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CENSUS DATA SHOW BIG INCREASE IN TEXAS UNINSURED IN 2009

TEXAS HAS THE MOST TO GAIN AS HEALTH REFORM IS IMPLEMENTED

New data released today by the U.S. Census Bureau show that in 2009, Texas remained the state with the highest uninsured rate in the nation at 26.1 percent. The total number of uninsured Texans is 6.4 million people. The impact of the global recession reached Texas fully in 2009, resulting in a steep rise in the state's unemployment rate, adding to the Texas uninsured population. Working-age adults saw a drop in coverage through employer-sponsored insurance—a long-term trend made worse by the recession. Despite growth in the total uninsured population in Texas, the number of uninsured children actually declined. Children, like adults, continued to lose coverage through employer-sponsored insurance, but increased coverage through public programs like CHIP and Medicaid more than made up for that loss, showing the invaluable role of access to these programs for low-income children. With so many Texans lacking health security, Texas has more to gain than other states from national health reform legislation. A companion book of charts, [Texas Highlights of the New Health Insurance Coverage Data](#), provides an in-depth look at the data.

The Texas Uninsured Rate Remains the Worst in the Nation

U.S. Census data show that Texas remains the state with highest percentage of residents who lack health insurance—26.1 percent in Texas compared to the national average of 16.7 percent. In all, 6.4 million Texans were uninsured for the entire year of 2009, an increase of about 349,000 individuals over the previous year's Census estimate—enough people to more than fill UT's Darrell K. Royal Texas Memorial Stadium three times over.

If Texas could reduce its uninsured rate from 26.1 percent to 16.7 percent to match the national average, another 2.3 million people in Texas would be covered.

Texas Still in Last Place for Kids' Coverage, but the Safety Net is Working

Texas also remains in last place for coverage of children for the 11th consecutive year, with about 17.4 percent or 1.3 million children lacking insurance in 2009. Texas has more uninsured children than California (1.1 million) even though California has more total children, because the uninsured rate for California children is much lower than Texas (11.2 percent in California versus 17.4 percent in Texas).

Despite growth in the total uninsured population in Texas, the number of uninsured children actually declined from 1,331,000 to 1,275,000. Just like adults, children continued to lose coverage through employer-sponsored insurance, but increased coverage through public programs like CHIP and Medicaid more than made up for that loss. A combination of higher recession-driven eligibility and notable improvements in the Medicaid and CHIP eligibility and enrollment system yielded a substantial increase in children's Medicaid and CHIP enrollment. In the last half of 2009, Texas' enrollment system reduced delays, errors, and backlogs, allowing the children's insurance safety net to perform as it should and helping families in need during hard economic times. When the Texas Legislature begins working on the next state

budget starting this January, it must continue to remove red tape and adequately staff the Texas enrollment system to maintain the progress made for kids and prepare for the health reform Medicaid expansion in 2014.

Texans Continue to Lose Job-based Health Insurance

The share of Texans who get health insurance coverage through jobs continued to shrink as employers and workers struggle to afford premiums. The increase in uninsured Texans was primarily due to a drop in job-based coverage, mirroring the nationwide trend. About 48.2 percent of Texans got health insurance coverage through their job, or a parent or spouse's job in 2009. This is down from 49.5 percent in 2008, and is more than 7 percentage points below the national average of 55.8 percent.

The percentage of Texans covered by job-based health insurance has declined from 57.4 percent in 2000 to 48.2 percent in 2009. The decline of employer-sponsored health insurance is a long-term trend made worse by the recession. Some policies have been enacted to help mitigate this freefall. Temporary COBRA subsidies passed as part of the federal Recovery Act buffered the loss of some job-based coverage in 2009, but the subsidies expired on June 1, 2010.¹ New small employer tax credits passed as part of health reform start in 2010, which will help eligible small employers maintain their coverage, and may help some small employers begin offering new coverage. In 2014, health reform will create affordable, accessible options for people who lack employer-sponsored insurance.

Texas' High Uninsured Rate Driven Primarily by U.S. Citizens

Immigrants in Texas were uninsured at higher rates than U.S. citizens, but uninsured U.S. citizens are the primary cause of Texas' high uninsured ranking. Even if you remove all non-citizens in Texas in 2009 from the newly released data, Texas would still have had the second worst uninsured rate in the country—and that is comparing Texas' uninsured rate among U.S. citizens to all the other states with immigrants still included in their rates.

Non-citizens, both legal and undocumented immigrants, account for only one-fourth of Texas' uninsured population.

National Health Reform Benefits Texans

The steep decline in employer-sponsored insurance and the protective role of Medicaid illustrate the critical importance of the new federal health reform law. With 26 percent of Texans of all ages uninsured, Texas stands to gain more than any other state from the new law. Based on this new data and the coverage estimates from the nonpartisan Congressional Budget Office, roughly 5 million of the 6.4 million uninsured Texans would gain coverage through reform.

The following provisions that expand access to coverage take effect this year.

- **Already in place:** the Pre-existing Condition Insurance Plan provides coverage for people with pre-existing conditions who have been uninsured for six months or longer.
- **Beginning September 23, 2010:** young adult children can stay on their parent's policy until their 26th birthday, regardless of whether they are married or a full-time student, unless the child is eligible to enroll in other employer-sponsored coverage.
- **Beginning September 23, 2010:** insurers are prohibited from denying an application for coverage of a child based on the child's pre-existing condition, and insurers cannot exclude coverage of medical services to treat a child's pre-existing condition.

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- **For 2010 tax year:** tax credits of up to 35 percent of an employer's cost of coverage are available to help eligible small businesses afford insurance. In Texas, 249,000 small businesses, or 81 percent of small businesses, are eligible for tax credits this year.²

Starting in 2014, health reform creates viable, affordable coverage options for people who lack access to job-based insurance. Provisions that enable significant expansion beginning in 2014 include:

- A Medicaid expansion for U.S.-citizen adults up to 133 percent of the federal poverty level (\$14,404/year for a single person; \$29,327/year for a family of four). Today, Texas Medicaid does not cover most parents or adults without children. About 1.3 million of today's currently uninsured Texas adults would qualify for this coverage.
- Uninsured individuals and families with incomes above the Medicaid limit and up to 400 percent of poverty (\$43,320 for a single person, \$88,200 for family of four) can purchase insurance through a new health insurance exchange, and would be protected from having to spend more than a predictable percentage of their income on the premium (ranging from 2 percent to 9.5 percent). About 2.5 million of today's currently uninsured Texans would qualify for this help, and no state matching dollars are required. Another 758,000 uninsured Texans with higher incomes could buy coverage through the new exchange, but without premium assistance.
- Insurers cannot deny coverage to individuals or small businesses or charge them more based on health status or pre-existing conditions.

For more information on how Texas will benefit from national health reform, see *Policy Page* "[What Every Texan Should Know About Health Reform](#)."

Upcoming Data Releases on Poverty and the Uninsured

As noted, the U.S. Census March Current Population Survey (CPS) uninsured estimates are designed to count Texans who were uninsured for the entire calendar year, and to be accurate at the national and statewide levels. On September 28, 2010, the Census Bureau will release data from a different survey, the American Community Survey (ACS), which is designed to capture Texans who were uninsured at the time of the survey (rather than for an entire year). The ACS data will also provide estimates of poverty and income. Unlike the CPS, the ACS data will include estimates at the sub-state level, including larger counties (65,000+ people) and all metro areas, providing insight into the large variations in uninsured rates across our state. For more information on how to use these different data sources and how CPPP plans to analyze them, see *Memorandum* "[What Is the New Census Data About Anyway?!](#)"

Endnotes

¹ U.S. Department of Treasury, *Interim Report to The Congress on COBRA Premium Assistance*, June 2010, www.ustreas.gov/offices/tax-policy/library/COBRAInterimReport.pdf.

² Families USA and Small Business Majority, *A Helping Hand for Small Businesses, Small Business Tax Credits*, July 2010, www.familiesusa.org/assets/pdfs/health-reform/Helping-Small-Businesses.pdf.

The Center for Public Policy Priorities (CPPP) is a nonpartisan, nonprofit policy institute committed to improving public policies to better the economic and social conditions of low- and moderate-income Texans.