



How Community Health Centers and Millions of Uninsured are Hurt by the Refusal to Expand Medicaid in Texas

Sara Rosenbaum, George Washington University

Jessica Sharac, George Washington University

Peter Shin, National Association of Community Health Centers

The state of Texas leads the nation in the percentage of residents lacking health insurance. In 2012, nearly a quarter of the state’s population went without health coverage, some 6.4 million people. Texas alone is home to 13% of all uninsured Americans, with poor and low-income people the most affected. More than ninety percent of well-off Texans have health insurance. But the ranks of the uninsured include more than two out of five impoverished Texans – as well as more than a quarter of individuals earning modest incomes in 2014 between \$11,670 and \$46,680 (or between \$19,970 and \$79,880 for a family of three).

If the Affordable Care Act were fully implemented in Texas, most residents earning less than \$16,105 in 2014 could potentially gain coverage through an expanded Medicaid program. For the first year, the federal government would pay the full cost of this expansion; from 2016 through 2019 the federal share would decline slightly, and remain at 90% thereafter. It’s a great deal for the state, but Governor Rick Perry and Republican majorities in the legislature refuse to accept the new federal Medicaid money. As a result, millions of the neediest Texans cannot gain health insurance, hospitals are losing money, and community health centers face new burdens.

Health Struggles for Low-Income Texans

Research has established that health insurance helps people to get access to regular care. Those without coverage often forgo or delay checkups and tests and thus face a higher risk of serious health problems and premature death. Not surprisingly, huge gaps in insurance coverage in Texas go hand in hand with low ratings for the state on a series of measures of health problems that could be addressed with better access to care.

Indicator from the Kaiser Family Foundation’s State Health Facts	Texas	U.S.	Rank among 50 states & DC
Teen Birth Rate per 1,000 age 15-19 (2010)	52.2	34.2	4 th highest
Percent of Children Age 10-17 that are Overweight/Obese (2007)	36.6%	31.3%	5 th highest
Percent of Children Age 0-17 with No Medical Home (2007)	49.7%	42.5%	6 th highest
Women Age 18+ who Had a Pap Smear in the Past 3 Years (2012)	74.6%	77.6%	8 th lowest
Cervical Cancer Incidence Rate per 100,000 Women (2009)	9.4	7.9	8 th highest
Percentage of Adults Reporting Not Seeing a Doctor in the Past 12 Months Because of Cost (2012)	20.9%	16.5%	3 rd highest

Current Medicaid coverage in Texas is restricted to very low income people. No matter how poor they happen to be, adults are not eligible unless they have disabilities, are pregnant women, or are parents of dependent

children. Although many needy pregnant women, infants, and children in the state are helped by Medicaid, the state's Medicaid income eligibility standard for adults with dependent children is the second lowest in the entire United States. The national health reform law aims to include all poor and near-poor adults and children in Medicaid – and in Texas that would go a long way toward filling gaps in health insurance. A recent study by Harvard University's Sam Dickman and other researchers found that, if Texas had agreed to expand Medicaid, more than two million uninsured people would likely have gained health insurance. The study estimates improvements in health and wellbeing new coverage would have brought:

- Between 1,800 and 3,000 fewer deaths among Texas residents.
- About 110,000 more Texans suffering from diabetes receiving appropriate medications.
- About 41,000 more women getting mammograms; and 110,000 getting Pap smear tests for early cancer detection.
- Some 184,000 fewer Texans diagnosed with depression.
- Roughly 63,000 fewer Texans who have to deal with catastrophic medical bills.

Extra Strains on Hospitals and Community Health Centers

Refusing new Medicaid money puts a strain on hospitals that serve many uninsured patients; according to the Robert Wood Johnson Foundation, Texas hospitals are forgoing \$34.3 billion in revenues between 2013 and 2022. Hospitals are not the only institutions affected; the Medicaid refusal also hurts 71 community health centers located in urban and rural communities where basic medical care might otherwise not be available. By law, community health centers provide comprehensive primary health care to all patients and bill uninsured patients on a sliding scale depending on their incomes. In 2012, these centers served one of every ten low-income Texas residents, approximately 1.1 million people, virtually all with low or poverty-level incomes.

Because half of the patients served by Texas community health centers lack insurance coverage – compared to 36% of center patients nationwide in 2012 – both patients and the centers themselves would have benefitted greatly if Texas had accepted the Medicaid expansion.

- Of the approximately half a million uninsured community health center patients in Texas, one third, or about 145,000, could have gained insurance coverage through expanded Medicaid.
- Expansion would bring about \$83 million in new revenues to community centers – enough to serve thousands of new patients and help to alleviate the shortage of primary care providers.

Beyond refusing new Medicaid money, the state of Texas is also actively obstructing the provision of subsidies to residents with modest incomes to help them purchase private health insurance through the federal online marketplace. Staff at community health centers would like to help eligible people sign up, but Texas laws restrict and hassle such helpers. In a recent survey, more than 30 Texas centers reported that patient confusion regarding their eligibility for insurance programs was an expected barrier to their outreach and enrollment activities.

In short, Texas authorities are blockading expanded health insurance coverage – and access to good health care – for millions of their most economically vulnerable residents. This situation may change, but only if and when all Texas citizens start asking why federal funds for vitally necessary health care are being turned away in the midst of so much poverty and ill health

Read more in Peter Shin, Jessica Sharac, Julia Zur, Carmen Alvarez, and Sara Rosenbaum, “Assessing the Potential Impact of State Policies on Community Health Centers’ Outreach and Enrollment Activities,” George Washington University, Geiger Gibson/RCHN Community Health Foundation Research Brief 35, January 2014.