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NEW CENSUS DATA SHOW TEXAS' UNINSURED RATE TOPS NATION

HEALTH REFORM GAINS MODEST UNTIL 2014

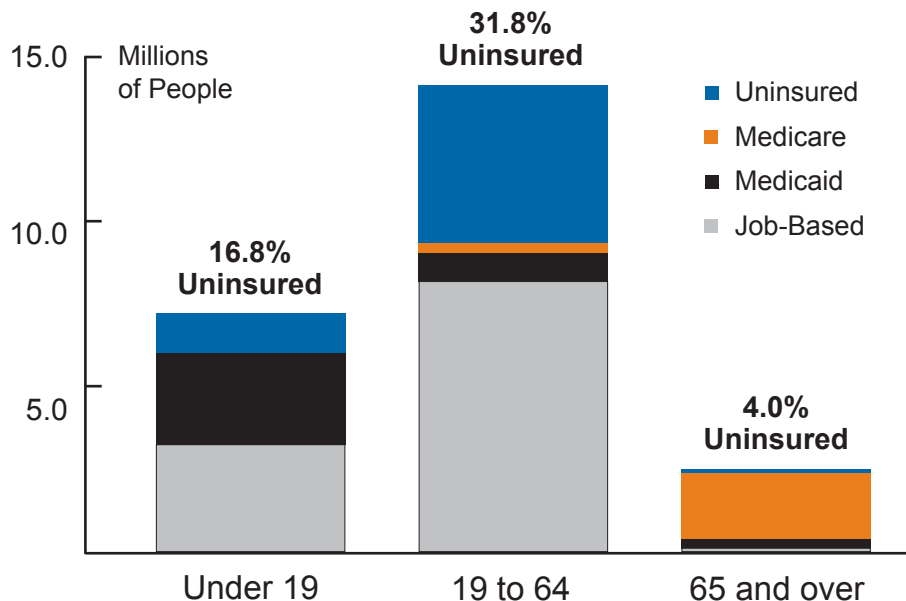
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The latest data released today from the U.S. Census Bureau's Current Population Survey show that in 2010, Texas remained the state with the highest uninsured rate in the nation at 24.6 percent. The total number of uninsured Texans is 6.2 million people, roughly 250,000 fewer than in 2009.

For the third year in a row, the global recession drove up Texas' unemployment rate—nearly doubling from 4.4 percent in 2007 to 8.2 percent in 2010—adding to Texas' uninsured population. Working-age adults saw a small increase in coverage through job-based insurance—a slight reverse in a long-term trend made worse during the recession. In contrast, children continued to lose coverage through their parents' job-based insurance. A significant positive note for Texas was the decline for a second consecutive year in the number and percent of uninsured children. This improvement is largely due to more children signing up for Medicaid and CHIP's public insurance (which more than made up for the loss in job-based coverage), showing the essential role of these programs in protecting children during economic hard times. That our state's uninsured rate did not worsen and may have improved slightly in the same year that poverty increased and median incomes declined is a modest but welcome bit of good news.

Texas again
claims the highest
uninsured rate in
the nation with
24.6 percent
uninsured in
2010.

Working-Age Texans Twice as Likely as Children to be Uninsured



Source: CPS Table Creator, 2011 ASEC.

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If Texas could match the national average of uninsured (16.3 percent), another 2.1 million Texans would be covered.

National health reform laws have softened the blow by providing new and protecting existing coverage for thousands of Texans in 2010. The new [Pre-existing Condition Insurance Plan](#), extended coverage of dependents through their 26th birthday. Health reform also ended denials of coverage for children with pre-existing conditions, instituted small employer tax credits, and reduced premiums for early retirees' health plans. Changes to make coverage affordable for millions more Texans will start in 2014.

A companion book of charts, [Texas Highlights: New Census Health Insurance Coverage Data for 2010](#), provides an in-depth look at the data.

Texas Uninsured Rate Worst in the Nation

U.S. Census data show that Texas remains the state with the highest percentage of residents who lack health insurance—24.6 percent in Texas compared to the national average of 16.3 percent. In all, 6.2 million Texans were uninsured for the entire year of 2010, a decrease of about 250,000 individuals over the Census estimate for 2009.

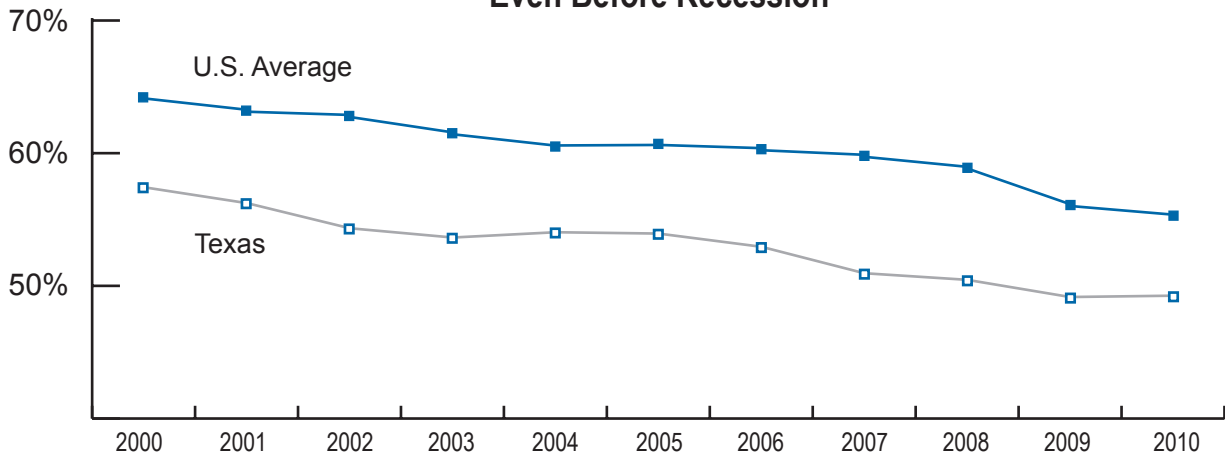
If Texas could reduce its uninsured rate from 24.6 percent to 16.3 percent to match the national average, another 2.1 million people in Texas would be covered.

Texans Lose Job-based Health Insurance

The share of Texans who get health insurance coverage through work slightly increased from 2009 to 2010 even as employers and workers alike struggled to afford premiums. About 49.2 percent of Texans got health insurance coverage through their own job, or a parent or spouse's job in 2010, up from 48.2 percent in 2009, though it is still more than 6.1 percentage points below the national average of 55.3 percent.

Looking across the last decade, the percentage of Texans covered by job-based health insurance has declined from 58.3 percent in 2000 to 49.2 percent in 2010, and mirrors a long-term national trend that moderated only slightly in years when

Job-Based Coverage On the Decline in Texas and U.S., Even Before Recession



Source: U.S. Census Bureau's Current Population Survey, Historical Table H1A-4

Texas remains in last place for children's health coverage for 12 straight years.

economic indicators were stronger, and has been made worse by the recession. As the chart above shows, Texas started out well below the national average, and has remained near the bottom for over a decade. Texas' low rates of job-based coverage have been the top reason for our last-place ranking in insurance coverage over the years. In 2014, health reform will dramatically increase affordable options for both small employers and families who lack employer-sponsored insurance.

Texas Consumers Don't Pay "Average" Health Insurance Prices

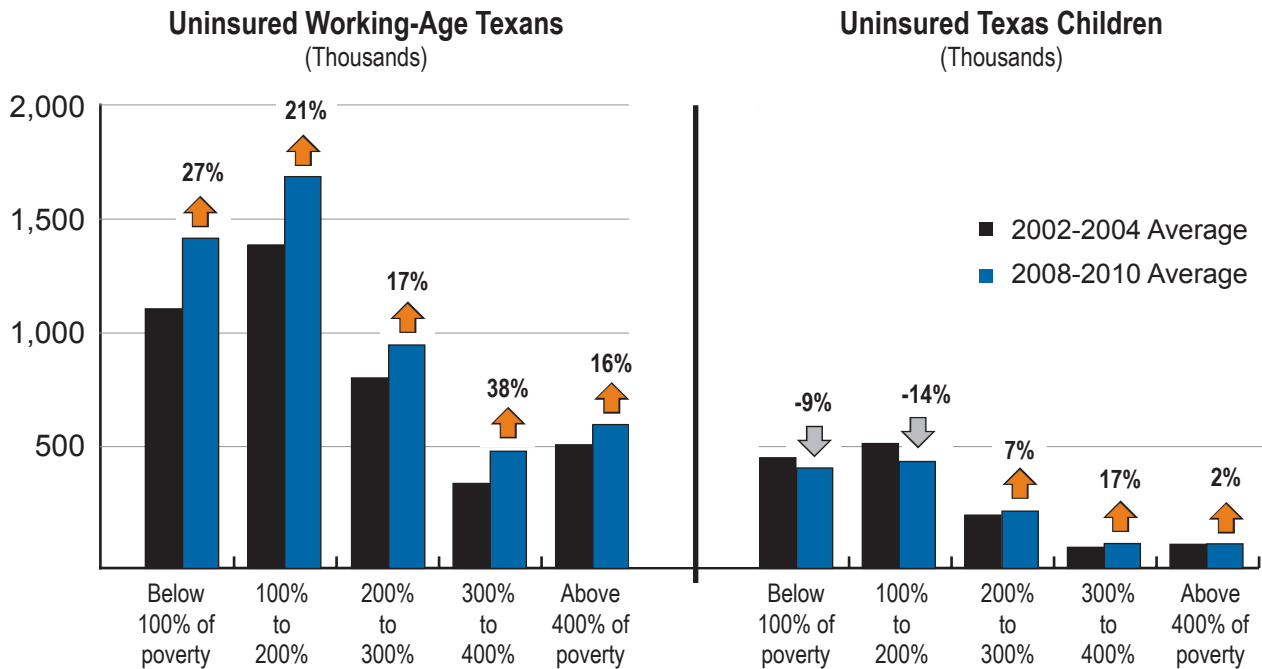
As the charts on the next page illustrate, Texas' uninsured numbers are growing fastest above three times the poverty line. Health insurance premiums are unaffordable for many middle-income Texans—even those for whom the average annual cost of \$13,000 to \$14,000 per family might be affordable—in large part because no Texan is guaranteed access to an average price. Texas law currently leaves the price of health insurance almost completely unregulated, with premium rates for individual policies (those bought directly from the insurer) and group coverage for employers with more than 50 workers completely unregulated. For small employer group coverage (2 to 50 workers), price regulation is so limited that in 2006 (the most recent year for which the Texas Department of Insurance has [released data](#)), Texas insurers reported their average per-worker premium was \$3,850, but the average high-end premium they were charging was over \$22,000 per worker. The Texas median household income (half of Texans are above, half below) for 2010 was \$47,469, so even if a family at the median could access the \$14,000 average family-premium price it would represent 29 percent of the family's income. Given that so many families face the higher premiums that are actually charged, it is easy to see why coverage is out of reach for so many more Texas workers and employers every year.

Silver Lining: Kids' Coverage Improves due to Medicaid and CHIP's Safety Net

Texas also remains in last place for coverage of children for the twelfth consecutive year, with about 16.8 percent or 1.2 million children lacking insurance in 2010.¹ Texas has about the same number of uninsured children as California (1.1 million) even though California has many more total children, because the uninsured rate for California children is so much lower than here (11.1 percent in California versus 16.8 percent in Texas).²

The continued decline in the number of uninsured Texas children—from 1,447,000 pre-recession to 1,282,000 post-recession³—is the silver lining to a very cloudy uninsured rate for Texas adults. Texas children continued to lose coverage through job-based insurance in 2010, but increased coverage through Medicaid and CHIP more than made up for that loss, and the result is a second year of improved coverage for our children. A combination of higher recession-driven eligibility and continued improvements in the Medicaid and CHIP eligibility and enrollment system yielded a substantial increase in children's Medicaid and CHIP enrollment. Since late 2009, Texas' enrollment systems have substantially reduced the delays, errors, and backlogs that troubled the systems from 2006 to 2008, which has allowed the children's insurance safety net to perform as it should to help families in need during hard economic times.

Middle- and Higher-Income Texans Had Largest Percent Increases in Uninsured; Lower-Income Children Gain Access Through Medicaid and CHIP



Source: U.S. Census Bureau, CPS Table Creator, 3-year average uninsured rate for Texans ages 19-64 and for children under 19.

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

Non-citizens, both legal and undocumented immigrants, account for about one-fourth of Texas' uninsured population. Immigrants in Texas are more likely as a group to be uninsured 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 2009-10 from the newly released data, Texas would still have had the third worst uninsured rate in the country at 21 percent uninsured—and that is comparing Texas' uninsured rate among U.S. citizens to all the other states with immigrants still included in their rates.

National Health Reform Helped Texans in 2010; Big Coverage Gains Start in 2014

The lack of job-based insurance and the protective role of Medicaid and CHIP for Texas children illustrate the critical importance of the new federal health reform law. With 24.6 percent of Texans of all ages uninsured, Texas needs improvements in both private and public insurance more than any other state—and stands to gain more in terms of newly covered citizens and federal support for that new coverage.

Undocumented Immigrants Among Uninsured Texans

The Census Bureau does not report on the immigration status of the non-U.S. citizen population, so the best estimates of the share of uninsured non-U.S.-citizen Texans who are undocumented (not lawfully present) are based on other expert sources. In 2010, non-citizens accounted for 11 percent (2.8 million) of the Texas population, but made up 1.7 million of the uninsured or 27 percent. The Pew Hispanic Center estimates undocumented residents in Texas in 2010 at between 1.45 and 1.85 million, or 52 percent to 66 percent of all Texas non-U.S.-citizens. Applying those percentages to the Texas non-citizen uninsured population, we would estimate 884K-1.12 million of Texas uninsured are undocumented.

These Affordable Care Act provisions have already taken effect and are helping Texans access or keep their health care right now:

- **The Pre-existing Condition Insurance Plan** provides good coverage for people with pre-existing conditions who have been uninsured for six months or longer.
- **Young adult children can stay on their parent's policy until their 26th birthday;** whether or not they are married or a full-time student, unless the child is already eligible to enroll in employer-sponsored coverage.
- **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. This is helping kids get and keep group coverage and family policies. Texas Blue Cross and Blue Shield sell "child-only" plans, and the Texas Department of Insurance is developing rules to encourage more companies to sell coverage for kids.
- **Tax credits of up to 35 percent of a small employer's cost of coverage** are available to help eligible small businesses afford insurance.
- **Year-to-year Health Plan rate hikes** now are subject to review at the state and federal levels to make sure they are reasonable.
- **Health Plans now report the share of every premium dollar that pays for health care.** The shares ("medical loss ratios") reported for 2010 by Texas' Top 8 individual-market insurers who cover 90 percent of Texans in that market ranged from a low of 60.5 percent to a high of 87.8 percent (i.e., 61 to 88 cents on the premium dollar).
- **Many of Texas biggest employers (private sector and public) are getting help lowering the cost of health care for their early retirees.** More than 200 large Texas corporations and state and local governments—including AT&T, American Airlines, Southwest Airlines, and Texas Instruments—have received over \$276 million in reinsurance support to keep coverage affordable for early retirees.

For More Information

[Click here to access this paper online.](#)

[Click here to find out how Texas will benefit from national health reform.](#)

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Endnotes

- 1 The Census Bureau recommends using three year averages when comparing states using CPS data. While Texas and California have large enough CPS samples to support some single-year statistics, many smaller states do not and their one-year values are not statistically reliable. Looking at “raw” one-year data for the 2010 CPS uninsured rates for kids 17 and younger (e.g., in the Census historical Table HIB-5), it would appear that Nevada now has a worse uninsured child rate. However, the Nevada number is not statistically reliable, and Nevada’s 1-year estimates have fluctuated wildly in recent years. Using the Census’ recommended 3-year average technique, Texas remains in last place for uninsured children, both for ages 0-17 as in the HIB-5 table and for ages 0-18 as CPHP reports (because birth through 18 is the age range eligible for Medicaid and CHIP).
- 2 The Texas uninsured child rate of 16.8 percent here is a single-year statistic.
- 3 Pre-recession is 2005 – 2007; post-recession is 2008 – 2010.



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