

Devastating Impact of High Uninsured Rate on Texans and Our Economy

Testimony to the Texas House County Affairs Committee: Interim Charge #8

Interim Charge #8: Examine factors that contribute to inequitable physical and behavioral health outcomes, and to declining health insurance coverage among Texans. Evaluate impacts on the state economy, county and local government budgets, rural hospitals, and safety-net providers.

Background

Texans want kids and families to be healthy.

We want our fellow Texans to get the health care they need to address concerns like depression, a lump that could be cancer, a second grader's ear infection, or a toddler's speech delay. And we want them to get that help early – when care is often cheaper and more effective – instead of waiting until things get worse.

Amid the current pandemic and economic meltdown, we also want our neighbors to be able to quickly seek medical attention for COVID if they need it. And we want some financial stability for the waiters and small business owners who have lost jobs, work hours, or sales.

But we know that these goals will remain out of reach for many Texans if they don't have access to health insurance.

Unfortunately, before COVID struck, Texas already had the highest [uninsured rates](#) in the nation for children, adults, and women of childbearing age, with those rates headed in the wrong direction over the last two years. The problem continues to grow during the pandemic and recession. According to one [recent estimate](#), the Texas uninsured rate has climbed to 29 percent for nonelderly adults during the pandemic, the worst rate in the nation, with an additional 659,000 uninsured Texans.

The high uninsured rate affects Texans of all backgrounds in every Texas community. Yet, there are significant racial disparities when it comes to health insurance access.

Because of state policy decisions, there is a high uninsured rate in [every Texas community](#) — from [Longview to McAllen to Amarillo](#) and beyond — and among Texas children of every [racial/ethnic background](#). The [Texas children's uninsured rates](#) for White, Black, Hispanic, Native American, and Asian children are ALL higher than the national uninsured rate for children. At the same time, there are significant [racial disparities in Texas](#) when it comes to access to health insurance, infant mortality, coronavirus, and more.

Black Texans face [higher risks](#) of infant mortality, low birth weight, maternal mortality, and other tragic health outcomes compared to other Texans. The coronavirus pandemic has also placed Texans of color at [greater risk](#) than other Texans. One of the [reasons for these health disparities](#) is the lack of access to health insurance. In Texas, there are big gaps between the [uninsured rates](#) for White adults (15%), Black adults (23%), and Hispanic adults (38%) under age 64.

The uninsured rate affects counties, local governments, and local taxpayers.

As the uninsured rate rises, counties and local governments often absorb the cost. Local taxpayers and health providers pay for health care through increased uncompensated care costs and County Indigent Health Care Programs. By adding to uncompensated care costs, county budgets are stretched even further and providers like rural hospitals are put at greater risk of closure, resulting in great harm and cost to local communities.

Policy Steps Needed

- 1) **Improve children's health insurance coverage by ending [inaccurate mid-year eligibility reviews](#) in Children's Medicaid after the federal public health emergency ends.** Instead of inaccurate mid-year reviews, Texas should rely on the accurate annual reviews to confirm eligibility to make sure eligible kids keep their insurance for a full year.
- 2) **Extend Medicaid coverage for new mothers from 60 days to one year postpartum, as recommended by Texas' Maternal Mortality & Morbidity Review Committee.** Maternal deaths and pregnancy complications remain a significant concern in Texas, resulting in tragedy and long-term health issues for many mothers and children and higher financial costs for the state. Between 2012 and 2015 in Texas, the majority of maternal deaths occurred more than 60 days postpartum. Texas is one of the only states where Medicaid insurance is typically not available to women with jobs below the poverty line, except during their pregnancy and 60 days after

childbirth. Prior to the coronavirus pandemic, 1 in 4 Texas women of reproductive age was uninsured, the worst rate in the nation.⁴ And now many more Texans have become uninsured. Improving access to Medicaid insurance has been associated with increased use of postpartum outpatient care that is critical to a new mom's health, particularly for women who have had pregnancy complications.

3) Reduce the uninsured rate by expanding Medicaid to cover essential workers – such as grocery store workers and child care teachers – and other low-wage Texas adults, including those who have lost jobs or work hours due to COVID.

- Medicaid expansion would provide an insurance option to 2.2 million uninsured low-wage Texas adults, according to pre-pandemic estimates. Over half of the [2.2 million](#) Texans are in the Coverage Gap, meaning they are below the poverty level with no insurance options. The other nearly 1 million people are between the poverty level and 138% of the line.
- Reducing the uninsured rate is critical for [detecting and stopping cancer](#), [supporting healthy moms and babies](#), [managing mental health challenges](#), [treating substance use disorders](#), and [addressing other health needs](#). [Research](#) shows that when people have insurance, they are healthier and less likely to die prematurely. Uninsured individuals typically [wait longer](#) to seek medical care, leading to worse health outcomes and higher costs for families and taxpayers, and they are [less likely](#) to see a health care professional.
- Pumping billions of Medicaid expansion dollars into Texas would help reboot our struggling state economy, help rural hospitals stay open, create jobs, and take pressure off of property taxes. By implementing Medicaid expansion, Texas would draw down [\\$10 billion or more per year](#) in federal health funding. The funding would help the economy recover from the current recession. It would create – [and save](#) – health care jobs. (A [2013 study](#) estimated it would generate 231,000 new Texas jobs by 2016.) It [could prevent](#) more [closures of rural hospitals](#). It would reduce the need for local governments to [use property tax revenue](#) to provide health care services to uninsured residents. It would also cut down the amount of uncompensated care that hospitals provide. These are some of the reasons that [so many](#) Texas leaders from the business community, local government, and other sectors have endorsed Medicaid expansion.
- Medicaid expansion has been a big success in other states. This recent [Kaiser Family Foundation report](#) summarized over 400 studies of Medicaid expansion, concluding that expansion has been a success – in many ways – in the states that have implemented it. For example, residents of those states have seen better overall health outcomes, more financial security, and less medical debt. [Voters in Oklahoma](#) and [Missouri](#) have chosen to accept federal Medicaid expansion funding. Texas is one of only 12 remaining states where there is [essentially no health insurance option](#) for working age adults below the poverty line who do not receive insurance from their employers.

