

## **Improve Health and Economic Security**

### **Expand the Medicaid Program**

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#### **Issue**

The Latino uninsured population is experiencing severe family health and financial hardships and jeopardizing their economic mobility and the state's economic prosperity. Pre-Covid-19 alarms calling for human capital investments targeting Latino economic mobility are well documented.<sup>1</sup> Latinos comprise over 62% (3.2 million) of Texas's uninsured population.<sup>2</sup> It includes over 2.5 million and 674,000 Latino adults and children respectively.

Research indicates that they have poorer health status<sup>3</sup> and higher medical debt than non-Latino Whites.<sup>4</sup> The preceding Latino uninsured numbers do not include Covid-19 related loss of employment-based health insurance coverage. Latino family health and limited financial assets are being decimated by the Covid-19 pandemic.<sup>5</sup>

The assets encompass economic contributions from population and labor force growth (native and immigrant), housing and small business growth, public school and college enrollment majorities, increasing tax revenues, and ever-increasing consumer markets.<sup>6</sup> Poor health, deaths, job losses, home evictions and losses, lower education achievement, and business losses are weakening these assets.

Many are essential workers in minimum and low-wage employment industries along the border and across urban/rural communities whom require emergency relief, and a recovery pathway to health and economic building opportunities.<sup>7</sup> Latino workers are disproportionately concentrated in industries heavily impacted by the Covid-19 economic recession (restaurants, hotels, construction, farm work), but, underrepresented in the industries least impacted (finance, telecom, information). They're in industry were working 'remotely' is not an option.

#### **Legislative Action**

Health insurance coverage is a critical pathway requirement to health and economic recovery – short and long term for Texas families. The Texas legislature and governor must take full advantage of the Affordable Care Act (ACA) to reduce the number of uninsured Texans by:

- Accepting the billions in federal funds available to cover Texas' working poor adults via Medicaid expansion,
- Provide 12 months of continuous Medicaid eligibility for children,
- Extending comprehensive Medicaid coverage for new mothers from two months of coverage after childbirth to a full year after delivery
- Include adult immigrants who qualify for Medicaid under federal law,
- Lowering insurance costs by adopting reinsurance option under an ACA '1332' waiver and protecting consumer from subpar health plans that expose them to high costs due to illness or injury.
- Provide community-based language and culturally relevant outreach and enrollment help, and
- Cut red tape that keeps eligible Texans uninsured.

## Analysis

Unfortunately, Texas is #1 in the country with the highest number of uninsured populations (adults and children), and 51<sup>st</sup> in access to care.<sup>8</sup> The Covid-19 pandemic has worsened and further uncovered the health and economic consequence from these inequities. “We estimate that each year, poor health costs the US economy about \$3.2 trillion from premature deaths and the lost productive potential associated with diseases.”<sup>9</sup> Indeed, health and the economy are inseparably linked which the Covid-19 pandemic has exposed given the estimated 4 to 11 percent reduction in real GDP.

Decades of poor health and premature deaths that families have suffered, and the billions of dollars in economic losses resulting from the millions of uninsured Texans represents a prolonging injustice and crisis. Covid-19 has exposed the state’s low investments in its public health infrastructure, health inequities, and increased the number of uninsured beyond the 2019 U.S. Census estimate of 5.2 million - an additional 1,260,00 have lost their job and health insurance coverage.<sup>10</sup>

Having health insurance and regular access to **health care is a human capital investment** and a major part of 4 interrelated investments necessary to continually improve a family’s *bienestar* (well-being) – education, good paying job, housing, access to quality health care. Affordable health care is a top concern for 6 of 10 Texans.<sup>11</sup> Not having health insurance has individual and state consequences:<sup>12</sup>

- Leads to worse health and reduces earning ability - poor health and premature death, negatively impacts education and employment opportunities, and contributes to financial risk and poverty.
- By 2040, an estimated 6.1 million Texans will be uninsured, majority Latino, and health and financial pain will be unfathomable.
- Produced loss earnings of \$57 billion in 2016 – projected at \$178.5 billion by 2040 if current uninsured trend continues.
- Effects employers through absenteeism and labor force drops.
- Resulted in local unsubsidized uncompensated care costing \$3.5 billion in 2016 – projected at 12.4 billion by 2040 under current trend.
- Local governments and communities bear a higher tax burden for the uncompensated care limiting other infrastructure and human capital needs.

In contrast, if the 87<sup>th</sup> Legislative session approve accepting ACA federal matching fund for Medicaid health insurance expansion which can result in economic related gains of (2022-23 biennium):<sup>13</sup>

- \$45.3 billion in gross product
- \$29.4 billion in personal income
- 461,700 job-years of employment over the biennium, including multiplier effects
- \$2.5 billion net total state dynamic fiscal benefit
- \$2.0 billion net total dynamic fiscal benefit to local government entities
- \$1 of non-federal funds invested, \$1.95 is returned to the State in dynamic tax revenue

More importantly, nearly, 2.2 million adults could gain health insurance coverage under the expansion.<sup>14</sup>

## **Conclusion**

As Latinos become the majority population group, and they even maintained their current rate of chronic health illnesses whether cancers, diabetes, heart disease, etc. – they (adults and Children) will surpass all other groups with these illness burdens and costs.<sup>15</sup> Covid-19's disproportionate health effect on Latino and Black families have demonstrate implications for the state's economy.<sup>16</sup> Without health insurance, the health and financial problems will worsen and opportunities for economic mobility will be set-back even further.

The 87<sup>th</sup> Legislative session must act positively to embrace the Affordable Health Care Act and accept the funding available for expanded health insurance coverage. The structural inequities exposed by Covid-19 reinforces the imperative to accept the Affordable Health Care Act funding as an equitable pathway to health and financial recovery for Texas families. Importantly, it will increase health care access, significantly reduce the number of uninsured Texans, and improve health and the state's economy.

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<sup>1</sup> Coming to Our Census, Texas Tribune, March 2014, Michael Ennis.

<https://www.texasmonthly.com/articles/coming-to-our-census/>

<sup>2</sup> U.S. Census, American Community Survey, 1 Year Estimates 2019

<sup>3</sup> America's Health Rankings, United Health Foundation.

[https://www.americashealthrankings.org/explore/annual/measure/Health\\_Status/population/Health\\_Status\\_Hispanic/state/TX](https://www.americashealthrankings.org/explore/annual/measure/Health_Status/population/Health_Status_Hispanic/state/TX)

<sup>4</sup> Texans' experiences with affordability of and access to health care. Selected Findings from the Episcopal Health Foundation 2019 Texas Health Policy Survey, Episcopal Health Foundation June 2020. Eran Ben-Porath, Emily Hachey, Jennifer Su, Shao-Chee Sim, and Elena Marks

<sup>5</sup> The Impact of coronavirus on Households, by Race/Ethnicity, NPR, Robert Wood Johnson Foundation, Harvard T.H. Chan School of Public Health, September 2020, and Coronavirus is causing the 'historic decimation' of Latinos, medical expert says. NBC News, Suzanne Gamboa, September 30, 2010.

<https://www.nbcnews.com/news/latino/coronavirus-causing-historic-decimation-latinos-medical-expert-says-n1241576>

<sup>6</sup> Change Texas, Implications of Addressing or Ignoring the Texas Challenge, Texas A&M University Press, 2014, Steve H. Murdock, Michael E. Cline, Mary Zey, P. Wilner Jeanty, and Deborah Perez

<sup>7</sup> April's toll on Texas, Border Business Briefs, University of Texas Rio Grande Valley, Vol. XVI, No. 2, Summer 2020, Salvador Contreras and Rogelio Saenz

<sup>8</sup> 2020 Scorecard on State Health System Performance, The Commonwealth Fund

<https://2020scorecard.commonwealthfund.org/rankings/>

<sup>9</sup> How prioritizing health is a prescription for US prosperity, McKinsey Global Institute, October 2020, Katherine Linzer, Jaana Remes, and Shubham Singhal

<sup>10</sup> U.S. Census, American Community Survey, 1 Year Estimates 2019

<sup>11</sup> Texans' experiences with affordability of and access to health care. Selected Findings from the Episcopal Health Foundation 2019 Texas Health Policy Survey, Episcopal Health Foundation June 2020. Eran Ben-Porath, Emily Hachey, Jennifer Su, Shao-Chee Sim, and Elena Marks

<sup>12</sup> The Impact of Uninsurance on Texas' Economy, Texas Alliance for Health Care, January 2019

<sup>13</sup> It Just Makes Sense: Economic and Fiscal Benefits to Texas of Accessing Additional Federal Funds for Health Insurance Expansion, The Perryman Group, December 2020

<sup>14</sup> New Census Data Show Texas Needs to Expand Health Coverage, Every Texas, Anne Dunkelberg, September 15, 2020. <https://everytexan.org/2020/09/15/new-census-data-show-texas-needs-to-expand-health-coverage/>

<sup>15</sup> Change Texas, Implications of Addressing or Ignoring the Texas Challenge, Texas A&M University Press, 2014, Steve H. Murdock, Michael E. Cline, Mary Zey, P. Wilner Jeanty, and Deborah Perez

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<sup>16</sup> COVID's 'untold story': Texas Blacks and Latinos are dying in the prime of their lives. The deaths have sweeping implications for Texas' economy, for its higher education system and for a rapidly unfolding mental health crisis. The Dallas Morning News, December 19, 2020, Anna Kuchment, Holly K. Hacker, and Dianne Solis. <https://www.dallasnews.com/news/2020/12/19/covids-untold-story-texas-blacks-and-latinos-are-dying-in-the-prime-of-their-lives/>