

TX Legislature Must Reduce the Uninsured Rate in the 2021 Session: *A Brief Overview of the Challenges and Policy Options*

Texas has the highest uninsured rate in the nation for children, adults, and women of childbearing age — and it's getting worse.

- The uninsured rate for Texas **children** was 11.2 percent in 2018, an increase from 10.7 percent in 2017.¹ That rate is much worse than the national average of 5.5 percent. The recent decline in the number of Texas children enrolled in Medicaid/CHIP — dropping by nearly 209,000 kids from Dec. 2017 to Oct. 2019 — is a big reason why the uninsured rate for Texas children is getting worse.²
- The uninsured rate for Texas **adults and children** combined was 17.7 percent in 2018, an increase from 17.3 percent in 2017. The Texas uninsured rate was more than twice as high as the national uninsured rate of 8.5 percent. Just over five million Texans were uninsured in 2018. The uninsured rate for Texas **women** of childbearing age was 25.5 percent in 2017, double the national average of 12.3.³

Because the high uninsured rate is in large part a result of state policies, it includes Texans of many different backgrounds and in many different communities.

- From Longview to McAllen to Amarillo and beyond, **all of the state's top 25 metro areas** have a worse uninsured rate than the nation as a whole.
- The vast majority of uninsured Texans are **U.S. citizens**. If all non-citizens (both lawfully present and undocumented) were removed from the Texas uninsured data, the state's uninsured rate would be 12.6 percent, still much higher than the national average of 8.5 percent and still the largest number of uninsured in the U.S.⁴
- In Texas, the children's uninsured rates for **White (non-Hispanic), Black, Hispanic, Native American, and Asian children** are all higher than the national uninsured rate for children.⁵
- Other **border states** have much lower children's uninsured rates than the Texas rate of 11.2 percent: Arizona (8.4 percent), California (3.1 percent), and New Mexico (5.3 percent).⁶

Many low-wage jobs do not offer health insurance, so Medicaid policy is a key part of the solution. Uninsured workers — with or without children — typically are NOT eligible for Medicaid under Texas policy, while uninsured children often ARE eligible for Medicaid/CHIP but encounter bureaucratic barriers.

- Many **adults** working as child care teachers, cashiers, home health aides, or in other low-wage jobs do NOT receive job-based insurance for themselves or their kids; do NOT earn enough to purchase private insurance; and do NOT qualify for Affordable Care Act (ACA) insurance subsidies designed for individuals above the poverty line. They typically do not qualify for Medicaid insurance, which Texas largely limits to kids, pregnant women, seniors, and people with severe disabilities. The ACA was intended to cover them through Medicaid expansion, but Texas has not accepted that funding.
- Of the state's 873,000 uninsured **children**, at least 275,000 — and likely more — are eligible for Medicaid or CHIP.⁷ That means that Texas could significantly reduce the rate of uninsured children by improving outreach and reducing red tape that removes eligible children from Medicaid.

The high uninsured rate has serious consequences. Research shows that when people have insurance, they are healthier and less likely to die prematurely.⁸

- The high uninsured rate undermines Texas' efforts to address **mental health, maternal and infant health, substance use disorders**, and other challenges.
- There is a valuable patchwork of services for the uninsured, including community health centers, but it's often too little, too late. Many charity providers can't keep up with demand. Care is unavailable in many counties, especially rural ones. Many services — such as cancer treatment, kids' eyeglasses, support for chronic diseases, and specialty care — are often **available only to Texans with insurance**.
- Uninsured individuals typically **wait longer** to seek medical care⁹, leading to worse health outcomes and higher costs for families and taxpayers, and are less likely to see a health care professional.¹⁰
- When children and others cycle on and off of insurance plans and bounce around to different care providers, they **miss out on consistent care** and regular checkups they need for healthy outcomes. This fragmented care also creates costly duplication of health care and avoidable administrative costs.

The 2019 Texas Legislature did NOT pass any bills to reduce the uninsured rate, but momentum is building to address health coverage in the 2021 session. The House and Senate both have interim charges directing committees to study ways to reduce the uninsured rate.

- In 2019, the postpartum **maternal health** coverage bill, HB 744, passed the House on a vote of 87-43 but did not come up in the Senate. A version of the **children's health** coverage bill passed the House as an amendment but did not come up in the Senate. The House voted down **Medicaid expansion** as a budget amendment on a vote of 66-80. The Legislature did pass bills to improve insurance for Texans who already have coverage.
- Kaiser Family Foundation-Episcopal Health Foundation polling in 2018 found that **87 percent of Texans** believe that increasing access to health insurance is either a top priority or important and that 64 percent support Medicaid expansion, similar to other Texas polls.

Reducing the uninsured rate must be a priority for the 2021 legislative session, and we urge state leaders to describe their plans for addressing this challenge. Here are some ways that the Texas Legislature could reduce the uninsured rate in 2021.

- Restore the state's **outreach** and application assistance efforts to connect more eligible children to health coverage.
- Fix the state's inaccurate system for reviewing children's Medicaid eligibility mid-year and ensure children who are still eligible for Medicaid are no longer mistakenly removed from health coverage due to red tape.
- Extend Medicaid insurance to cover uninsured **mothers** for 12 months after childbirth, rather than the current 2 months.
- Expand health coverage as part of a renegotiation of the federal **1115 Medicaid Waiver**.
- Accept federal **Medicaid expansion** funding to cover uninsured low-wage Texans.

¹ Unless otherwise noted, all uninsured data are from the U.S. Census Bureau.

² <https://hhs.texas.gov/about-hhs/records-statistics/data-statistics/healthcare-statistics>, accessed January 8, 2020.

³ <https://cct.georgetown.edu/wp-content/uploads/2019/05/Maternal-Health-3a.pdf>

⁴ Analysis by the Center for Public Policy Priorities (CPPP) using U.S. Census Bureau data.

⁵ <https://covertexasnow.org/posts/2019/12/6/high-tx-uninsured-rate-includes-texans-of-all-backgrounds-and-communities>

⁶ <https://cct.georgetown.edu/wp-content/uploads/2019/10/Uninsured-Kids-Report.pdf>

⁷ Analysis by CPPP using data from the U.S. Census Bureau and the Migration Policy Institute.

⁸ <https://www.nber.org/papers/w26533>

⁹ <https://www.kff.org/uninsured/report/the-uninsured-and-the-aca-a-primer-key-facts-about-health-insurance-and-the-uninsured-amidst-changes-to-the-affordable-care-act/>

¹⁰ <https://www.macpac.gov/wp-content/uploads/2015/11/EXHIBIT-44.-Use-of-Care-among-Non-Institutionalized-Individuals-Age-19%E2%80%9364-by-Primary-Source-of-Health-Coverage-2018-NHIS-Data.pdf>