⁴⁸

Medicaid Works for North Carolina’s Economy.

- Medicaid covered \$11.9 billion in health care costs for North Carolina’s low-income residents in 2013—and in 2009, Medicaid spending represented 19.1 percent of all health care spending in the state.¹⁴⁹ The average cost per Medicaid beneficiary in 2013 was \$7,936 [Figure 1].¹⁵⁰

Medicaid Works for North Carolina’s Residents.

- Medicaid insured 1,501,300 North Carolinians in 2013—1 in 7 (15.2 percent) state residents [Figure 1].¹⁵¹

Medicaid Works for North Carolina’s Children.

- Medicaid insured 1,029,200 North Carolina children in FY2011—4 in 9 (45.1 percent) children in the state.¹⁵²

Medicaid Works for North Carolina’s Seniors.

- 187,300 of North Carolina’s 1,501,300 Medicaid beneficiaries were aged 65 or older in 2011—1 in 10 (9.6 percent) beneficiaries.¹⁵³

Medicaid Works for North Carolina’s People with Disabilities.

- 334,200 of North Carolina’s 1,501,300 Medicaid beneficiaries were people with disabilities in 2011—1 in 6 (17.1 percent) beneficiaries.¹⁵⁴

Medicaid Works for North Carolina’s Long-Term Care Recipients.

- Medicaid provided \$2.3 billion in long-term care benefits for North Carolina residents in 2013. That includes:



- o \$947.5 million in home health care services (41.2 percent)
- o \$1.2 billion to nursing home facilities (50.6 percent)
- o \$41.7 million to mental health facilities (1.8 percent)
- o \$147.6 million to intermediate care facilities for the mentally retarded (6.4 percent).¹⁵⁵
- Medicaid is the primary payer for the vast majority of North Carolina residents who opt for nursing home care. 24,908 of North Carolina's 37,399 nursing home residents were Medicaid beneficiaries in 2011—two-thirds (66.6 percent) of nursing home residents.¹⁵⁶ The average annual cost of nursing home care for a semi-private room in North Carolina was \$73,365 in 2012.¹⁵⁷ Given the high cost of nursing home care, many North Carolina residents would not be able to afford it without Medicaid.

As health care costs increase system-wide, Medicaid's costs rise as well. But Medicaid spending has grown more slowly than private insurance—at a rate of 1.1 percent since 2007, vs. 4.4 percent for private insurance.¹⁵⁸ Medicaid budgets are strained, largely due to rising social inequality, which leaves an ever larger share of the population below 138 percent of the poverty line and without employer health

coverage. Medicaid is part of the solution to these problems, not a problem in need of a solution.

Cutting Medicaid access by converting its federal long-term care funding to a block grant to states, and by capping per-person spending on low-income children and parents, as the current Congressional budget agreement proposes to do, would simply shift costs to states who, in turn, would likely shift them further onto those who can least afford it, leading many to forgo necessary care. Instead of taking more politically courageous measures to reduce health-care cost growth, such an approach would reduce access to health and long-term care among particularly vulnerable populations.¹⁵⁹

The passage of Medicare and Medicaid in 1965 was intended by many policymakers to be the first step toward achieving health insurance coverage for all Americans.¹⁶⁰ The ACA's coverage expansions have brought us closer to this goal. If Medicaid were expanded in the remaining 21 states, so as to cover all Americans at or below 138 percent of the poverty line, an additional 4 million people would have health insurance coverage,¹⁶¹ preventing between 7,000 and 17,000 deaths annually, according to a Harvard study.¹⁶² For the sake of these very low-income adults, it is time for all states to expand Medicaid.

CONCLUSION

We built our Social Security and Medicare systems because they are the most efficient, secure, universal and fair ways for Americans to achieve income security in retirement, and health security in retirement and disability. We built our Medicaid system so that Americans of modest means can have access to the fundamental human right of health care.

As important as these protections are today, the need for them will only increase in the coming years. Income growth is, at best, slow for most of today's workers, and income inequality is higher than it has been in nearly a century. Jobs are less secure, and many workers have sustained substantial losses of home equity and other savings. Furthermore, most employers who historically offered supplements to Social Security have terminated traditional pension plans, replacing them with far more risky and inadequate 401(k)-style savings accounts.

Our nation faces an impending retirement security crisis. Workers today are saving no more at various ages than their counterparts did in 1983, even though they need much more, given that pensions are disappearing, out-of-pocket health-care costs are higher, and many are living longer.¹⁶³ The typical household nearing retirement has only \$14,500 in retirement savings.¹⁶⁴ More than half (52 percent) of today's working Americans are not expected to have sufficient resources to maintain their standard of living in old age. The outlook is even more dismal when anticipated health and long-term care costs are counted; then, roughly two-thirds of working-age households are not expected to be able to maintain their living standard in retirement.¹⁶⁵

Were it not for Social Security, Medicare and Medicaid, the retirement security crisis awaiting today's workforce would be much worse. These programs are fortresses of security and reliability, and they work extremely well. In this uncertain world, where no one is invulnerable to premature death, permanent disability or poor health, Social Security, Medicare and Medicaid are there to cushion the blow.

Their protections should be expanded, not cut.

These programs, like our highways, are fundamental to our family and community life. In an increasingly uncertain economic environment, they will be even more important to future generations of retirees—today's middle-aged and younger workers.

We are much wealthier as a nation than we were in 1935, 1939, 1956, 1965 or 1972, when these structures were built and improved. Now it is our turn to maintain and improve them, as previous generations have done, for ourselves and for those who follow. To build our own legacy for our nation's children and grandchildren so when they become workers, they will have the economic security that Social Security, Medicare and Medicaid provide.

Maintaining our Social Security, Medicare and Medicaid systems must not be reduced to a matter of simple arithmetic. Any changes we make to these vital programs must help advance their mission of providing economic security and dignity to the American people. Reducing expenditures in these programs is not an end in itself; doing so in ways that expose beneficiaries to economic insecurity or health risks would solve the arithmetic problem while compromising these programs' fundamental promise.

The solution is clear—it is time to double down on what works. We must expand Social Security and Medicare, in order to buttress retirement security in an era of wage stagnation and inequality. And Medicaid should be expanded to cover all American households living under 138 percent of poverty in all 50 states.

At base, this is about what kind of nation we want to live in and leave for those who follow. Today's workers have a stake in preserving these foundational systems—for themselves, their families, and their children and grandchildren. And politicians have the opportunity to maintain, improve and pass on these paramount achievements for future generations, just as previous Congresses and presidents have done for us.

Appendix 1: Social Security Works for North Carolina's Congressional Districts

	STATE TOTAL	CONGRESSIONAL DISTRICTS												
		1	2	3	4	5	6	7	8	9	10	11	12	13
Total annual benefits (\$ in millions)*	\$28,509M	\$2,129M	\$2,029M	\$2,048M	\$1,609M	\$2,457M	\$2,550M	\$2,554M	\$2,197M	\$1,899M	\$2,535M	\$2,913M	\$1,564M	\$2,026M
Number of residents in state/congressional district	9,749,266	729,775	762,421	751,070	760,235	739,563	750,726	752,665	743,193	766,831	738,516	735,480	759,136	759,655
Number of residents receiving Social Security benefits	1,948,531	161,884	138,722	145,412	108,119	164,726	166,391	173,772	154,555	114,294	172,382	203,552	115,566	129,156
Percent of residents receiving Social Security benefits	20.0%	22.2%	18.2%	19.4%	14.2%	22.3%	22.2%	23.1%	20.8%	14.9%	23.3%	27.7%	15.2%	17.0%
SOCIAL SECURITY BENEFICIARIES BY CATEGORY														
Women	1,018,328	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Retired workers	1,299,071	96,889	92,334	96,727	69,599	113,775	116,545	116,789	99,477	82,940	116,225	139,998	68,823	88,950
Disabled workers	332,173	35,497	22,925	24,039	19,339	25,796	25,177	28,584	29,813	12,700	30,629	32,476	26,679	18,519
Widow(er)s	120,801	11,102	8,768	10,063	6,713	9,919	9,750	10,990	9,169	7,132	9,969	12,676	6,638	7,912
Spouses	51,825	3,308	3,851	4,456	3,392	4,353	4,350	4,801	3,030	4,251	3,723	6,130	1,938	4,242
Children	144,661	15,088	10,844	10,127	9,076	10,883	10,569	12,608	13,066	7,271	11,836	12,272	11,488	9,533

Sources: U.S. Census Bureau, *ACS Demographic and Housing Estimates*, "2011-2013 American Community Survey 3-Year Estimates," 2014. SSA, "North Carolina," *Congressional Statistics*, December 2014, 2015.

SSA, *Annual Statistical Supplement*, 2015, "Table 5.J5.1: Number by state or other area and sex, December 2014," 2015.

*The annual benefits for the Congressional districts were calculated by taking the monthly benefits and multiplying by 12. The state annual benefits number is the sum of the congressional district numbers.

Appendix 2: Social Security, Medicare and Medicaid Data by County in North Carolina (Page 1/4)

County	Metropolitan/ Non-Metropolitan	NORTH CAROLINA COUNTY DEMOGRAPHICS, 2013					SOCIAL SECURITY BENEFITS, 2013-2014		SOCIAL SECURITY BENEFICIARIES BY CHARACTERISTIC, 2014*							MEDICARE & MEDICAID, 2011-2012	
		2013 Population	Median Household Income, 2013	% in Poverty, 2013	Population over Age 65, 2013	% of Population over Age 65, 2013	Annual Total Benefits, 2014	% of Total Personal Income, 2013	% of Population Receiving Benefits, 2014	Total Beneficiaries	Retired Workers	Disabled Workers	Widow(er)s	Spouses	Children	% Receiving Medicare, 2012	% Receiving Medicaid, 2011
North Carolina Total (100 Counties)	N/A	9,848,060	\$45,946	17.8%	1,407,099	14.3%	\$28,509,012,000	7.5%	19.8%	1,948,530	1,299,070	332,175	120,800	51,825	144,660	17.8%	16.2%
Alamance	Metropolitan	154,378	\$43,001	19.8%	24,271	15.7%	\$485,040,000	9.3%	21.2%	32,665	22,660	5,275	1,885	635	2,210	19.5%	16.0%
Alexander	Metropolitan	36,930	\$46,064	14.0%	6,509	17.6%	\$127,584,000	10.3%	24.0%	8,875	6,080	1,485	500	175	635	20.8%	16.1%
Alleghany	Non-Metropolitan	10,939	\$37,086	21.2%	2,586	23.6%	\$45,648,000	12.6%	31.3%	3,425	2,450	505	190	75	205	28.7%	19.2%
Anson	Non-Metropolitan	26,161	\$33,443	28.8%	4,086	15.6%	\$79,164,000	11.3%	22.5%	5,880	3,550	1,295	420	100	515	20.1%	23.5%
Ashe	Non-Metropolitan	27,151	\$35,155	22.4%	6,221	22.9%	\$103,380,000	12.4%	28.7%	7,805	5,425	1,170	515	240	455	25.7%	17.8%
Avery	Non-Metropolitan	17,713	\$34,933	20.4%	3,494	19.7%	\$63,540,000	11.9%	26.1%	4,615	3,260	655	315	125	260	22.3%	15.9%
Beaufort	Non-Metropolitan	47,464	\$39,043	20.5%	9,935	20.9%	\$193,848,000	11.9%	28.6%	13,580	9,070	2,215	1,035	415	845	26.6%	21.3%
Bertie	Non-Metropolitan	20,344	\$31,610	26.6%	3,949	19.4%	\$71,628,000	10.9%	28.2%	5,745	3,230	1,380	445	135	555	25.8%	26.3%
Bladen	Non-Metropolitan	34,843	\$33,971	27.1%	6,307	18.1%	\$110,328,000	9.9%	24.0%	8,360	4,920	1,850	595	205	790	22.0%	24.8%
Brunswick	Metropolitan	115,301	\$47,799	16.1%	29,609	25.7%	\$618,312,000	15.2%	33.4%	38,530	29,230	4,505	2,020	1,130	1,645	28.8%	14.8%
Buncombe	Metropolitan	247,912	\$45,738	15.7%	43,383	17.5%	\$845,016,000	9.1%	23.2%	57,400	39,315	9,400	3,595	1,740	3,350	21.6%	15.8%
Burke	Metropolitan	89,842	\$36,150	20.6%	15,976	17.8%	\$317,112,000	10.7%	25.0%	22,430	14,925	4,095	1,180	365	1,865	21.7%	17.9%
Cabarrus	Metropolitan	187,226	\$55,046	12.1%	22,947	12.3%	\$499,104,000	6.8%	17.4%	32,650	22,550	5,155	1,775	670	2,500	15.5%	14.0%
Caldwell	Metropolitan	81,990	\$34,811	18.3%	14,112	17.2%	\$293,196,000	12.3%	25.3%	20,760	13,780	3,855	1,180	435	1,510	21.8%	19.4%
Camden	Non-Metropolitan	10,187	\$60,537	9.5%	1,494	14.7%	\$26,256,000	6.3%	18.8%	1,920	1,300	285	135	65	135	18.9%	10.8%
Carteret	Non-Metropolitan	68,434	\$46,227	15.2%	14,368	21.0%	\$260,664,000	9.0%	26.4%	18,065	13,050	2,415	1,190	590	820	24.4%	13.0%
Caswell	Non-Metropolitan	23,190	\$37,122	25.5%	4,333	18.7%	\$83,532,000	10.5%	26.3%	6,090	3,850	1,220	400	130	490	23.9%	20.9%
Catawba	Metropolitan	154,810	\$43,777	16.5%	24,586	15.9%	\$516,648,000	9.5%	22.1%	34,190	23,930	5,505	1,880	675	2,200	21.4%	16.2%
Chatham	Metropolitan	66,817	\$56,981	15.6%	15,151	22.7%	\$274,584,000	7.7%	25.2%	16,855	12,965	1,665	935	585	705	22.3%	10.9%
Cherokee	Non-Metropolitan	27,218	\$34,476	22.5%	6,937	25.5%	\$129,336,000	17.2%	34.4%	9,360	6,385	1,540	620	260	555	31.0%	19.4%
Chowan	Non-Metropolitan	14,726	\$39,143	22.2%	3,174	21.6%	\$56,496,000	10.4%	28.2%	4,160	2,815	635	325	125	260	26.8%	22.4%
Clay	Non-Metropolitan	10,584	\$37,078	19.3%	2,909	27.5%	\$50,568,000	16.0%	34.2%	3,625	2,625	470	235	105	190	31.6%	18.0%
Cleveland	Non-Metropolitan	97,047	\$40,528	19.6%	16,182	16.7%	\$352,128,000	10.8%	25.4%	24,680	16,115	4,765	1,385	470	1,945	23.3%	23.3%
Columbus	Non-Metropolitan	57,246	\$35,026	25.3%	9,879	17.3%	\$194,760,000	11.1%	25.7%	14,710	8,470	3,310	1,150	365	1,415	23.1%	27.1%
Craven	Metropolitan	104,489	\$45,022	16.6%	17,366	16.6%	\$327,420,000	8.0%	21.9%	22,930	15,980	3,450	1,445	700	1,355	20.2%	14.6%
Cumberland	Metropolitan	325,871	\$44,038	18.0%	33,955	10.4%	\$715,980,000	4.8%	16.3%	53,190	30,455	11,275	4,195	1,690	5,575	14.2%	18.2%
Currituck	Metropolitan	24,396	\$57,577	11.7%	3,566	14.6%	\$69,420,000	6.7%	19.7%	4,795	3,305	715	345	125	305	17.3%	11.0%
Dare	Non-Metropolitan	35,019	\$52,083	11.1%	6,182	17.7%	\$124,224,000	8.4%	22.9%	8,015	6,115	825	485	235	355	20.8%	10.3%
Davidson	Metropolitan	163,420	\$40,424	19.3%	26,645	16.3%	\$553,992,000	9.4%	23.1%	37,765	25,460	6,670	2,210	790	2,635	20.1%	16.9%

Appendix 2: Social Security, Medicare and Medicaid Data by County in North Carolina (Page 2/4)

County	Metropolitan/ Non-Metropolitan	NORTH CAROLINA COUNTY DEMOGRAPHICS, 2013					SOCIAL SECURITY BENEFITS, 2013-2014		SOCIAL SECURITY BENEFICIARIES BY CHARACTERISTIC, 2014*							MEDICARE & MEDICAID, 2011-2012	
		2013 Population	Median Household Income, 2013	% in Poverty, 2013	Population over Age 65, 2013	% of Population over Age 65, 2013	Annual Total Benefits, 2014	% of Total Personal Income, 2013	% of Population Receiving Benefits, 2014	Total Beneficiaries	Retired Workers	Disabled Workers	Widow(er)s Spouses	Children	% Receiving Medicare, 2012	% Receiving Medicaid, 2011	
Davie	Metropolitan	41,554	\$49,708	13.9%	7,733	18.6%	\$155,892,000	9.7%	24.4%	10,150	7,235	1,445	535	295	640	22.0%	13.2%
Duplin	Non-Metropolitan	60,084	\$38,106	25.4%	9,230	15.4%	\$144,120,000	7.4%	18.4%	11,080	6,980	2,080	820	290	910	17.1%	19.5%
Durham	Metropolitan	288,133	\$52,331	17.0%	30,639	10.6%	\$644,580,000	5.4%	14.4%	41,605	28,130	7,055	2,215	1010	3,195	13.2%	15.2%
Edgecombe	Metropolitan	55,574	\$33,080	27.3%	9,091	16.4%	\$171,924,000	10.7%	23.6%	13,105	7,745	3,025	875	240	1,220	21.0%	30.5%
Forsyth	Metropolitan	361,220	\$46,163	20.5%	50,834	14.1%	\$1,085,784,000	7.6%	19.4%	70,060	48,370	10,995	4,285	1,885	4,525	17.7%	16.0%
Franklin	Metropolitan	62,260	\$39,312	18.4%	9,119	14.6%	\$181,092,000	9.1%	20.4%	12,690	8,225	2,450	740	260	1,015	16.9%	16.8%
Gaston	Metropolitan	209,420	\$42,461	19.2%	30,804	14.7%	\$683,004,000	9.2%	22.2%	46,515	30,225	9,120	2,785	890	3,495	19.7%	19.8%
Gates	Metropolitan	11,650	\$48,194	18.2%	2,001	17.2%	\$35,424,000	10.2%	22.3%	2,600	1,615	485	210	100	190	19.9%	14.5%
Graham	Non-Metropolitan	8,736	\$33,553	24.7%	1,885	21.6%	\$32,364,000	13.7%	29.1%	2,545	1,585	470	205	80	205	24.6%	23.2%
Granville	Non-Metropolitan	58,275	\$48,680	15.3%	8,581	14.7%	\$168,372,000	9.0%	20.7%	12,065	7,670	2,175	705	210	1,305	18.6%	15.1%
Greene	Non-Metropolitan	21,232	\$39,481	23.3%	3,000	14.1%	\$56,436,000	9.0%	20.3%	4,310	2,715	840	300	85	370	15.8%	20.1%
Guilford	Metropolitan	506,610	\$46,093	19.2%	68,039	13.4%	\$1,420,344,000	7.1%	18.2%	92,395	63,470	14,745	5,220	2,360	6,600	16.7%	15.1%
Halifax	Non-Metropolitan	53,453	\$32,597	31.6%	9,540	17.8%	\$186,396,000	10.9%	27.0%	14,450	8,210	3,345	1,195	335	1,365	26.1%	29.5%
Harnett	Non-Metropolitan	124,987	\$45,257	18.5%	13,604	10.9%	\$288,336,000	7.5%	17.0%	21,250	12,675	4,610	1,355	540	2,070	14.4%	16.1%
Haywood	Metropolitan	59,183	\$39,320	20.4%	13,631	23.0%	\$265,764,000	12.9%	30.9%	18,315	12,470	2,875	1,255	685	1,030	28.3%	18.0%
Henderson	Metropolitan	109,540	\$44,561	15.5%	26,243	24.0%	\$495,492,000	11.7%	29.7%	32,490	23,855	3,960	2,025	1,175	1,475	27.7%	13.6%
Hertford	Non-Metropolitan	24,431	\$33,616	24.9%	4,174	17.1%	\$72,288,000	10.1%	22.7%	5,555	3,300	1,225	430	135	465	21.0%	25.5%
Hoke	Metropolitan	51,322	\$43,987	23.2%	4,113	8.0%	\$88,524,000	5.2%	13.6%	6,975	3,715	1,795	420	150	895	11.2%	18.3%
Hyde	Non-Metropolitan	5,721	\$36,681	22.9%	1,002	17.5%	\$14,472,000	7.7%	20.4%	1,165	735	190	110	45	85	18.6%	18.4%
Iredell	Metropolitan	164,517	\$49,983	12.7%	23,303	14.2%	\$508,296,000	8.5%	20.4%	33,610	22,925	5,425	1,875	835	2,550	17.8%	13.6%
Jackson	Non-Metropolitan	40,919	\$40,511	24.2%	6,937	17.0%	\$123,408,000	9.8%	21.3%	8,720	6,305	1,185	565	230	435	19.1%	14.1%
Johnston	Metropolitan	177,967	\$50,904	16.6%	21,020	11.8%	\$457,716,000	7.1%	18.1%	32,275	20,305	6,380	1,955	745	2,890	15.2%	16.9%
Jones	Metropolitan	10,215	\$39,602	20.7%	2,138	20.9%	\$32,952,000	8.7%	25.4%	2,590	1,640	505	210	50	185	22.7%	19.8%
Lee	Non-Metropolitan	60,266	\$48,061	17.9%	8,661	14.4%	\$174,132,000	9.0%	19.7%	11,895	7,905	2,100	765	245	880	18.7%	19.0%
Lenoir	Non-Metropolitan	58,914	\$34,127	21.7%	10,263	17.4%	\$202,620,000	9.6%	25.7%	15,170	9,470	2,930	975	345	1,450	23.3%	24.2%
Lincoln	Metropolitan	79,740	\$50,537	14.6%	12,183	15.3%	\$264,684,000	9.0%	22.0%	17,580	12,140	3,000	960	350	1,130	18.0%	14.4%
McDowell	Non-Metropolitan	44,961	\$36,840	21.9%	8,055	17.9%	\$166,500,000	13.0%	26.9%	12,105	7,665	2,590	655	255	940	23.9%	20.6%
Macon	Non-Metropolitan	33,857	\$37,219	20.4%	8,758	25.9%	\$163,632,000	14.9%	34.1%	11,550	8,400	1,480	730	390	550	31.1%	17.4%
Madison	Metropolitan	21,022	\$37,479	19.9%	4,056	19.3%	\$73,920,000	11.7%	27.0%	5,685	3,665	1,085	380	180	375	25.2%	19.4%
Martin	Non-Metropolitan	23,699	\$34,761	22.6%	4,732	20.0%	\$90,480,000	11.4%	28.7%	6,795	4,320	1,300	505	160	510	23.7%	24.8%
Mecklenburg	Metropolitan	990,977	\$54,657	15.5%	96,367	9.7%	\$2,041,224,000	4.2%	13.2%	130,895	88,340	20,045	8,140	4,055	10,315	12.0%	14.5%

Appendix 2: Social Security, Medicare and Medicaid Data by County in North Carolina (Page 3/4)

County	Metropolitan/ Non-Metropolitan	NORTH CAROLINA COUNTY DEMOGRAPHICS, 2013					SOCIAL SECURITY BENEFITS, 2013-2014		SOCIAL SECURITY BENEFICIARIES BY CHARACTERISTIC, 2014*							MEDICARE & MEDICAID, 2011-2012	
		2013 Population	Median Household Income, 2013	% in Poverty, 2013	Population over Age 65, 2013	% of Population over Age 65, 2013	Annual Total Benefits, 2014	% of Total Personal Income, 2013	% of Population Receiving Benefits, 2014	Total Beneficiaries	Retired Workers	Disabled Workers	Widow(er)s	Spouses	Children	% Receiving Medicare, 2012	% Receiving Medicaid, 2011
Mitchell	Non-Metropolitan	15,328	\$38,303	18.3%	3,480	22.7%	\$61,140,000	14.0%	30.1%	4,615	3,020	830	310	160	295	28.0%	19.9%
Montgomery	Non-Metropolitan	27,571	\$35,613	22.1%	4,909	17.8%	\$89,556,000	10.5%	23.3%	6,415	4,310	1,190	340	120	455	19.2%	22.4%
Moore	Non-Metropolitan	91,587	\$50,169	14.3%	21,736	23.7%	\$388,524,000	10.4%	27.3%	25,015	18,795	2,665	1,470	925	1,160	26.6%	13.5%
Nash	Metropolitan	95,093	\$41,575	16.6%	14,951	15.7%	\$312,168,000	9.0%	23.4%	22,295	14,290	4,190	1,510	495	1,810	20.6%	19.7%
New Hanover	Metropolitan	213,267	\$48,651	18.9%	32,576	15.3%	\$663,624,000	8.0%	20.0%	42,640	29,645	6,100	2,805	1,435	2,655	18.3%	13.1%
Northampton	Non-Metropolitan	20,839	\$31,732	29.0%	4,654	22.3%	\$77,724,000	11.2%	28.3%	5,890	3,610	1,195	485	130	470	26.6%	27.0%
Onslow	Metropolitan	185,220	\$45,213	16.9%	15,110	8.2%	\$304,548,000	3.7%	12.6%	23,285	14,110	4,365	1,755	815	2,240	10.7%	10.5%
Orange	Metropolitan	140,352	\$59,472	15.5%	15,215	10.8%	\$318,312,000	4.3%	13.7%	19,285	13,790	2,545	1,025	680	1,245	13.5%	8.5%
Pamlico	Metropolitan	12,953	\$43,517	19.0%	3,248	25.1%	\$57,024,000	10.8%	30.8%	3,985	2,895	490	265	130	205	28.1%	16.7%
Pasquotank	Non-Metropolitan	39,981	\$40,094	21.8%	5,993	15.0%	\$112,992,000	9.1%	21.1%	8,455	5,580	1,360	655	255	605	18.8%	18.5%
Pender	Metropolitan	55,334	\$44,949	18.3%	9,268	16.7%	\$180,468,000	10.1%	22.5%	12,440	8,235	2,210	790	325	880	20.3%	16.4%
Perquimans	Non-Metropolitan	13,601	\$42,504	20.9%	3,209	23.6%	\$56,532,000	12.3%	29.4%	4,005	2,795	555	260	155	240	27.3%	17.7%
Person	Metropolitan	39,276	\$42,091	18.4%	6,586	16.8%	\$141,456,000	11.5%	25.4%	9,980	6,435	1,950	605	200	790	21.5%	17.8%
Pitt	Metropolitan	174,263	\$40,940	25.4%	19,001	10.9%	\$399,948,000	6.3%	16.5%	28,745	17,370	6,105	1,840	660	2,770	14.5%	16.2%
Polk	Non-Metropolitan	20,411	\$43,665	14.7%	5,515	27.0%	\$97,404,000	11.5%	31.2%	6,365	4,670	730	455	230	280	29.0%	13.2%
Randolph	Metropolitan	142,577	\$40,896	19.8%	22,353	15.7%	\$470,268,000	10.4%	22.9%	32,710	22,260	5,735	1,660	610	2,445	19.8%	18.1%
Richmond	Non-Metropolitan	46,405	\$32,825	27.3%	7,231	15.6%	\$146,628,000	10.8%	23.9%	11,100	6,295	2,825	695	220	1,065	24.1%	27.6%
Robeson	Non-Metropolitan	134,841	\$30,248	30.7%	16,908	12.5%	\$346,884,000	9.6%	20.6%	27,730	15,380	6,640	1,950	545	3,215	17.2%	31.0%
Rockingham	Metropolitan	91,878	\$40,446	21.2%	16,556	18.0%	\$356,160,000	11.8%	27.1%	24,865	15,910	5,070	1,475	535	1,875	23.8%	19.8%
Rowan	Metropolitan	138,323	\$41,475	18.8%	22,106	16.0%	\$469,848,000	10.9%	23.4%	32,305	21,055	6,265	1,850	635	2,500	21.0%	18.8%
Rutherford	Non-Metropolitan	66,956	\$35,544	23.9%	12,719	19.0%	\$251,700,000	13.3%	26.7%	17,880	11,805	3,405	1,025	375	1,270	24.0%	20.8%
Sampson	Non-Metropolitan	64,150	\$35,890	24.3%	10,014	15.6%	\$191,052,000	8.9%	22.5%	14,415	8,980	2,935	980	300	1,220	20.0%	24.7%
Scotland	Non-Metropolitan	36,025	\$32,314	34.1%	5,522	15.3%	\$123,228,000	11.3%	24.9%	8,985	5,150	2,240	540	170	885	22.6%	29.7%
Stanly	Non-Metropolitan	60,635	\$42,801	17.7%	10,343	17.1%	\$208,044,000	10.4%	23.8%	14,445	9,785	2,470	800	265	1,125	21.7%	17.2%
Stokes	Metropolitan	46,588	\$44,552	14.4%	8,583	18.4%	\$162,312,000	10.6%	24.1%	11,235	7,480	1,985	690	300	780	20.6%	14.5%
Surry	Non-Metropolitan	73,050	\$36,221	21.3%	13,500	18.5%	\$271,164,000	11.5%	27.3%	19,910	12,890	3,855	1,245	450	1,470	23.1%	20.0%
Swain	Non-Metropolitan	14,058	\$34,552	23.2%	2,547	18.1%	\$49,380,000	11.7%	28.2%	3,960	2,530	725	270	110	325	26.1%	24.6%
Transylvania	Non-Metropolitan	32,903	\$40,578	15.6%	9,252	28.1%	\$154,596,000	14.4%	30.5%	10,050	7,375	1,240	635	415	385	29.2%	14.3%
Tyrrell	Non-Metropolitan	4,109	\$32,642	27.2%	776	18.9%	\$11,664,000	9.5%	22.3%	915	585	160	85	35	50	20.0%	20.0%
Union	Metropolitan	212,756	\$63,912	10.3%	23,313	11.0%	\$494,256,000	5.9%	14.8%	31,580	22,220	4,125	1,880	950	2,405	12.9%	10.5%
Vance	Non-Metropolitan	44,808	\$35,565	27.3%	7,141	15.9%	\$145,824,000	10.3%	24.3%	10,905	6,410	2,545	720	210	1,020	22.3%	30.4%

Appendix 2: Social Security, Medicare and Medicaid Data by County in North Carolina (Page 4/4)

County	Metropolitan/ Non-Metropolitan	NORTH CAROLINA COUNTY DEMOGRAPHICS, 2013					SOCIAL SECURITY BENEFITS, 2013-2014		SOCIAL SECURITY BENEFICIARIES BY CHARACTERISTIC, 2014*							MEDICAID & MEDICAID, 2011-2012	
		2013 Population	Median Household Income, 2013	% in Poverty, 2013	Population over Age 65, 2013	% of Population over Age 65, 2013	Annual Total Benefits, 2014	% of Total Personal Income, 2013	% of Population Receiving Benefits, 2014	Total Beneficiaries	Retired Workers	Disabled Workers	Widow(er)s	Spouses	Children	% Receiving Medicare, 2012	% Receiving Medicaid, 2011
Wake	Metropolitan	974,289	\$65,433	10.9%	94,146	9.7%	\$2,012,784,000	4.5%	12.9%	125,605	86,980	17,320	7,580	4,415	9,310	11.8%	9.4%
Warren	Non-Metropolitan	20,575	\$33,767	27.2%	4,298	20.9%	\$74,832,000	13.6%	27.4%	5,645	3,615	1,105	370	130	425	21.9%	24.6%
Washington	Non-Metropolitan	12,722	\$31,596	25.5%	2,584	20.3%	\$50,340,000	12.1%	28.2%	3,590	2,185	635	325	155	290	25.8%	27.7%
Watauga	Non-Metropolitan	52,372	\$38,380	27.3%	7,157	13.7%	\$130,236,000	7.9%	17.0%	8,910	6,645	960	510	335	460	15.9%	7.2%
Wayne	Metropolitan	124,583	\$41,526	20.8%	17,503	14.0%	\$341,124,000	8.1%	20.6%	25,645	15,485	5,055	1,740	675	2,690	18.2%	20.1%
Wilkes	Non-Metropolitan	69,023	\$35,895	23.1%	13,397	19.4%	\$246,420,000	10.3%	26.8%	18,510	11,810	3,655	1,155	475	1,415	24.7%	19.2%
Wilson	Non-Metropolitan	81,667	\$40,772	20.9%	13,055	16.0%	\$251,892,000	8.6%	21.9%	17,875	11,310	3,625	1,140	390	1,410	22.0%	21.4%
Yadkin	Metropolitan	38,038	\$40,998	18.9%	6,778	17.8%	\$133,764,000	10.5%	24.8%	9,445	6,360	1,650	585	195	655	22.2%	16.3%
Yancey	Non-Metropolitan	17,566	\$35,866	21.3%	4,018	22.9%	\$74,112,000	15.0%	32.1%	5,640	3,750	975	340	250	325	29.6%	19.3%

*State totals in this appendix may not equal state figures cited elsewhere in the report, because individual county figures provided by SSA are rounded.

2013 Population: US Census Bureau, *2014 Population Estimates*, "Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties and Puerto Rico Commonwealth and Municipalities: April 1, 2010 to July 1, 2014," 2015. <http://factfinder2.census.gov/>. The total state population given in Appendix 2 may not match the state population in Appendix 1 because it is the sum of the individual county population estimates, which have a higher margin of error than congressional district population estimates.

Metropolitan/Non-Metropolitan: Unpublished calculations of US Census data performed by Dr. Roberto Gallardo, Mississippi State University Extension Service, on behalf of the Center for Rural Strategies, and shared with Social Security Works. For the purposes of this analysis, "metropolitan" refers to counties with at least one urbanized area of 50,000 people or more, and adjacent counties in which 25 percent of the workforce or more commutes to county with 50,000 people or more. "Non-metropolitan" refers to counties designated by the Office of Management and Budget (OMB) as non-metropolitan, including micropolitan areas, or "small cities," with urban clusters of 10,000-49,999 people, and non-core areas lacking a centralized population of any kind. Dr. Gallardo's initial calculations distinguished between "small cities" and "rural" counties. For Social Security Works, he created a weighted average of "small cities" and "rural" counties that allowed us to classify both as "non-metropolitan" figures. US Department of Agriculture, Economic Research Service (ERS), What is Rural?, March 16, 2015. http://www.ers.usda.gov/topics/rural-economy-population/rural-classifications/what-is-rural.aspx#_UeSGcGTTWGN

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Median Household Income, 2013: US Census Bureau, *Small Area Income and Poverty Estimates*, 2013, "Table 1: 2013 Poverty and Median Income Estimates—Counties," 2014. <http://www.census.gov/did/www/saipe/data/statecounty/data/2013.html>

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Percent of Population Receiving Benefits, 2013: SSA, *OASDI Benefits by State and County, 2014*, "Table 4. Number of beneficiaries in current-payment status, by county, type of benefit, and sex of beneficiaries aged 65 or older, December 2014," July 2015. http://www.ssa.gov/policy/docs/statcomps/oasdi_sc/

Annual Total Benefits, 2014: SSA, *OASDI Benefits by State and County, 2014*, "Table 5. Amount of benefits in current-payment status, by county, type of benefit, and sex of beneficiaries aged 65 or older, December 2014," July 2015. http://www.ssa.gov/policy/docs/statcomps/oasdi_sc/

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Percentage of Population Receiving Medicaid, 2011: Calculation based on Medicaid enrollment data for 2011 and 2011 population data. Medicaid enrollment data: Unpublished data provided to Social Security works by Centers for Medicare and Medicaid Services, "FY2011 Average Monthly Enrollment by State and County," June 2015. Population data: US Census Bureau, *2014 Population Estimates*, "Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties and Puerto Rico Commonwealth and Municipalities: April 1, 2010 to July 1, 2014," 2015. <http://factfinder2.census.gov/>. Due to limitations in availability of data, the percentage of residents receiving Medicaid in some counties could not be provided.

Endnotes

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- 7 SSA, *ibid.*, 2015, “Table 5.F4—Number of children and total monthly benefits, by type of benefit, December 1940–2014, selected years,” accessed June 25, 2015. <http://www.ssa.gov/policy/docs/statcomps/supplement/2015/5f.html#table5.f4> Disabled children may receive benefits indefinitely as long as the disability was incurred before reaching age 22.
- 8 Average benefit found by dividing total spending by total beneficiaries. Total annual benefits from SSA, *ibid.*, “Table 5.J1—Estimated total annual benefits paid, by state or other area and program, 2015 (in millions of dollars),” July 2015. <http://www.ssa.gov/policy/docs/statcomps/supplement/2015/5j.html>. Total beneficiaries from SSA, *ibid.*, “Table 5.J2—Number, by state or other area, program, and type of benefit, December 2014.” Average retired worker benefit found by multiplying average monthly retired worker benefit by 12. SSA, *ibid.*, “Table 5.J6—Percentage distribution of monthly benefit for retired workers, by state or other area and monthly benefit, December 2014.”
- 9 SSA, *Income of the Population 55 or Older, 2012*, Table 9.A1, April 2014. http://www.ssa.gov/policy/docs/statcomps/income_pop55/2012/sect09.html
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- 11 SSA (Michelle Stegman Bailey and Jeffrey Hemmeter), “Characteristics of Noninstitutionalized DI and SSI Program Participants, 2010 Update,” Research and Statistics Note Nr. 2014-02, February 2014, Table 2. <http://www.ssa.gov/policy/docs/rsnotes/rsn2014-02.html>
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- 22 For the purposes of this report, “seniors” describes individuals aged 65 or older.
- 23 SSA, *ibid.*, “Table 5.J2—Number, by state or other area, program, and type of benefit, December 2014,” July 2015. <http://www.ssa.gov/policy/docs/statcomps/supplement/2015/5j.html#table5.j2>
- 24 For the purposes of this analysis, “typical” is used to describe the “median” benefit. Monthly median benefit multiplied by 12 to calculate annual figure. SSA, *ibid.*, “Table 5.J6—Percentage distribution of monthly benefit for retired workers, by state or other area and monthly benefit, December 2014,” July 2015. <http://www.ssa.gov/policy/docs/statcomps/supplement/2015/5j.html#table5.j6>
- 25 Unpublished tabulations by the Center on Budget and Policy Priorities (CBPP) for Social Security Works of data from the U.S. Census Bureau, Current Population Survey, March 2014.
- 26 See Endnote 3 for more on how poverty is measured.

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34 The data here are for disabled workers receiving disability benefits. It does not include those disabled workers and “disabled adult children” who receive old-age (retirement) or survivors benefits. In this report, any use of the term “disabled worker” will refer only to those disabled workers receiving disability benefits.

35 SSA, *ibid.*, “Table 5.J2—Number, by state or other area, program, and type of benefit, December 2014,” July 2015. <http://www.ssa.gov/policy/docs/statcomps/supplement/2015/5j.html#table5.j2>

36 Monthly median benefit multiplied by 12 to calculate annual figure. SSA, *ibid.*, “Table 5.J8—Percentage distribution of disabled workers, by state or other area and monthly benefit, December 2014,” July 2015. <http://www.ssa.gov/policy/docs/statcomps/supplement/2015/5j.html#table5.j8>

37 In this case, “children” refers to individuals under age 18, and includes neither disabled adult children, nor individuals aged 18-19. When discussing Social Security’s insurance protections for children, children under age 18 was considered the most appropriate group to reference in this analysis, since even students aged 18-19 receiving benefits as dependents of a disabled or deceased parent must have qualified for benefits before age 18. While disabled adult children may receive benefits for a severe disability sustained at age 18 or later, it must occur before age 22, meaning that a large proportion of beneficiaries will likely have begun receiving benefits before age 18 as well. Population under age 18: U.S. Census Bureau, “Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties and Puerto Rico Commonwealth and Municipios: April 1, 2010 to July 1, 2014,” 2014 *Population Estimates*, 2015. <http://factfinder2.census.gov/>. Data on percentage of children insured from SSA, *Survivors Benefits*, July 2013, p. 4. <http://www.ssa.gov/pubs/EN-05-10084.pdf>

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42 CBPP, unpublished, *ibid.*

43 SSA, *Income of the Population 55 or Older, 2012*, Table 9.A3, April 2014. http://www.ssa.gov/policy/docs/statcomps/income_pop55/2012/sect09.html#table9.a3

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46 CBPP, unpublished, *ibid.*

47 CBPP, unpublished, *ibid.*

48 SSA, *Income of the Population 55 or Older, 2012*, Table 9.A3, April 2014. http://www.ssa.gov/policy/docs/statcomps/income_pop55/2012/sect09.html#table9.a3

49 SSA, *Social Security is Important to Hispanics*, June 2015. <http://www.ssa.gov/news/press/factsheets/hispanics-alt.pdf>. This is the most recent statistically valid data available. Fernando Torres-Gil et al., “Hispanics’ Large Stake in the Social Security Debate,” June 28, 2005. <http://www.cbpp.org/files/6-28-05socsec.pdf>

50 The term “households” as it is used here refers to households reporting income in the past 12 months. Households receiving Social Security benefits are those households listed as receiving “Social Security income.” U.S. Census Bureau, 2011-2013 *American Community Survey 3-Year Estimates*, “Selected Population Profile in the United States,” 2014. <http://factfinder2.census.gov/>

51 SSA, *Social Security Is Important to American Indians and Alaska Natives*, June 2015. <http://www.ssa.gov/news/press/factsheets/amerindian-alt.pdf>. This is the most recent statistically valid data available.

52 SSA, *Social Security Is Important to American Indians and Alaska Natives*, *ibid.*

53 The term “households” as it is used here refers to households reporting income in the past 12 months. Households receiving Social Security benefits are those households listed as receiving “Social Security income.” For states in which there are large numbers of Asian American residents as well as Native Hawaiian and Pacific Islander residents, the numbers of beneficiaries and residents were added to calculate percentage of total Asian American, Native Hawaiian and Pacific Islander residents receiving benefits. U.S. Census Bureau, 2011-2013 *American Community Survey 3-Year Estimates*, “Selected Population Profile in the United States,” 2014. <http://factfinder2.census.gov/>

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57 Unpublished calculations of Social Security Administration and Bureau of Economic Analysis data performed by Dr. Roberto Gallardo, Mississippi State University Extension Service, on behalf of the Center for Rural Strategies, and shared with Social Security Works. For the purposes of this analysis, “rural” refers to counties designated by the Office of Management and Budget (OMB) as non-metropolitan, including micropolitan areas, or “small cities,” with urban clusters of 10,000-49,999 people, and non-core areas lacking a centralized population of any kind. “Metropolitan” refers to counties with at least one urbanized area of 50,000 people or more, and adjacent counties in which 25 percent of the workforce or more commutes to county with 50,000 people or more. Dr. Gallardo’s initial calculations distinguished between “small cities” and “rural” counties. For Social Security Works, he created a weighted average of “small cities” and “rural” counties that allowed us to contrast metropolitan and non-metropolitan figures. U.S. Department of Agriculture, Economic Research Service (ERS), *What is Rural?*, March 16, 2015. <http://www.ers.usda.gov/topics/rural-economy-population/rural-classifications/what-is-rural.aspx#.UeSGcGTTWGN>

58 Latino and Asian American status are defined here by self-identification, not nativity, and “immigrants” refers to foreign-born residents of the United States refer to foreign-born Americans. ere by ethnicity, not nativity. e redistributive shifts in income from the bottom . U.S. Census Bureau, *American Community Survey 2011-2013 3-Year Estimates*, “Selected Characteristics of the Native and Foreign-Born Populations,” 2014. <http://factfinder2.census.gov/>. Social Security provided all or nearly all of the income for over half (52.6 percent) of Latino senior households, and more than 4 in 10 (44.4 percent) Asian senior households in 2012, compared with one-third (34.6 percent) of white senior households. SSA, *Income of the Population 55 or Older*, 2012, Table 9.A3, April 2014. http://www.ssa.gov/policy/docs/statcomps/income_pop55/2012/sect09.html#table9.a3

59 U.S. Census Bureau, *American Community Survey 2011-2013, 3-Year Estimates*, “Selected Characteristics of the Native and Foreign-Born Populations,” 2014. <http://factfinder2.census.gov/>

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64 Lauren Jow, “UCLA’s Williams Institute research played role in historic same-sex marriage decision,” UCLA Newsroom, June 26, 2015. <http://newsroom.ucla.edu/stories/ucla-s-williams-institute-research-played-role-in-historic-same-sex-marriage-decision> .

65 Lauren Jow, *ibid*.

66 Lauren Jow, *ibid*.

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KEY FACTS ABOUT SOCIAL SECURITY, MEDICARE AND MEDICAID IN NORTH CAROLINA

Social Security Works for North Carolina's Residents and Economy

- Social Security provided benefits to 1,948,531 North Carolinians in 2014, 1 in 5 (19.6 percent) residents.
- North Carolinians received Social Security benefits totaling \$27.9 billion in 2014, an amount equivalent to 7.1 percent of the state's total personal income [Figure 1 in full report].
- The average Social Security benefit in North Carolina was \$14,336 in 2013.
- Social Security lifted 884,000 North Carolinians out of poverty in 2013.

Social Security Works for North Carolina's Seniors

- Social Security provided benefits to 1,299,071 North Carolina retired workers in 2014, two-thirds (66.7 percent) of beneficiaries [Figure 3 in full report].
- Social Security lifted 616,000 North Carolina residents aged 65 and older out of poverty in 2013. Without Social Security, the elderly poverty rate in North Carolina would have increased from 1 in 8 (12 percent) to 5 in 9 (55.6 percent) [Figure 4 in full report].

Social Security Works for North Carolina's Workers with Disabilities

- Social Security provided disability benefits to 332,173 workers in 2014, 1 in 6 (17 percent) North Carolina beneficiaries [Figure 3 in full report].

Social Security Works for North Carolina's Women

- Social Security provided benefits to 1,018,328 North Carolina women in 2014, 1 in 5 (20 percent) North Carolina women.
- Social Security lifted 352,000 North Carolina women aged 65 and older out of poverty in 2013. Without Social Security, the poverty rate of elderly women would have increased from 1 in 7 (15.2 percent) to 3 in 5 (59.9 percent) [Figure 4 in full report].

Social Security Works for North Carolina's Children

- Social Security provided benefits to 144,661 North Carolina children in 2014, 1 in 13 (7.4 percent) North Carolina beneficiaries [Figure 3 in full report].

Social Security Works for North Carolina's People of Color

- Social Security provided benefits to one-quarter (27.1 percent) of African American households in North Carolina in 2013, 209,298 households.
- Social Security provided benefits to 1 in 13 (7.5 percent) Latino households in North Carolina in 2013, 15,572 households.
- Social Security provided benefits to 2 in 7 (30 percent) American Indian and Alaska Native households in North Carolina in 2013, 11,733 households.
- Social Security provided benefits to 1 in 8 (12.4 percent) Asian American, Hawaiian Native, and Pacific Islander households in North Carolina in 2013, 8,668 households.

Social Security Works for North Carolina's Rural Communities

- One-quarter (24.4 percent) of rural or non-metropolitan North Carolinians received Social Security in 2014, compared with 1 in 5 (18.4 percent) metropolitan North Carolinians.

Medicare Works for North Carolina's Residents and Economy

- 1,568,429 North Carolinians received Medicare benefits in 2012—1 in 6 state residents.
- Medicare provided \$14.1 billion in benefits to North Carolinians in 2009—23.4 percent of all health care spending in the state. The average expenditure per Medicare beneficiary was \$9,836 [Figure 1 in full report].

Medicare Works for North Carolina's Seniors and People with Disabilities

- 1,251,452 of North Carolina's 1,568,429 Medicare beneficiaries were aged 65 or older in 2012—7 in 9 beneficiaries.
- 351,399 of North Carolina's 1,568,429 Medicare beneficiaries were people with disabilities in 2012—2 in 9 beneficiaries.

Medicaid Works for North Carolina's Residents and Economy

- 1,501,300 North Carolinians received Medicaid benefits in 2013—1 in 7 state residents.
- A total of \$11.9 billion in Medicaid benefits were paid to North Carolinians in 2013. In 2009, Medicaid spending was 19.1 percent of all health care spending in the state. The average expenditure per Medicaid beneficiary in 2013 was \$7,936 [Figure 1 in full report].

Medicaid Works for North Carolina's Seniors, People with Disabilities and Long-Term Care Recipients

- 187,300 of North Carolina's 1,501,300 Medicaid beneficiaries were aged 65 or older in 2011—1 in 10 beneficiaries.
- 334,200 of North Carolina's 1,501,300 Medicaid beneficiaries were people with disabilities in 2011—1 in 6 beneficiaries.
- Medicaid provided \$2.3 billion in long-term care benefits for North Carolina residents in 2013. In 2011 Medicaid provided nursing home care for 24,908 nursing home residents, two-thirds of state residents enrolled in nursing homes.