Brief 2 **July 2026**

Texas 89th Legislative Session: Latino Impact Report Series[1]

From Coverage to Opportunity: How Texas Medicaid Policymaking Shapes Latino Health and Economic Mobility

Executive Summary

During the 2025, 89th Texas Legislative Session, lawmakers considered a broad range of Medicaid-related health care bills with direct implications for insurance coverage, maternal health, behavioral health, provider participation, and rural health access. Using the Latino Texas Policy Center's Human Capital Investment/*Bienestar*[2] (HCI/*B*) framework that evaluates Access, Quality, Equity, and Sustainability, this policy brief assesses the combined impact of 14 bills signed into law and 14 bills that were not approved.

The analysis finds that enacted legislation produced **modest but meaningful targeted investments** in selected areas of Medicaid policy and programming, particularly maternal and infant health, behavioral health, provider participation, nutrition supports, rural access, and consumer outreach. However, these approved measures largely focused on **incremental, selective system improvements rather than expanding coverage**.

At the same time, the strongest potential Latino HCI/B investments—including broad Medicaid eligibility expansion, Affordable Care Act (ACA)-aligned reforms, and postpartum coverage continuity proposals—failed to advance. This Session continued the pattern of **leaving major opportunities to reduce Latino health disparities and inequities unrealized in favor of safer, institutional responses** - adding to the political-policy failures to address the states uninsured problem of over 5 million Texans of which 61% are Latinos.[3]

Taken together, the legislative outcomes suggest Texas continues to prioritize selective administrative and programmatic improvements over transformative health investments capable of substantially reducing Latino uninsured rates, increasing preventive care access, and strengthening long-term family economic mobility.

Why Medicaid Policy Matters for Latino *Bienestar* and Texas' Future

Medicaid is one of the most important public investments in the health and long-term economic well-being of Latino families in Texas. Because health is a foundational component of human capital, access to

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[1] See Appendix A for Access to Preface, Methodology and Context Details

[2] Quality of life status affected by social, environmental, and system factors; embodies social justice concerns with institutional racism and harmful public policies.

[3] https://latinotexaspolicycenter.com/wp-content/uploads/2024/12/Frausto-Brief-10_24_pdf.pdf; https://latinotexaspolicycenter.com/wp-content/uploads/2024/02/Partisan-Dishonesty-And-Medicaid-Expansion.pdf

affordable and continuous health care influences children's educational success, adults' workforce participation, family financial stability, and overall economic mobility.

Latinos account for approximately 40% of Texas' population and represent the state's largest and fastest-growing workforce. At the same time, they continue to experience disproportionately high rates of uninsurance. Approximately one in four Latino Texans under age 65 (about 25%) lack health insurance, compared with 9% among non-Latino Whites. Among Latino children and adults, 15% and 31% are uninsured compared to 7% and 10% of non-Latino Whites respectively.

Texas also has the highest uninsured rate in the nation, with roughly 16–17% (over 5 million) of all residents lacking health coverage, a burden that falls disproportionately (61%) on Latino communities. Texas policymakers have failed to address the state's health insurance crisis and inherent disparities and inequities impacting people of color and low-income families for nearly two decades.

The economic costs from these health insurance disparities are estimated at over 13 billion annually in excess medical care spending and lost productivity.[4] Additionally, research demonstrates that loss of health insurance coverage results in annual gross product losses in the billions, and thousands in job losses[5] - enactment of the One Big Beautiful Bill Act (OBBBA) and the expiration of the Affordable Care Act (ACA) premium tax credits will increase the states' uninsured rate, and are projected to have major economic and job loss results.[6]

These coverage disparities have significant consequences. Latino families are more likely to delay preventive and specialty care, forego prescription medications, rely on emergency departments for treatable conditions, and experience financial hardship from medical expenses. Lack of continuous coverage also contributes to poorer management of chronic diseases, lower use of preventive screenings, and greater risk of avoidable hospitalizations.

Indeed, for Latino Texans, Medicaid policy carries significant implications for family *bienestar* who disproportionately experience:

- Higher uninsured rates and lower access to employer-sponsored insurance,
- Greater barriers to preventive, specialty, and behavioral health care,
- Higher rates of maternal and infant health disparities,
- Shortages of primary care and specialty providers in many rural and border communities, and
- Increased vulnerability to medical debt and financial instability resulting from delayed or forgone care.

For children, continuous Medicaid coverage is associated with improved immunization rates, preventive care utilization, school readiness, and educational achievement. For working-age adults, access to health coverage supports healthier labor force participation, reduces uncompensated care, and improves household economic security. Maternal Medicaid coverage contributes to healthier pregnancies, improved birth outcomes, reduced infant mortality risk, and greater family stability during the critical postpartum period.

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[4] https://www.episcopalhealth.org/research_report/economic-impacts-of-health-disparities-in-texas-2020/l, and

[5] https://www.perrymangroup.com/media/uploads/brief/perryman-the-high-cost-of-millions-of-texans-losing-health-insurance-coverage-04-24-24.pdf

[6] https://www.commonwealthfund.org/publications/issue-briefs/2025/oct/expiring-premium-tax-credits-lead-340000-jobs-lost-2026?utm_source=chatgpt.com

From a Human Capital Investment/*Bienestar* perspective, Medicaid should be viewed not solely as a health insurance program, but as an investment in Texas' future workforce and economic competitiveness. Healthier children are better prepared to learn, healthier adults are more productive workers, and healthier families are better positioned to accumulate assets, pursue educational opportunities, and participate fully in their communities.

As the state's largest demographic group and an increasing majority share of its future labor force, Latino Texans play a central role in Texas' long-term prosperity. Policies that improve access to quality health care can strengthen workforce productivity, reduce avoidable health expenditures, and support sustainable economic growth. Conversely, persistent disparities in insurance coverage and access to care continue to undermine both Latino family well-being and the state's long-term human capital development.

Latino Human Capital Impact Evaluation Framework

Bills were evaluated using LTPC's Human Capital Investment/Bienestar (HCI/B) framework to assess how Medicaid policy affects Latino individuals, families, and communities across four dimensions:

Access - Expansion or restriction of Medicaid eligibility, enrollment, continuity of care, provider participation, and service availability.

Quality - Effects on care coordination, preventive care, maternal and behavioral health, culturally responsive care, and service quality.

Equity - Degree to which bills reduce or perpetuate disparities affecting uninsured populations, low-income communities, rural and border regions, and Latino families.

Sustainability - Durability, scalability, federal funding opportunities, and long-term system capacity.

Scores across these dimensions were aggregated into a Latino HCI/*B* score and classified as **High, Moderate, or Low Impact**.

Analysis Results: Medicaid-Related Bills

Bills Approved / Signed into Law

The Medicaid-related bills enacted during the 89th Legislative Session generally focused on targeted program improvements, provider participation, and administrative modernization.

Several approved bills strengthened maternal and infant health supports, expanded targeted behavioral health interventions, improved outreach, and addressed provider system capacity. However, most enacted legislation did not significantly reduce uninsured rates or expand broad Medicaid eligibility.

Tier Classification (Potential)	Number of Bills	Primary Focus	Latino Impact Summary
High Impact	4	Maternal health, rural access, outreach	Meaningful improvements for targeted populations
Moderate Impact	6	Provider participation, behavioral health, nutrition	Incremental gains with limited structural reform
Low/Neutral Impact	4	Administrative and regulatory policies	Limited direct Latino family impact

Most Significant Approved Bills

HB 18 – Rural Health Access (High Impact)
Expands rural health access and system coordination, benefiting underserved Latino communities with provider shortages.

HB 136 – Lactation Consultation Services (High Impact)
Strengthens postpartum maternal and infant health through Medicaid reimbursement for lactation services, supporting family stability and improved infant outcomes.

HB 5155 – Maternal Opioid Care Model (High Impact)
Expands maternal behavioral health interventions and continuity of care, improving maternal well-being and reducing adverse family outcomes.

SB 963 – Coverage Outreach & Information (High Impact)
Improves awareness of Medicaid benefits and enrollment opportunities, particularly important for eligible but unenrolled Latino families.

Bills Not Approved or Failed to Advance

In contrast, many of the Medicaid bills that did not advance held the **strongest potential to improve Latino health outcomes and reduce long-standing disparities and inequities**.

Most unapproved bills focused on:

- Medicaid expansion,
- ACA-aligned eligibility,
- Postpartum care continuity,
- Expanded coverage access.

Tier Classification (Potential)	Number of Bills	Primary Focus	Missed Opportunity
High Impact	12	Medicaid expansion, ACA eligibility	Significant uninsured reduction unrealized
Moderate Impact	1	County-based expansion	Partial gains forgone
Low Impact	1	Medicaid study bill	Limited reform potential

The average HCI/B score among unapproved bills was substantially higher than approved bills because many directly addressed access, equity, and sustainability through expanded coverage.

Most Significant Missed Opportunities

SB 657 – Statewide Medicaid Expansion (High Impact)
Would have expanded eligibility for federally matched populations and substantially reduced coverage gaps among low-income adults.

HB 1811 – Postpartum Medicaid Coverage (High Impact)
Would have extended Medicaid postpartum coverage for 2 years instead of 1, improving maternal recovery, infant health, and economic stability.

HB 4910, HB 2939, HB 2604, HB 1355, HB 1423, HB 807, HB 814, HB 726, HB 262, HB 197
These bills represent a policy family of ACA-aligned Medicaid expansion proposals with strong potential to improve access, preventive care utilization, and long-term health outcomes.

Comparative Legislative Findings

The contrast between approved and unapproved Medicaid bills reveals a significant policy pattern. The Legislature was willing to improve the Medicaid system, but not willing enough to substantially expand *who* may enter the system. Enacted bills largely addressed delivery after eligibility had already been established. Failed bills more often challenged the eligibility rules that keep low-income adults outside coverage altogether. Texas chose maintaining the system over population coverage.

Approved Bills

The Legislature favored:

- Programmatic improvements,
- Administrative modernization,
- Targeted maternal and behavioral health supports,
- Limited provider system investments.

Unapproved Bills

The strongest HCI/B opportunities emphasized:

- Broad insurance expansion,
- Federal matching opportunities,
- Reduced uninsured rates,
- Long-term preventive care investments.

This distinction suggests Texas policymakers prioritized **incremental stewardship over structural coverage reform**.

Implications for Latino Families and Texas' Economy

The legislative outcomes have important implications for Latino well-being and statewide economic growth. Because Latino Texans constitute a growing share of the state's labor force, persistent health inequities increasingly represent an economic competitiveness concern for Texas in the following ways:

First, targeted approved bills may modestly improve maternal health, infant care, behavioral health access, and provider participation. But they do not address the need to expand eligibility for Latino adults and families.

Second, failure to expand Medicaid eligibility leaves many working Latino adults uninsured or underinsured, particularly those employed in low-wage sectors lacking employer-sponsored insurance. The loss of Marketplace subsidies will force many Latino adults to give up their insurance due to the cost of having a policy, increasing the size of the Latino uninsured.

Third, continued coverage gaps increase reliance on emergency care, delay preventive treatment, and create avoidable household financial burdens through medical debt. Medical debt competes with rent, food, transportation, and childcare costs in Latino households.

Finally, underinvestment in Latino health undermines workforce participation, educational outcomes, and economic productivity. By delaying care, Latino adult health may deteriorate until emergency care is needed.

Safety-net hospitals bear the brunt of this cost to provide care, but reductions in federal and state funds put these sources of care at risk.

Policy Considerations for Future Sessions

- **Enact statewide Medicaid expansion.** Extend eligibility to adults through 138% of the federal poverty level and establish a firm implementation deadline.
- **Extend postpartum coverage to 24 months and guarantee continuity.** Pair this extension with maternal behavioral health, substance-use treatment, chronic-disease care, lactation, doula, and community health-worker services.
- **Establish continuous eligibility for adults.** Prevent coverage losses caused by temporary income fluctuation or administrative paperwork.
- **Create enforceable managed-care accountability.** Publish denial, appeal, disenrollment, language-access, and network-adequacy data by race, ethnicity, geography, disability, and preferred language. Attach financial penalties and corrective-action requirements to persistent disparities.
- **Create a Border and Rural Health Equity Fund.** Allocate funds according to uninsured burden, travel distance, provider scarcity, maternal-health need, and community deprivation.

Conclusion

The 89th Texas Legislative Session produced **incremental Medicaid improvements but stopped short of transformative reform to expand eligibility and coverage**.

Approved legislation modestly strengthened targeted areas of maternal health, behavioral health, provider participation, and outreach. However, the strongest opportunities to expand coverage and reduce Latino health inequities did not even advance to a committee hearing. The average HCI/B score among unapproved bills was substantially higher than approved bills: many of the unapproved bills directly addressed access, equity, and sustainability through expanded coverage.

Future legislative success should move beyond the number of Medicaid-related bills filed or enacted. Legislative successes moving forward should be held by the standard of whether Texas chooses to invest in Latino health as a foundational component of the state's long-term human capital and economic future. If the answer is no, then we cannot label it as a success.

Appendix A: Preface, Methodology and Context

This monthly brief is part of the "Texas 89th Legislative Session: **Latino Impact Report Series"** produced by the **Latino Texas Policy Center (LTPC)**. The series evaluates legislative proposals and actions using a **Human Capital Investment / *Bienestar* (HCI/*B*) framework**, assessing whether policies invest in, protect, or undermine the long-term well-being, opportunity, and economic mobility of Latino individuals, families, and communities in Texas.

Bills are analyzed across seven policy domains—education and skills development, health, housing, labor and employment, family stability, business and economic development, and civil rights—and scored using a standardized, equity-centered methodology. Findings reflect anticipated policy impacts based on bill design, scope, and alignment with documented Latino community needs.

Full methodological details are provided in the Texas 89th Legislative Session: Latino Impact Report Series Preface, Methodology and Context document.

Brief Interpretation and Limitations

Scores reflect policy design, funding structure, and potential impact not implementation adherence or realized outcomes. The framework is intended as a comparative policy analysis tool rather than a predictive model.

Appendix B: Medicaid Bill Demographics

House Bills	Senate Bills	Impact	Tier Level Impact	Status	Author	District	Party Affiliation
HB 18		Positive	High	Approved/Signed	VanDeaver, King, Lambert, Johnson, Ashby,	1, 88, 71, 134, 9	R, R, R, D, R
HB 26		Positive	Moderate	Approved/Signed	Hull, Rose, Isaac, Manuel, Frank	138, 110, 73, 22, 69	R, D, R, D, R
HB 136		Positive	High	Approved/Signed	Hull, Swanson, Rose, Richardson, Noble	138, 150, 110, 61, 89	R, R, D, R, R
HB 142		Neutral	Low	Approved/Signed	Noble, Isaac	89, 73	R, R
HB 426		Positive	Moderate	Approved/Signed	Bernal, Dorazio, Swanson, Bonnen, Gervin-Hawkins	123, 122, 150, 24, 120	D, R, R, R, D
HB 2402		Neutral	Low	Approved/Signed	Rose, Simmons, Collier, Gamez	110, 146, 95, 38	D, D, D, D
HB 3940		Positive	Moderate	Approved/Signed	Johnson, Orr, Oliverson, Hull, Garcia Linda	134, 13, 130, 138, 107	D, R, R, R, D
HB 5155		Positive	High	Approved/Signed	Rose, Jones Jolanda	110, 147	D, D
	SB 457	Positive	Moderate	Approved/Signed	Kolkhorst	18	R
	SB 897	Positive	Moderate	Approved/Signed	Blanco	29	D
	SB 963	Positive	High	Approved/Signed	Huges	1	R
	SB 1038	Neutral	Low	Approved/Signed	Sparks	31	R
	SB 1266	Positive	Moderate	Approved/Signed	Alvarado	6	D
	SB 1580	Neutral	Low	Approved/Signed	Blanco	29	D
HB 197		Positive	High	Referred Appropriations	Bucy	136	D
HB 262		Positive	High	Referred Appropriations	Bucy	136	D
HB 726		Positive	High	Referred Appropriations	Reynolds	27	D
HB 792		Positive	Moderate	Referred by Speaker Women's Health	Bernal	123	D
HB 807		Positive	High	Referred Appropriations	Bernal	123	D
HB 814		Positive	High	Referred Appropriations	Bernal	123	D
HB 1335		Positive	High	Referred Appropriations	Gerdes, VanDeaver, Dean, Guillen, Morales Eddie	17, 1, 7, 31, 74	R, R, R, R, D
HB 1423		Positive	High	Referred Appropriations	Bryant, Meza, Rodríguez Ramos, Wu	114, 105, 102, 137	D, D, D, D
HB 1811		Positive	High	Referred by Speaker Women's Health	Lalani	76	D
HB 2060		Neutral	Low	Received from House	Campos, Plesa, Garcia Josey	119, 70, 124	D, D, D
HB 2604		Positive	High	Referred Appropriations	Simmons	146	D
HB 2939		Positive	High	Referred Appropriations	Jones Venton	100	D
HB 4910		Positive	High	Referred Appropriations	Rodriguez Ramos	102	D
SB 657		Positive	High	Referred Health & Human Services	Johnson	134	D

Appendix C: Data Sources and References

Legislative Sources

- Texas Legislature Online (TLO): bill texts, legislative histories, and bill status
- Legislative Budget Board (LBB): fiscal notes and funding analyses

Health Status and Insurance Disparities Data

- U.S. Census Bureau – Health Insurance Coverage
- Kaiser Family Foundation/State Health Facts – Texas Coverage Profile
- America's Health Rankings – Texas Uninsured
- Texas 2036 – Who Are the Uninsured?
- The Commonwealth Fund 2026 State Health Disparities Report
- Episcopal Health Foundation Research
- Texas Department of State Health Services (DSHS) – Center for Health Statistics

Analytical Frameworks and Supporting Research

- Human Capital and Economic Mobility literature (Urban Institute, Pew Research Center)

Definition: Latino Family Economic Mobility

- Latino family economic mobility refers to the capacity of Latino households to improve their financial well-being, stability, and opportunities across generations through increased income, wealth accumulation, and access to resources. This mobility is shaped not only by labor market participation and public policy but also by human capital investments—such as education, skills training, health, and leadership development—that enhance families' ability to secure quality employment, build assets, and fully participate in civic and economic life