

[CHAPTER TWO]

UNINSURED IN TEXAS

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The populations of both the United States and Texas have steadily increased over the past 150 years. As of 2004, over 293 million people lived in the United States and approximately 22.5 million people lived in Texas. This is a 15.3 percent and 24.5 percent increase, respectively, since 1990 (U.S. Census Bureau, 2004). Texas is second only to California in the numerical population increase from 1990-2004, and while the population of the state is increasing, Texas is experiencing a change in the ethnicity of its population. The Hispanic population, which comprised 32 percent of the population in 2000, is expected to continue to grow and to become the majority by 2025 (Murdock et al., 2003). A byproduct of this growing and changing population in Texas is the expansion of the number of people without health insurance coverage.

This chapter addresses the ethnicity and socioeconomics of the current population in Texas and the uninsured in the state. Four specific regions which have been found to have unique problems and solutions - the Texas-Mexico border, Bexar County, Harris County and Dallas County - are presented. The demographic projections of Texas in 2040, specifically addressing what the population growth will be and how the population's ethnicity, economic well-being and health will be affected, are also presented.

TEXAS TODAY

The state of Texas today reflects an increasingly multicultural and multiethnic population. The number of Hispanics is rising at a faster rate than the rest of

the population. From 1990-2000, 60.3 percent of the overall net population change was attributed to an increase in the Hispanic population of 2.3 million people (Murdock et al., 2003). By comparison, increase in the Non-Hispanic, white population (783,036) accounted for 20.3 percent, the African American population (445,293) accounted for 11.5 percent, and Others (307,220) accounted for 7.9 percent of the net change in the population from 1990-2000. In 2000, the Hispanic population accounted for 32 percent of Texans, while the Non-Hispanic, white population represented 53.1 percent, the African American population 11.6 percent and others 3.3 percent. By 2004, the U.S. Census found that the Non-Hispanic, white population in Texas was no longer the majority (U.S. Census Bureau, 2004).

Table I - The Population of Texas

	2000		2004	
<i>Non-Hispanic, white</i>	53.1%	11,074,716	47.0%	10,348,040
<i>African American</i>	11.6%	2,421,653	11.0%	2,455,650
<i>Hispanic</i>	32.0%	6,669,666	38.0%	8,269,410
<i>Other</i>	3.3%	685,785	4.0%	977,100
<i>Total</i>		20,851,820		22,050,200

Source, 2000 data: The New Texas Challenge: Population Change and the Future of Texas, 2003

Source, 2004 data: Texas: Population Distribution by Race/Ethnicity, (2003-2004), Henry J. Kaiser Family Foundation: statehealthfacts.org, based on the Census Bureau's March 2004 and 2005 Current Population Survey

Furthermore, over the past 10 years, we have experienced aging of the population from an average age of 30.8 (1990) to 32.3 (2000) in Texas (32.9-35.5 in U.S.). The largest increase in population was in the 45 to 54 age group. In Texas, there was a 60.3 percent population growth in this age group, which is significantly higher than the national average of 49.4 percent (Murdock et al., 2003).

THE UNINSURED IN TEXAS

As the population in Texas and the United States steadily increased, so did the number of people without health insurance coverage. In the United States, the number of uninsured increased from 31 million in 1987 to 45 million in 2003, which is 15.6 percent of the 2003 population. Eighty-two million people, or, one-third of the population in the United States under 65, went without health insurance for some or all of 2002-2003 (Stoll and Jones, 2004). Fifty-three million uninsured, or two-thirds, were without coverage for six months or longer (Stoll and Jones, 2004).

The situation in Texas is much bleaker. Texas has consistently experienced a 60 percent higher prevalence of uninsured individuals than the rest of the country (U.S. Census Bureau, 2005). In 2005, the U.S. Census Bureau reported that 5.6 million or 25.1 percent of Texans were uninsured (U.S. Census Bureau, 2005). Another survey determined that 8.5 million or 43.4 percent of Texans under the age of 65 went without health insurance for all or part of 2002-2003 (Stoll and Jones, 2004). This is approximately the same number of people as the population of New Jersey. According to the U.S. Census Bureau, Texas has the largest percentage and the second largest number (after California with 6.6 million) (U.S. Census Bureau, 2005) of uninsured in the United

States. Texas has many of the same characteristics among its uninsured as the rest of the country (i.e. age, income, education). One difference is that it has a larger population of Hispanics than any other state except California (U.S. Census Bureau, 2005). Within the Hispanic population there has been a trend toward a lower average age, lower incomes and lower levels of education compared to the general population, all factors that lead to an increased probability of being uninsured.

Families also have an impact on the percentage of uninsured. In the United States, marriage increases the chances of employment-based insurance while separation, divorce and being widowed increase risk for loss of coverage (IOM, 2002). One of every five families with children has one or more uninsured family members. This can cause the health of one family member to negatively impact the health and well-being of other family members due to the financial pressures it produces (IOM, 2002). High health care expenses due to a lack of coverage can even cause bankruptcy for a family. In order to maintain or obtain coverage, many family work choices may be constrained, especially those covered by public insurance programs which have income ceilings (IOM, 2002).

In Texas, 35 of the state's 254 counties account for 80 percent of the uninsured. A common misconception is that the uninsured are concentrated in the counties along the Texas - Mexico border. Five counties - Harris, Dallas, Bexar, Tarrant and El Paso - account for close to half of the statewide total of uninsured (Table II). Within these counties are the cities of Houston, Dallas, San Antonio, Fort Worth and El Paso (TDI, 2003). Of these five counties, only El Paso County borders Mexico.

Table II – Texas Counties with Ten Largest Uninsured Populations

County Name	Uninsured Pop.	% of Total
Harris	812,628	17.2
Dallas	499,970	10.6
Bexar	349,043	7.4
Tarrant	325,556	6.9
El Paso	231,534	4.9
Hidalgo	173,769	3.7
Travis	147,461	3.1
Cameron	103,474	2.2
Denton	81,413	1.7
Nueces	79,930	1.7
All Other	1,907,434	40.5

Source: Texas Department of Insurance, *Working Together for a Healthy Texas*, 2003.

Many counties outside of central cities are experiencing growing uninsured populations who often have distinct access problems of transportation and the absence of providers willing to accept uninsured patients, which results in these patients gravitating to large metropolitan area emergency rooms. Another reason for the high percentage of uninsured in Texas is its limited availability of coverage in federal health care mandated programs, Medicaid and the State Children’s Health Insurance Program (SCHIP), whose mission is to cover those who cannot afford health insurance. Medicaid and SCHIP will be discussed more thoroughly in later chapters. Table III outlines the current federal poverty level (FPL), which is used to determine eligibility for state and federal insurance programs. The SCHIP income eligibility limit for parents is 200 percent FPL or \$40,000 for a family of four in Texas. This covers the child only, although other states have expanded benefits

to parents. The current SCHIP program in Texas takes 90 days to process new enrollees, 45 days to re-enroll, and requires all children to re-enroll every six months.

In addition, many adults cannot qualify for Medicaid in Texas since the limit for eligibility is approximately 21 percent FPL. For example, a non-pregnant, non-disabled parent under the age of 65 in a family of three, working full-time all year at minimum wage (\$5.15 per hour) would earn too much to qualify for Medicaid, although his/her income is only \$10,700 and well below the FPL (Stoll and Jones, 2004).

Table III – 2006 Federal Poverty Line

Single:	\$9,800
2:	\$13,200
3:	\$16,600
4:	\$20,000
Each Additional Person:	\$3,400

Source: Federal Register, Vol. 71, No. 15, January 24, 2006, App. 3848-3849

Table IV – Enrollment of State Sponsored Health Insurance (October 2005)

Medicaid Enrollment	Texas
All Ages	2,723,267
0-18	1,836,291
Chip Program	
Enrolled	323,343

Source: Texas Health and Human Services Commission Demographics and Statistics <http://www.hhsc.state.tx.us/research/dssi.htm#med>

ECONOMIC STATUS OF THE UNINSURED

Health insurance coverage is strongly and positively related to income. Two-thirds of all uninsured have low income levels (less than 200 percent FPL) (IOM, 2001). Fifty-nine percent of families with incomes at 50 percent FPL or less have all members covered, compared with 90 percent of families at 200 percent FPL. Fifty-six percent of Americans below the FPL were uninsured during some part of 2001 and 2002, compared with 16 percent of those at 400 percent of the FPL or more (IOM, 2002).

Members of families without wage earners are more likely to be uninsured. Nationwide, for every 100 people who become unemployed, 85 people, including family members, lose health insurance. With the downturn in the Texas economy after 2000, unemployment increased from 4.2 percent in 2000 to 6.5 percent in September 2003, escalating this problem (Families USA, 2003).

While the likelihood of being uninsured decreases as income increases, 25 percent of working individuals and their families with incomes from 300 percent to 400 percent of the FPL (from \$55,980 to \$74,040 for a family of four) were still uninsured in the United States (Stoll and Jones, 2004). Since eligibility to Medicaid and SCHIP are restricted to extremely low incomes, many people are ineligible. In addition they are not offered, nor can they afford to buy, employment-based or individual insurance. For a family of four at 100 percent FPL, which is approximately \$18,000 a year, the average cost of private health insurance, \$9,100 in 2005, is over half of their income. For individuals at 200 percent FPL, i.e. \$36,000/year for a family of four, their health insurance premium would exceed 25 percent of their family income (Stoll and Jones, 2004). Although there are individuals in higher-income

brackets who choose to be self-insured or assume the risks of no insurance, for the overwhelming majority of the uninsured, the lack of health insurance is an issue of affordability.

Even though they have low incomes, 71 percent of the uninsured were employed either full-time or part-time during 2001-2002. In Texas the percentage is slightly higher at 79 percent (Stoll and Jones, 2004). Unfortunately, many have jobs where health insurance is not offered, and many Texas industries are reducing health care coverage. Workers in construction, manufacturing, and wholesale and retail trade account for more than half (53 percent) of all uninsured Texans (TDI, 2003). These industries typically offer part-time and seasonal employment, cyclical work patterns with frequent layoffs, and relatively low cash wages and limited non-cash compensation.

In addition, small businesses with less than 50 employees constitute 73 percent of all businesses in Texas, similar to the national average of 76 percent. Of these small businesses, only 37 percent offer insurance. This is a significant drop from the 47 percent national average. Furthermore, only 35 percent of employees in small businesses that offered insurance actually enrolled, in comparison with 63 percent of employees in large businesses (IOM, 2003). This could be a result of small businesses offering less appealing or more expensive packages.

DEMOGRAPHIC CHARACTERISTICS OF THE UNINSURED

Insurance coverage varies over the course of a person's life. Fortunately, the likelihood of being uninsured declines among adults as age increases; however, many children and young adults remain uninsured. Twenty-seven million or 37 percent of

all children in the United States were uninsured in 2002-2003 (Stoll and Jones, 2004). More than half of the uninsured children are eligible for public programs, but are not enrolled. In Texas, this could be a result of the SCHIP program requirement to re-enroll every six months or the lack of parent coverage in the program. Also, when children reach adulthood, they are no longer covered by their parents' insurance. Half of all 18 to 24 year-olds in the United States were uninsured in 2003 compared to 17 percent of 55-64 year-olds (Stoll and Jones, 2004). In Texas, 39 percent or 1.2 million 19 to 29 year-olds were without insurance (Families USA, 2003).

Disparities based on race and ethnicity also exist. Sixty percent of all Hispanics and 43 percent of African-Americans were uninsured (compared to 24 percent of Non-Hispanic whites) in the United States for some portion of the year in a two-year study by Families USA (Stoll and Jones, 2004). African-Americans and Hispanics are therefore two to three times more likely to be uninsured than Non-Hispanic whites (IOM, 2001). Foreign-born residents are three times more likely to be uninsured; non-citizens are twice as likely (IOM, 2001). In Texas, 24 percent of the uninsured are non-citizens. In addition, almost 3 million Hispanics in Texas are uninsured; this accounts for 40 percent of the uninsured population (Families USA, 2003).

Another factor that increases the likelihood of being uninsured is the level of educational attainment. Texas has lower rates of high school and college graduates than the national average (Murdoch, 2003). There is a strong correlation between education and income as well as between income and insurance. Those who have more

education on average earn more money and have insurance coverage. One of every four uninsured adults in the United States has not earned a high school diploma (IOM, 2001). Thirty-nine percent of adults who have not graduated from high school are uninsured (IOM, 2001). Only nine percent of adults with college degrees are uninsured.

THE TEXAS — MEXICO BORDER

Eleven counties on or near the Texas-Mexico border region (Cameron, Dimmit, Hidalgo, Kinney Maverick, Starr, Val Verde, Webb, Willacy, Zapata and Zavala) have a disproportionately high number of uninsured, accounting for 34.6 percent of the population of the area. This is 10 percent higher than the Texas average (Warner, 2003). In 2000, 35.4 percent of the residents of these 11 counties lived below the poverty level, compared to 15.4 percent in Texas and 12.4 percent in the United States. In real dollars, these numbers translate to an average income of \$13,622 in the border region, \$27,752 in Texas, and \$29,469 in the United States (Warner, 2003). Except for Maverick County, there are no public hospitals in the 11 county region. Therefore, to receive health services through the county indigent health care program, an adult must have an income below 21 percent FPL. To be eligible for Medicaid, a single adult needs an even lower income.

With present growth rates, the population in the 11 border-area counties will increase from 1.3 million in 2000 to 2.3 million in 2020. Eighty-eight percent of the population in these counties is Hispanic. By 2020, growth rates will make this closer to 93 percent (Warner, 2003). The increased immigration rate also amplifies the risk of infectious diseases being carried over from Mexico. Health care workers must also deal with the incongruence of

separate public health systems. The risk of disease and infection is heaviest in the border region, but once across the border, diseases can be carried farther into the state and country. The spread of communicable diseases such as tuberculosis and HIV infections are also more difficult to prevent as their carriers have greater mobility. Tuberculosis requires a minimum of six months of drug therapy and must be controlled on both sides of the border. The number of cases is much more concentrated in the border area (15.2 cases per 100,000) compared to the rest of Texas (8 cases per 100,000) (Warner, 2003).

There are other public health issues of concern in these 11 counties. Diabetes occurs in 8 percent of the population in the counties compared with an average of 6 percent in the rest of Texas (Warner, 2003). The crude birth rate (the number of live births per 1000 population) of 26.3 in the 11 counties in 2000 is significantly higher than the Texas or U.S. rates (17.9 and 14.7 respectively) (Warner, 2003). This indicates a heavier average demand for health care services. In addition there is inadequate prenatal care for women in the border area. This adversely affects the health of young children in an area where there are low rates of breastfeeding and poor-quality diets.

HARRIS COUNTY

Harris County, the largest county in Texas by population, and one of the fastest growing regions of the country, is home to 3.6 million people (Cookston, 2004). Although there are two federally qualified health centers (FQHCs) and 11 hospital district clinics, as well as federal funding for the homeless, over 1 million people are uninsured and an additional half million are underinsured (Cookston, 2004; Gateway to Care, 2006). The

problem in Harris County is that of distribution of and collaboration among medical resources, not necessarily lack of such resources. There is a large supply of facilities, physicians and services, but a strong need for an infrastructure that will allow better primary care access for the uninsured (GHP, 2004).

The population of Harris County is 36.9 percent Hispanic, 38.7 percent Non-Hispanic white, 17.6 percent African-American, and 5.9 percent Other. Compared to the state median household income of \$41,759, the median household income in Harris County is \$43,639 (U.S. Census Bureau, 2004). Of the present 3.6 million residents, 31.4 percent have no health insurance, and the uninsured population includes 25 percent of the children and 51.7 percent of the Hispanic population in Harris County. The fragmentation of Harris County public and private safety net providers is inhibiting progress of its health care system; they barely meet one-third of the demand for their services, leading many of the uninsured to emergency rooms for medical care. Additionally, there are two public health departments, which are not coordinating their work; there are redundant services at clinics located near each other; agencies compete against each other for the same state or federal funding; providers vary in their eligibility standards; there is no referral system; and there are multiple health records for patients if they change providers. There are too few outpatient clinics to meet the need for access to health care. (GHP, 2004).

For these reasons, Harris County formed the Harris County Community Access Collaborative, now called Gateway to Care. It has over 100 members and affiliated organizations, including

all safety-net providers, community and faith based organizations, county and city government, not-for-profit hospital systems, advocacy groups, United Way, medical schools, universities and business community members (Cookston, 2004). The mission of Gateway to Care is to facilitate access to adequate health care for uninsured and underinsured persons in Harris County by coordinating these organizations to deliver needed services (Gateway to Care, 2006).

Some initiatives have included “Ask Your Nurse” — a 24-hour telephone triage service to give answers to urgent health care questions that help the patient decide if an emergency room visit is necessary. Another development is the Provider Health Network, which is a group of physicians who have offered to dedicate part of their work to pro-bono care. The Community Health Center Development Committee has been working to help communities develop federally qualified health centers in their neighborhoods, and to educate them on the complexities of running such a center. Gateway to Care, 2006).

In addition, the Greater Houston Partnership Public Health Task Force was created to address some of the issues in Houston. The task force performed detailed analyses and proposed a comprehensive plan for reorganization of city and county health services. They recommended a health information network to increase the capacity of community-based primary care sites, and local coverage strategies, which included an SCHIP premium assistance program, a Medicaid waiver for Medicaid and SCHIP parents, and a possible public/private insurance plan. The goal of this program was to expand coverage, enhance the ability to pay for care, and to direct financial support to providers

that serve the low-income uninsured. The plan is still being implemented.

SAN ANTONIO AND BEXAR COUNTY

Bexar County is the home of the second largest city in Texas, San Antonio, and often the first metropolitan area reached after crossing the Texas-Mexico border (Wilson, 2004). Bexar County had a population of 1.5 million in 2003 (Murdock et al., 2003). This population is predicted to increase to 3.2 million by 2040 if the net migration rate is the same as the migration rate from 1990-2000 (Murdock et al., 2003).

In contrast to the rest of the state, Bexar County is predominately Hispanic at 56.1 percent, with 34.2 percent Non-Hispanic white, 7.2 percent African-American, and 2.5 percent Other. The city of San Antonio has a slightly higher Hispanic population of 58.7 percent (Wilson, 2004). The median household income in Bexar County in 2004 was \$39,694 compared to \$41,759 in the rest of Texas (U.S. Census Bureau, 2004).

The percentage of uninsured in Bexar County is 26.4 percent, which is only slightly higher than the state average (Wilson, 2004). In order to treat this population, San Antonio created a unique program called Carelink. Carelink is a membership program that reimburses providers who care for residents of Bexar County without health insurance and who are ineligible for Medicaid or SCHIP. To be eligible, a family's income must be below 200 percent FPL. Unfortunately, Carelink enrolls less than 15 percent of the uninsured population (about 55,000 people) due to funding restrictions (Wilson, 2004). This leaves a considerable gap in access for care.

Bexar County has four local health systems: the Bexar County Hospital District, Christus,

Baptist, and Methodist Health Care Systems. These four systems take responsibility for the indigent patients in the county, but the Bexar County Hospital District in San Antonio sees three times more uninsured than the rest of the local health systems combined. Also within San Antonio are two federally qualified health care centers, which operate more than a dozen delivery sites. With all these systems, the distribution of primary care providers is uneven. Fewer providers are located in neighborhoods where uninsured and underinsured residents live (Wilson, 2004).

DALLAS COUNTY

Dallas County, with 23.7 percent of its residents uninsured, has the second-highest number of uninsured in Texas (United Way Dallas, 2005). Dallas County has about an equal population of Hispanic and non-Hispanic white individuals, at 35.6 percent and 38.4 percent respectively. African-Americans are 20.1 percent of the population, while 4.7 percent are Other. The median household income of the county is \$43,444, compared to the Texas median at \$41,789 (U.S. Census Bureau, 2004). The county's only public hospital, Parkland Health and Hospital System, which provides 50 percent of the care to the uninsured, is facing overcrowding as more uninsured patients resort to emergency-room care. In 2004, the Dallas County Commissioners Court estimated that uncompensated care amounted to \$285 million across 10 local hospitals, and county taxpayers were spending an additional \$311 million to pay for those treated at Parkland. The safety-net hospital is having trouble meeting all the needs of an increasing uninsured population, emergency rooms are overfilled, and doctors are not being paid for an increasing number of their services (Jacobson, 2004).

Because Parkland recently started a new policy of co-payments, there has been some overflow to private hospitals. For example, each time a patient is treated, he or she is asked to have some form of payment (even if a small amount.) Other patients who have been denied health insurance coverage at their job are asked to pay in full. Both Baylor University Medical Center and the Presbyterian Hospital of Dallas have seen an increasing number of uninsured patients. For this reason, private hospitals have resorted to referring patients back to Parkland after emergency care has been given (Jacobson, 2004).

It has been noticed that the surge of emergency room patients is in part due to an increasing Hispanic population seeking care at Parkland, most of whom are uninsured. Hispanic residents more than doubled between 1990 and 2003, and currently about half of Parkland's patients are Hispanic, while an even larger 80 percent of the babies delivered there are Hispanic (Jacobson, 2004). The hospital, which is open 24 hours a day, seven days a week, faces a growing need for more facilities and more finances (Magers, 2004).

Some initiatives have been undertaken to compensate doctors for caring for uninsured patients. With a grant from The Physicians' Foundation for Health Systems Excellence of Boston in 2004, the Dallas Academy of Medicine charity created PracticeNet Solutions to provide physicians with tools to manage the care and costs of these patients (Dallas County Medical Society, 2006). In addition, Project Access Dallas is an effort of the Dallas Medical Society, which involves volunteer physicians who see uninsured individuals in their practices. With the assistance of donated pharmacy services as well as other donated professional services, the project provides cost-effective care for uninsured

individuals. The Dallas Academy of Medicine also works to provide services at charitable clinics, immunizations for children and adults, reductions in transplant expenses for those in need, and awareness of home safety issues (Dallas Academy of Medicine, 1997). However, these organizations cannot do everything on their own.

THE FUTURE OF TEXAS

POPULATION GROWTH FROM 2000 TO 2040

The Texas State Data Center, led by Steve Murdock, has projected that Texas will have continual population growth through 2040 (Table V), between 71.5 percent and 148 percent, depending on rates of migration (Murdock et al., 2003). The lowest increase would occur if there is net migration equal to half the rate from 1990-2000; the largest increase would come if the migration rate is equal to the 1990-2000 rate. The period between 2000 and 2002 had a slightly lower migration rate resulting in only a 117.7 percent predicted increase by 2040. Projections based on the 1990-2000 migration rate (Murdock et al., 2003) will be used in this chapter.

Table V - Population in Texas in 2000 and Projections of the Population in Texas in 2040

	2040	Increase
2000	20,851,820	
Net Migration Equal to ½ of 1990-2000	35,761,159	71.5%
Net Migration Equal to 1990-2000	51,707,489	148.0%
Net Migration Equal to 2000-2002	45,388,036	117.7%

Source: *The New Texas Challenge: Population Change and the Future of Texas, 2003*

In general, the median age of the population will be older. There will be an increase in the 65 and over age group and a decrease in the under-18 age group as a percentage of the whole (Table VI). This constitutes a 295.5 percent increase in the 65 and older population (Murdock et al., 2003). As a result, this will negatively affect the income level, health and health care expenses of the people of Texas.

Table VI - Percentage of Population by Age in 2000 in Texas and projections for 2020 and 2040 (1.0 migration)

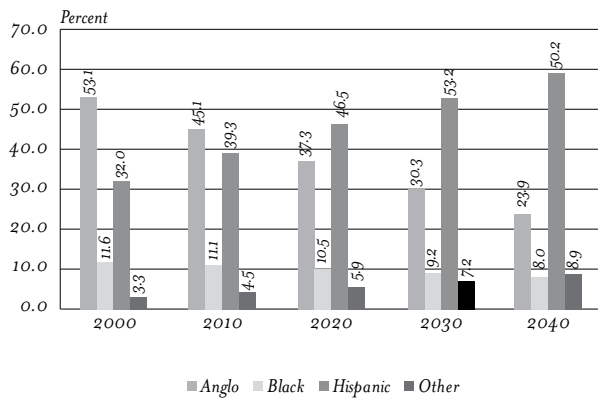
	2000	2020	2040
<18	28.2%	24.9%	21.4%
18-24	10.6%	9.6%	9.1%
25-44	31.1%	30.0%	29.3%
45-64	20.2%	23.3%	24.3%
65 +	9.9%	12.2%	15.9%

Source: *The New Texas Challenge: Population Change and the Future of Texas, 2003*

PROJECTED POPULATION BY ETHNICITY

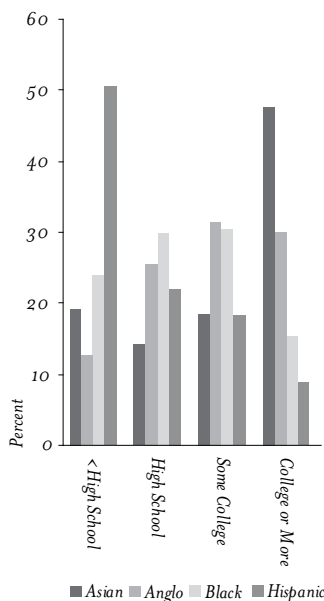
As previously discussed, in Texas the Non-Hispanic white population is 49.5 percent with Hispanics as the second largest ethnicity at 35 percent (U.S. Census Bureau, 2004b). However, if the population increases, using the 1990-2000 migration model, Texas is predicted in 2040 to reverse these percentages (Murdock et al., 2003). Hispanics will become the majority in Texas with 59.2 percent, while the Non-Hispanic white population will be the second largest ethnicity at 23.9 percent (see Figure 1) (Murdock et al., 2003). This shift is predicted to happen between 2025 and 2035.

Figure 1: Projected Proportion of Population by Race/Ethnicity in Texas, 2000 - 2040*



*Using U.S. census count for 2000 and Texas State Data Center 1.0 population projection scenario for 2010-2040
 Source: *The New Texas Challenge: Population Change and the Future of Texas*, 2003

Figure 2: Educational Attainment in 2000 in Texas for Persons 25+ Years of Age By Race/Ethnicity



Source: *The New Texas Challenge: Population Change and the Future of Texas*, 2003

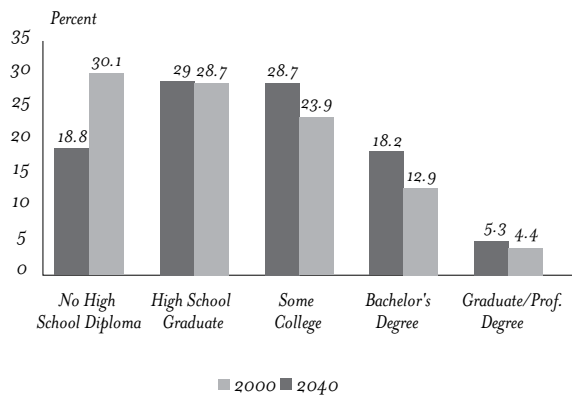
EDUCATION AND INCOME

In 2000, Texas had a lower percentage of high school (75.7 percent vs. 80.4 percent) and college graduates (23.2 percent vs. 24.4 percent) in the 25 and older population compared to the national average. In addition, over half of all Hispanics in Texas over the age of 25 did not have a high school diploma (see Figure 2) (Murdock et al., 2003). This is significantly higher than other ethnic populations in the state.

The current projections show that the percentage of the Texas population with high school degrees will remain stable (see Figure 3), but there will be an increased proportion of workers in the labor force who do not have a high school degree (from 18.8 percent to 30.1 percent) (Murdock et al., 2003). This results in decreased percentages of workers with undergraduate and graduate/professional degrees. As discussed previously in this chapter and in Chapter Nine – Education and Health – higher education attainment correlates with a higher income and therefore an increased likelihood of being insured. Therefore, decreased numbers of workers with higher-education degrees can have a negative impact on the Texas economy, especially the high-tech industries looking for workers with such qualifications.

The prime wage-earning years in Texas are from age 45-54. As the population ages, the prime wage-earning population will begin to decrease, resulting in decreased tax revenues. Current demographic projections show the average real income of Texans dropping from \$54,441 in 2000 dollars to \$47,883 by 2040 (Murdock et al., 2003). With projections showing a less educated work force and a drop in average income, it is very likely that the current number of uninsured in Texas will increase if changes are not implemented.

Figure 3: Projected Percent of Labor Force by Educational Attainment in Texas, 2000 and 2040*



* Projections are shown for the 1.0 scenario.

Source: *The New Texas Challenge: Population Change and the Future of Texas, 2003*

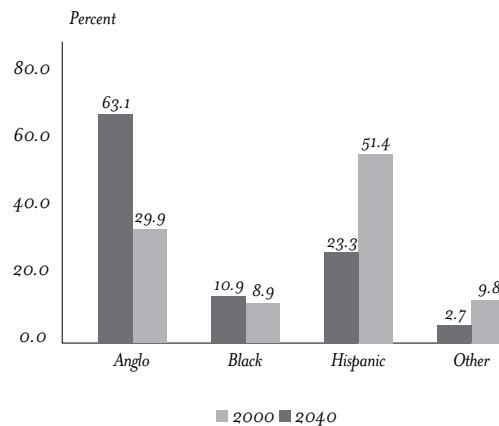
HEALTH AND DISEASE INCIDENCES

The Texas State Data Center also performed projections regarding the state of the health of Texas in 2040. The center determined that there will be a 161.4 percent increase in incidence of diseases and disorders in Texas from 2000 to 2040, which is higher than the predicted population increase of 148.0 percent. This is an increase from 49.5 million to 129.5 million people affected by these diseases. When the figures are refined based on ethnicity, it is noted that the Hispanic population will be responsible for the largest percentage of incident diseases in adults and children (see Figures 4 and 5) (Murdock et al., 2003).

One particular area of concern is the prevalence of overweight and obese adults as determined by their body mass index (BMI). BMI is the ratio of a person's weight in kilograms to height in meters squared. In 2000, there were 5.5 million overweight and 3.5 million obese adults in Texas (see Table VII). Using the migration rate from

1990-2000, it is projected that there will be 15.7 million overweight and 14.3 million obese adults by 2040 (see Figure 6). The obese population will increase from 23.5 percent to 35.8 percent of the total population by 2040. When the obese population is subdivided according to ethnicity, the largest increase by far is projected to be among the Hispanic population (see Figure 7). Further, as a result of a growing number of cases of obesity, we see that incident diabetes in Texas is projected to increase from 943,909 in 2000 to 3,389,074 in 2040. This is a 259 percent increase, mostly due to an increased incidence of diabetes in Hispanics (619.5 percent) (Murdock et al., 2003).

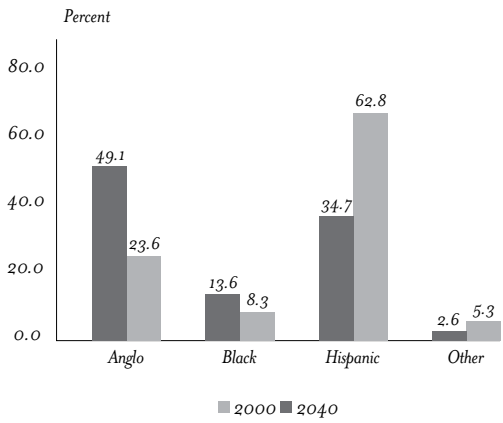
Figure 4: Projected Percent of the Prevalence of Diseases/Disorders for Adults by Race/Ethnicity in Texas, 2000 and 2040*



* Using Texas State Data Center Population Projections 1.0 scenario for 2000 - 2040.

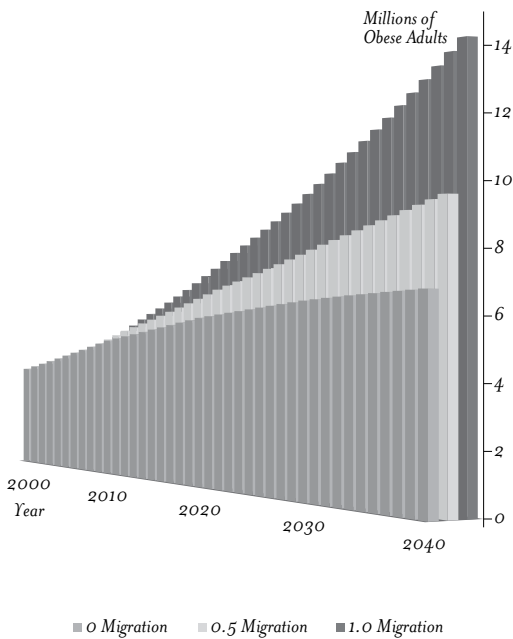
Source: *The New Texas Challenge: Population Change and the Future of Texas, 2003*

Figure 5: Projected Percent of the Prevalence of Diseases/Disorders for Children by Race/Ethnicity in Texas, 2000 and 2040*



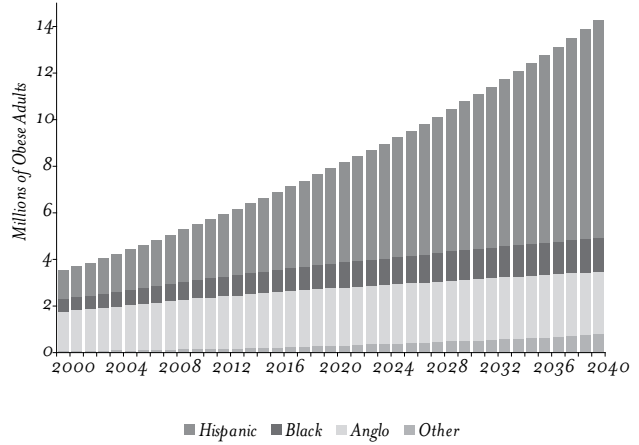
* Using Texas State Data Center Population Projections 1.0 scenario for 2000 - 2040.
 Source: *The New Texas Challenge: Population Change and the Future of Texas, 2003*

Figure 6: Projected Number of Obese Adults by Migration Scenario — Texas, 2000-2040



Source: *The New Texas Challenge: Population Change and the Future of Texas, 2003*

Figure 7: Number of Obese Adults by Race/Ethnicity, 1.0 Migration Scenario — Texas, 2000-2040



Source: *The New Texas Challenge: Population Change and the Future of Texas, 2003*

Table VII — Projected Number of People (in millions) and Prevalence of Overweight and Obese Adults in Texas

Year	Normal		Overweight		Obese	
	#	%	#	%	#	%
2000	5.9	39.6	5.5	36.9	3.5	23.5
2010	6.4	33.2	7.3	38.0	5.5	28.8
2020	7.1	29.0	9.5	38.7	7.9	32.3
2030	8.3	26.5	12.2	39.1	10.8	34.4
2040	9.9	24.8	15.7	39.4	14.3	35.8

Source: *The New Texas Challenge: Population Change and the Future of Texas, 2003*

THE PROBLEM INCREASES

Overall, this paints a bleak picture for the future of health and economic vitality in Texas if we continue on our current path. Texas is facing a future with an increasing population with less education and lower incomes. This will have an impact on not only the Texas economy, but also the state budget and funds received from taxes. In addition, the

increased incidence of diseases may overwhelm the current health care and Medicaid system. Projections show that the number of physicians in Texas is expected to more than double by 2040 to 83,348 from 30,531, but the number of physician visits will triple (151 million from 56 million) in the same time. Furthermore, the expected number of days in hospital care will also triple (34 million from 11 million) (Murdock et al., 2003).

With current trends, the model predicts Medicaid enrollment to almost triple (see Figure 8). This will result in Medicaid taking a larger and larger percentage of the already stretched state budget. Expenses related to Medicaid are also expected to increase from \$4.4 billion in 2000 to \$12.3 billion in 2040. A disproportionately large share of the Hispanic community has Medicaid and this proportion will increase from 49.1 percent of Medicaid recipients to 69.9 percent by 2040 (see Table VIII) (Murdock et al., 2003).

Table VIII—Percent of Medicaid Enrollment in Texas by Race/Ethnicity

	2000	2040
Non-Hispanic, white	26.9%	12.5%
African American	22.7%	12.8%
Hispanic	49.1%	69.9%
Other	1.3%	5.1%

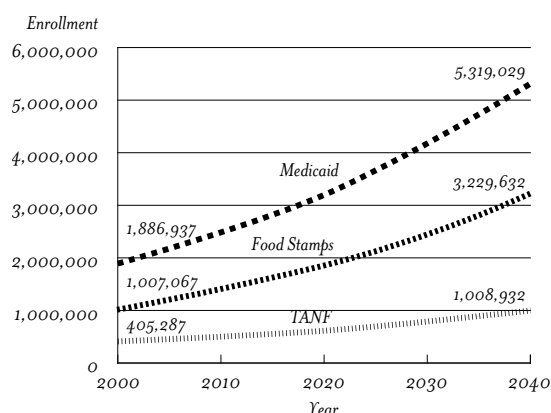
Source: *The New Texas Challenge: Population Change and the Future of Texas, 2003*

At present, Texas faces one of the highest uninsured percentages in the country, and according to current trends, these numbers will continue to increase. Higher than the national average, the number of uninsured in Texas results from and

will be amplified by limited Medicaid eligibility, restrictive and nonexistent employer-sponsored health insurance coverage, unaffordability of private or company insurance, an inadequate number of medical professionals, and unevenly distributed resources. Other factors contributing to the challenge of the uninsured include trends in age, income, ethnicity and education of the state population. A third set of issues arises from immigration growth, which increases the number of people likely to be uninsured.

Consequently, with an increased number of uninsured, Texas state spending on government programs will increase, as will costs to those with coverage. Not only could this lead to an unattractive environment for businesses within the state, but it could also create inaccessible, insufficient and unfulfilling medical services for more than just the uninsured. Increasing health care risks and predictions of Texas funding, demographics, education and business practices must be taken into account to fully understand and ameliorate the current health of Texas.

Figure 8: TANF, Food Stamp, and Medicaid Enrollment in Texas in 2000 and Projections to 2040*



*Projections are shown for the 1.0 scenario.

Source: *The New Texas Challenge: Population Change and the Future of Texas, 2003*

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