

# Executive Summary

## Public Health & Wealth in Post-Bankruptcy Detroit

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**THE CITY OF DETROIT** is an iconic example of how the predispositions of the US economic and public health systems and welfare capitalism can fail individuals, communities and cities. The city showcases how the whim of capital and governments generates economic instability, economic revitalization, persistent racialized and class injustice, physical and psychological distress on community health, and hardens and reorganizes old and new inequities.

Our report, *Public Health & Wealth in Post-Bankruptcy Detroit* discusses how the declining wealth and health of ordinary Detroiters has most recently been felt by their suffering in relation to safe, affordable, and available water and the housing crisis. Specifically, this report explores the paradox and potential of Medicaid Expansion (or the Healthy Michigan Plan) for Detroiters in the aftermath of the city's bankruptcy. The paper examines efforts at leveraging health equity, via Medicaid Expansion, within the backdrop of toxic policies of water and housing insecurity, experienced by Detroit residents.

### The Healthy Michigan Plan

The Healthy Michigan Plan, particularly in relation to Detroit, can be viewed in at least three critical ways. First, Medicaid Expansion has been a way for the federal (and state) government to increase access to medical care to vulnerable communities in Detroit who have recently (and historically) experienced economic crisis (in housing, social services, water, education and work). Second, Medicaid Expansion has been a way for federal funds to be infused into states and distressed municipalities. Third, Medicaid Expansion has been a way for the Michigan Legislature to pursue a neoliberal pro-healthcare industry austerity program via federal funds. Michigan legislators have managed to change federal Medicaid rules by including legislation that has vulnerable populations demonstrate more "skin in the game" and "personal responsibility." Thus low-income people and communities of color in the city are expected to be prudent price-conscious consumers in order to bring down costs for government and industry.

### Structural Violence and Health

Borrowing from and building upon the works of several scholars, the report uses the term structural violence to describe a political, economic, social and psychological processes that severely compromises individual and community health and opportunity. Structural violence is also used in this report to connect what is deliberately compartmentalized as clinical and non-clinical aspects of life. And, to propose, like many others, that the health of individuals or communities suffer when systematic policies around work, housing, lending, redlining, reverse redlining, foreclosures, state and private violence, unemployment, social exclusion, mass incarceration, neighborhood safety and investments, water and sanitation equity, and transportation deepen vulnerability to illness. The social traumas experienced by residents of Detroit due to the water and housing crisis is an example of structural violence.

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The full report "Public Health and Well-Being in Post-Bankruptcy Detroit" is authored by Suparna Bhaskaran, edited by Wendy Ake, and published by the Haas Institute for a Fair and Inclusive Society, November 2017. Find this executive summary, the full report and others in this series at [haasinstitute.berkeley.edu/just-publicfinance](http://haasinstitute.berkeley.edu/just-publicfinance)

#### Contact

460 Stephens Hall  
Berkeley, CA  
94720-2330  
Tel 510-642-3326

## Water and Well-Being

Mass water service shut offs and fee hikes are not something new for Detroit city residents. Additionally, residents have been subjected to a range of unfair and aggressive bill collection practices that are deeply linked to the conditions set forth by the bankruptcy process and the restructuring of the Great Lakes Water Authority.

The city of Detroit, like many US cities, experiences enormous regional variation and disparities in water and sewer services. Higher rates are often associated with segregated spaces with low-income residents and communities of color, uneven divestment, and depopulation. In Detroit, the fixed costs of water infrastructure coupled with decreased demand for water/sewage service contribute to rising water rates for a disenfranchised segregated population.

Water is a major component of human bodies and removing needed consumption can interfere with temperature regulation, metabolism, the flushing of waste/toxins, hydration and many important functions. Preventable issues such as dehydration, stroke, seizures and the protection of organs, bones, muscle and blood depend upon a regular intake of accessible clean water. Such preventable conditions can add to one's disease burden, quality of life, and mortality including if a person is already ill with a chronic or life threatening condition or disability. Water, especially clean water, is needed to drink, cook, flush and clean toilets, clean bodies, clean human waste, external and internal wounds, clothes, food and homes. If water is not accessible for any one of these purposes individuals have to expend time to find them at the cost of not doing other activities (school, work, or taking care of loved ones).

Lack of water limits individual and community access to hygiene and sanitation. And much has been studied and written about both nationally and globally about the costs of lack of sanitation and hygiene. Lack of wastewater disposal and treatment and ability to maintain personal hygiene can negatively impact children's experiences at school and adult experiences at work (or gaining employment). Furthermore, not having access to hygiene can increase personal stigma and powerlessness -- which exacerbates economic and health inequalities. Some residents have remarked that homes with blue marks imprinted on the front of their sidewalks indicating that water has been shut off in that home, highlights shame for the homeowner and targets the home for potential

**“Water should be a human right. You know, you can't live without water. You have to worry about where you're going to shower when you go to work. How can you cook your food if you don't have water to rinse it off, or to wash your pots and pans? You can't wash your clothes...and there are people being shut off who have children.”**

Rhonda, Detroit resident

foreclosure and crime. Individuals have to contend with how to clean their own human waste, hands and how not to spread to others. Girls and women have to deal with additional stigma of how to deal with menstrual blood. Residents with physical disabilities or elders have more barriers added to their everyday lives accessing water.

Since 2005 Detroit has also linked unpaid water and sewage bills to property taxes. When residents and homeowners are unable to pay their water bill and property taxes this can lead to foreclosure, abandonment of property, and depopulation.

## Housing and Health

The compounding effects of redlining and blockbusting (in the 1940s and 1950s), and reverse redlining (in the 1990s and 2000s) on low-income communities of color in Detroit residents have forcefully contributed to foreclosures, vacated properties' loss of people, equity and health. Among all US cities, in 2007 and 2008, Detroit topped the rates of national home foreclosures. By 2010 Detroit had a housing vacancy rate of 23%.

Institutionalized geographical and racial segregation increases community isolation, exclusion from quality social services, and surveillance/policing by the criminal justice system. Isolation, systemic indifference, and hyper-surveillance deepen

individual and community poverty. In addition to the stripping away of the social safety net and infrastructure, forcibly segregated communities are divested of wealth and opportunity-building resources such as quality reliable transportation, housing and educational security, meaningful work opportunities, and nutritious food. This kind of turbulent and insecure relation to one's place, neighborhood and arena of safety takes an extraordinary toll on one's well-being.

With higher numbers and rates of vacancy and abandonment, residents are forced to face isolation, fear and anxiety for one's safety, stigma and helplessness, and loss of neighborly interaction and ties. Studies have indicated that vacant and abandoned neighborhoods produces spaces where there is elevated risk of fires and property damage, increase in stigmatized and unauthorized economies, fewer people taking walks, increased dumping and build up of trash and animals searching through trash.

## Conclusion

Close to a million people in Michigan depend upon the Affordable Care Act for health insurance with significant financing from the federal government. Detroit and Wayne County residents have some of the highest enrollments in the Healthy Michigan (175,000 in Wayne County enrolled in Healthy Michigan Plan). The net effect on the

state budget has been estimated to be \$553.9 million in FY 2016.

Michigan stands to lose \$3.4 billion in federal funds and cuts in jobs in hospitals, clinics, construction and retail associated with the Healthy Michigan Plan. The state also stands to lose tax revenue from insurance companies and hospitals (estimated at \$194 million in FY 2016). The defunding of Planned Parenthood will disproportionately impact low-income women of color in Detroit and severely effect women's health services (including cancer, HIV, and STI screenings and prevention, reproductive health services, free birth control, and LGBT health services). 65% of Planned Parenthood patients in Michigan are low-income.

While Medicaid Expansion does provide increased coverage and access to much needed acute and preventative clinical care and relief to state and hospital budgets it is primarily conceptualized as an austerity-based biomedically oriented and financed response to community wellbeing. The plan exists without a robust relationship to social services that can address health impacted by the material conditions of vulnerable Detroiters.

Our report *Public Health & Wealth in Post-Bankruptcy Detroit* concludes by looking at programs that have a more expansive understanding of health, the places where wellbeing can flourish, and modified financing models, that could provide more equitable road maps to equity.