



Policy Brief

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## **Uninsured Latinos: Barriers to Improving Health, Economic Mobility, and State Prosperity**

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### **Summary**

Nearly 1 in 5 Texans were uninsured in 2022, nearly double the share of uninsured Americans.<sup>1,2</sup> 2 in 5 Texans are Latino, but nearly two-thirds are uninsured.<sup>3</sup> Uninsured Texans are more likely to hold jobs or be employed in occupations where coverage is not always provided. A recent study on the uninsured by Texas 2036 demonstrated that retail trade, construction, entertainment/food services, transportation/utilities, and other services saw the lowest shares of insured individuals.<sup>3</sup>

A disproportionate number of Latinos work in low-paying jobs and are overrepresented in occupations that don't offer insurance or provide minimal health care coverage. This lack of coverage threatens the livelihoods of Latinos at all stages of life, but its impact on families threatens the youngest Latinos' future outcomes.

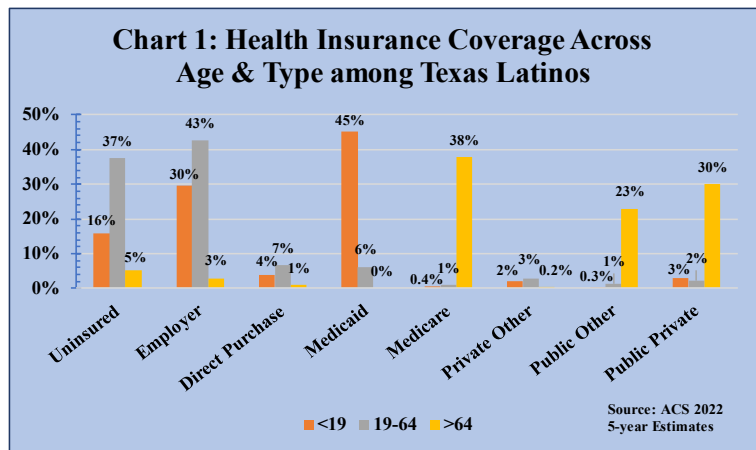
Despite Texas' purported economic miracle, Latinos continue to experience barriers and inequities in shared benefits. The failure to improve healthcare access demonstrates the state's lack of equitable policies that invest in and create opportunities to improve health and economic mobility. Health insurance coverage improves healthcare access and allows individuals to maintain improved health and financial stability.

Uninsured individuals are more likely to delay or forgo care due to cost, preventing early detection and prevention of health conditions.<sup>2</sup> This delay in care, in turn, has implications for worsening quality of life as individuals age.

Texas is one of 9 states that has failed for nearly a decade to use available Affordable Care Act federal funds to expand its Medicaid program to uninsured children and adults. States that have expanded their Medicaid program have demonstrated improved health, reduced economic stress on families, and without added costs to state budgets. Medicaid expansion would result in a net estimated \$54 million in savings in Texas' surplus budget.<sup>4,5</sup> Under the increased matching under the American Rescue Plan, the state will have the cost of expansion paid for the next 3 years.<sup>6</sup>

Further, research on the fiscal impact of Medicaid expansion has found consistent results: expansion led to budget savings and revenue increases without imposing additional taxes.

### Latino Uninsured: Health and Economic Costs

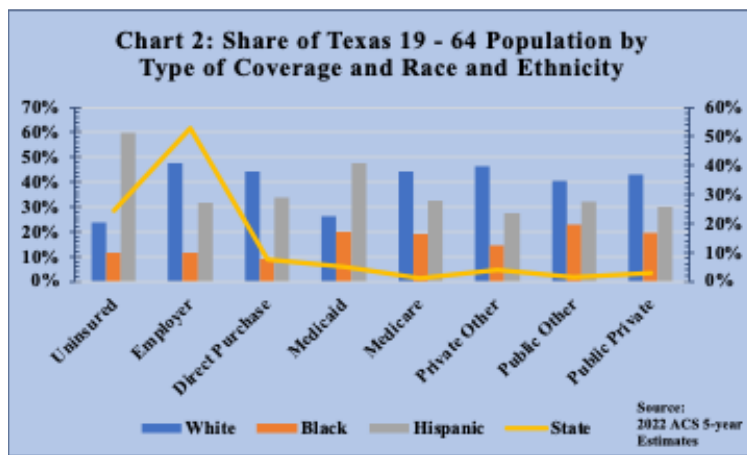


Access to health insurance is a struggle every Latino in Texas faces from birth to retirement (Chart 1). Nearly 50% of Texas Latino children are enrolled in Medicaid<sup>7</sup>, which helps prevent their uninsured rate from being more devastating. Texas Latino children are 2x less likely to be insured through their parents' employer compared to non-Latino Whites.<sup>8</sup> Coverage provides Latino children with preventative healthcare that contributes to healthy childhood and adolescent development.<sup>9</sup>

Access to services at early ages prevents late diagnoses in later childhood or adulthood, improving overall health.<sup>10</sup>

A healthy child population means improved high school graduation rates, increases in post-secondary education, and greater labor force participation.<sup>11-13</sup> In addition, Medicaid coverage as a child has shown *decreased* hospital and ER use in adulthood.<sup>14</sup> The benefits of Medicaid expansion for Latino parents also extend to their children by increasing the likelihood of their children accessing routine care.<sup>15</sup> Medicaid expansion can also provide financial security within families by decreasing medical and non-medical debt, reducing housing insecurity, and increasing credit, thereby giving Latino children a better starting point during the critical childhood period.<sup>16</sup>

Both uninsured and Medicaid-enrolled Latino children are at risk of being uninsured in adulthood because of disparities in income and employment patterns.<sup>17</sup> Less than half of working-age Latinos are covered through their employer (Chart 2).



Uninsured Latinos make up a large share of the working-age Latino population and Texas' working-age population, which would be covered under Medicaid expansion. Working-age Latinos drive the share of working-age Texans with directly purchased coverage, suggesting coverage is a service valued among the Latino population. However, the

increasing costs associated with directly purchased coverage threaten Latinos' ability to be covered continuously.<sup>18,19</sup>

Despite making up 40% of the adult population, Latino adults represent a little under two-thirds of the uninsured adult population and overwhelmingly make up more than half of the uninsured share in the top 5 industries in Texas (Chart 3).

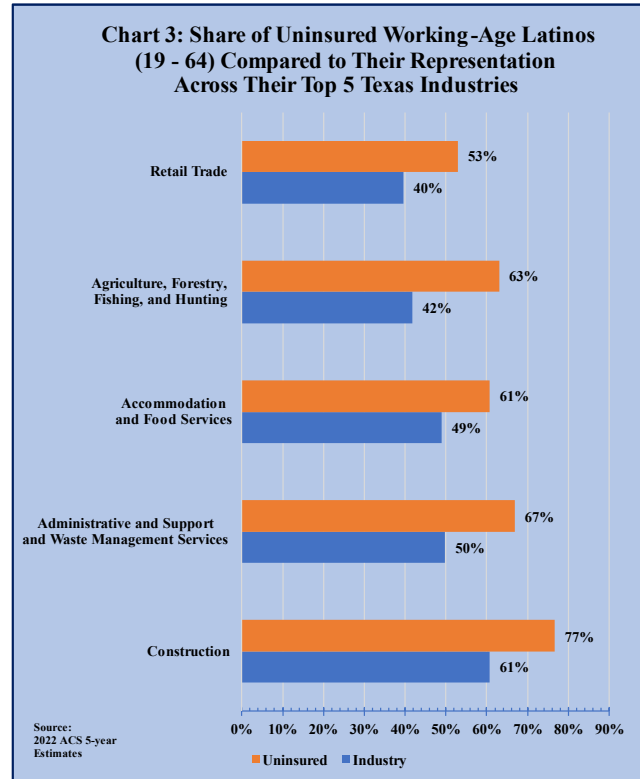
Employer-based coverage is limited for Latinos due to their overrepresentation in occupations that provide limited pay and benefits. Other than retail and accommodations, these industries also have some of the highest workplace accidents, adding to Latinos' greater risk for workplace injuries.

If not treated in time, these injuries can increase physical limitations as they age, putting their livelihoods at stake if they cannot work.<sup>20</sup> Coverage provides relief through access to care for workplace injuries, preventative care/therapies to assist in physical mobility, and peace of mind from the cost of medical bills.

Cost of care is one of the reasons why Latinos choose to delay care, which can worsen their quality of life. Latino families and individuals already have difficulty making ends meet. 10% of Latinos in Texas are considered "working poor" (e.g., <100% of the FPL), and at least 20% of Latino individuals are in poverty. Indeed, less than one-half of Latino families are economically middle-class.

Latinos are more likely to skip taking medication due to cost<sup>21</sup>, with harmful effects in the management of chronic health conditions such as diabetes, cancer, and kidney disease.<sup>22</sup> Texas Latinos reported greater shares of delaying care due to cost in the past decade<sup>23</sup>, made worse by the COVID-19 pandemic. Medicaid expansion is tied to increased use of diabetes medication by opening access through screening and affordability.<sup>24</sup> Working-age and older Latinos have the opportunity under Medicaid expansion to improve not only their health to be able to work but also extend the number of years lived without limitations through affordability and regular adherence to medication.

The consequences of Texas's big uninsured problem, particularly among Latinos, worsened the health severity and suffering caused by the COVID-19 pandemic. The COVID-19 mortality rate among Latinos was 80% higher than that of non-Latino whites. Among Latinos aged 25-44, the mortality rate was 7 times greater than non-Latino Whites.<sup>25</sup> Their overrepresentation in occupations deemed "essential" hampered opportunities for Texas Latinos to properly isolate,



thereby increasing their infection rate. In addition, the spread of COVID-19 was heightened due to the high number of Latinos living in multigenerational households.<sup>26</sup> The health effects of COVID-19, high risk for infection, coupled with a lack of health insurance, resulted in Latinos reporting greater stress levels.<sup>27</sup>

Before COVID-19, access to Medicaid was nearly non-existent: childless Latinos in poverty rarely get public health insurance because their income eligibility is 0%<sup>28,29</sup>, and Latino parents whose children are covered by Medicaid have to earn less than \$ 4,131 per year, or \$344 per month, to qualify themselves.<sup>29</sup> Congress enacted the Families First Coronavirus Response Act (FFCRA), which included the requirement that Medicaid programs keep people continuously enrolled through the end of the COVID-19 Emergency in exchange for increased federal funding. As a result, the percentage of uninsured Texans and Latinos decreased by 1.6% and 0.05%, respectively, during the pandemic.<sup>30</sup>

Coverage decreased the financial stress placed on families during the pandemic by offering an avenue for low-cost, affordable health care.<sup>31-33</sup> Since 2023, however, Medicaid unwinding has left over 2 million Medicaid recipients without coverage, putting them at greater risk of forgoing care, stress, and financial insecurity for all age groups.<sup>34,35</sup> As a result, the state's uninsured rate remains the highest in the country at 16.6%, double the national rate of 8%. As of 2023, Texas has the highest rate of uninsured children in the US and the South and the highest share of uninsured 19-64-year-olds in the US.<sup>36</sup>

Undoubtedly, the state's uninsured rate would be higher if not for the ACA's Health Insurance Marketplace Exchange, where nearly 3.5 million Texans, the majority of whom are Latino, have enrolled. The Marketplace Exchange provides previously ineligible adults and children with affordable subsidized coverage. Texas had the opportunity to implement a state-level exchange but refused.

Texas's well-known political leadership's opposition to the Affordable Care Act continues as the primary barrier to expanding Medicaid. This must change to address the devastating health and economic impact on Latinos – 28% (over three million) uninsured.

## **Conclusion and Recommendations**

Despite Texas' rightfully claiming its 'economic miracle' status and national rank as the 2<sup>nd</sup> largest state economy (\$2.664 trillion), it ranks last in education and health in 2024.<sup>37</sup> To many Texans, the economic miracle is a myth as they do not share in its purported benefits, less so by Latino families. The state's history of underfunding essential 'human capital investments' is the central cause of the state's poor quality of life living status.

Human capital is the economic value of a worker's experience and skills. It includes assets like education, training, intelligence, and abilities. As demonstrated above, human capital includes health with monetary value that impacts mobility toward financial stability and independence. Human capital underfunding is the cause of the state's comprehensive inequitable health space, as demonstrated by its bottom 48<sup>th</sup> overall health system performance ranking encompassing access, quality, and health prevention metrics.

Indeed, the state's economic 'miracle' is at risk of collapse over the next two decades. Texas is expected to *lose* an estimated \$178.5 billion in earnings due to the poor health of its workforce.<sup>38</sup> Latinos, the majority workforce forecasted to grow even greater prominence, are a critical human resource asset to the state's economy. Therefore, significantly increasing their insurance coverage and improving healthcare access and health status is a 'return on investment' to the state's economy. It would be a significant step to address health equity for Latinos.

In summary, Texas must address the health inequities impacting Latino families. The state ranks 40th (of 42 states) in Latino health equity. Healthcare access, quality, and outcomes rank 46th, 37th, and 33rd, respectively. Texas must fully accept the ACA and explore every collaborative opportunity to utilize its resources to expand health insurance coverage, improve access to healthcare, and improve overall health system performance.

In concert with Latino advocacy organizations and allies, the Texas Senate Hispanic Caucus (SHC) and Mexican American Legislative Caucus (MALC) should develop a legislative activist agenda with a 10-year strategic plan to address health disparities and develop healthy Latino communities. The SHC and MALC must provide legislative agenda leadership to target the following policy recommendations:

1. Invest in an accurate and efficient Medicaid enrollment system that eliminates the current crisis-laden system, including the chaos surrounding Medicaid Unwinding.
2. Reduce Medicaid's historically restrictive income eligibility requirements to expand insurance coverage to working-poor adults and households.
3. Expand the Medicaid program to its fullest extent with ACA funding support.
4. Allow lawfully residing immigrants to equal access to health and human services programs.
5. Increase Primary Health Care Services Program funding and direct HHSC to invest in targeted clinic expansion in underserved communities.
6. Identify and access ACA and state-support partnership funding opportunities to:
  - a. Implement effective outreach programs to increase enrollment in Medicaid and ACA Health Marketplace Exchange.
  - b. Implement increased health professions training and placement opportunities to address health workforce shortages, particularly in underserved communities.
  - c. Develop health workforce opportunities to increase the number of Latino health professionals.

- d. Increase funding and opportunities for *promotoras*/community health workers to provide preventative health education, health literacy, and case management, particularly in underserved communities.

Finally, state health policymaking must be viewed as a human resource investment with a financial and economic underpinning. Latino legislators have the unique opportunity to shape legislation that has the potential to improve Latino and non-Latino lives. To succeed in this investment, we must unite under a strategic plan that binds Latino health insurance coverage and improved health to financial stability and economic mobility.

“Addressing the barriers preventing Latinos from full economic participation could have a multitrillion-dollar impact, further unleashing their entrepreneurial spirit, creating millions of jobs, driving consumer spending, and building intergenerational wealth.”

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