



Lawmakers should fix Texas' health care crisis with a robust private insurance market, dependable safety net programs, and a stronger, more responsive Texas Department of Insurance.

There's no doubt that Texas is facing a health care crisis

- Texas has led the nation for two decades in the percentage of our population without health insurance according to the U.S. Census.
- Almost six million Texans—one out of every four people in our state—lack any kind of health insurance.
- Texans have seen health insurance premiums jump forty percent in just five years—ten times faster than Texas household incomes.
- More than eighty percent of uninsured Texans are in working families, and three quarters of them make incomes above 200 percent of the Federal Poverty Level.

Health insurance is too integral to the state's health care infrastructure to be treated as an optional commodity. In 21st century Texas, the health care system upon which all of us depend can exist only if there is a reliable financing system. No one reform will "fix" our health insurance crisis—we need targeted solutions to bring more payers into the system, ensure affordable access for the most vulnerable, and give our state insurance agency the authority and responsibility to regulate the market so it works for consumers *and* insurers.

Texas needs a consumer oriented health insurance market

Lawmakers have worked for years to improve Texans' access to health care through public programs like CHIP and Medicaid, but most Texans need to be able to buy insurance in the private market on their own or through an employer-sponsored plan. Texas currently has one of the least regulated insurance markets in the nation, as well as the highest uninsured rate. The 2008 sunset review of the Texas Department of Insurance is providing an opportunity for legislators to consider strengthening our private health insurance market.

Commonsense regulatory strategies from other states that Texas could implement now include:

- Make rates more affordable through reinsurance.
- Enact reasonable limitations on medical underwriting and pre-existing condition exclusions.
- Expand access to pooling mechanisms for individuals and small employers.
- Tighten existing rate bands or adopt community rating to limit variation in premiums.
- Expand "guaranteed issue" requirements to the individual market.

Texas needs to maximize the benefit of Medicaid and CHIP

Texas could provide health coverage to the majority of uninsured Texas children and draw our fair share of federal dollars by enrolling **all** eligible children in CHIP and Medicaid. More than half of the 1.53 million uninsured children in Texas are eligible for Medicaid or CHIP but not enrolled. In 2008, Texas received \$2.62 in federal funds for each state dollar spent in Medicaid and \$1.54 for each state dollar spent in CHIP.

- Implement 12 months of continuous eligibility for children in Medicaid as we do now for CHIP.
- Provide a CHIP buy-in option for families above the CHIP income eligibility limit and a Medicaid buy-in option for children with disabilities.

Texas needs a Department of Insurance that actively builds health insurance solutions

With the highest uninsured rate in the nation, among the highest premiums in the nation, and declining participation in the employer-sponsored market, Texas needs strong leadership at the state agency level to reverse the troubling trends in our health care system.

Unlike insurance regulatory bodies in many other states, the Texas Department of Insurance has little authority to act proactively to encourage insurance market innovations or to inform consumers about insurance choices. By giving TDI appropriate regulatory tools, Texas can establish a health insurance market that is accessible for Texans and sustainable for the state.

Legislators should give TDI explicit statutory responsibility and authority to identify and implement strategies that increase the availability and affordability of health insurance coverage.

- Require TDI to identify and implement policies and mechanisms that promote and encourage more Texans to purchase health insurance.
- Require TDI to evaluate the effectiveness of the health insurance regulatory environment (with respect to availability and affordability) and report to the Governor and the Legislature, as a component of its Annual Report and Biennial Report to the Legislature, any statutory and/or regulatory barriers to achieving the goals identified above.

For more information contact Texas Impact at 512.472.3903



Texas Impact is a grassroots network for Texas religious communities. Our members include regional and statewide religious organizations, local congregations and alliances, and individuals.

Texas religious leaders established Texas Impact in 1973 in the wake of a major scandal that shook state government. Texas Impact's founders wanted people of faith to involve themselves in government and influence state leaders to direct their attention to the needs of people rather than their own selfish interests. Those founders knew that acts of charity alone are not enough to break the cycles of poverty, injustice and hopelessness.