FINANCIAL TOXICITY:

UNINSURANCE, UNDERINSURANCE, AND MEDICAL DEBT UNDERMINE HEALTH FOR TEXANS

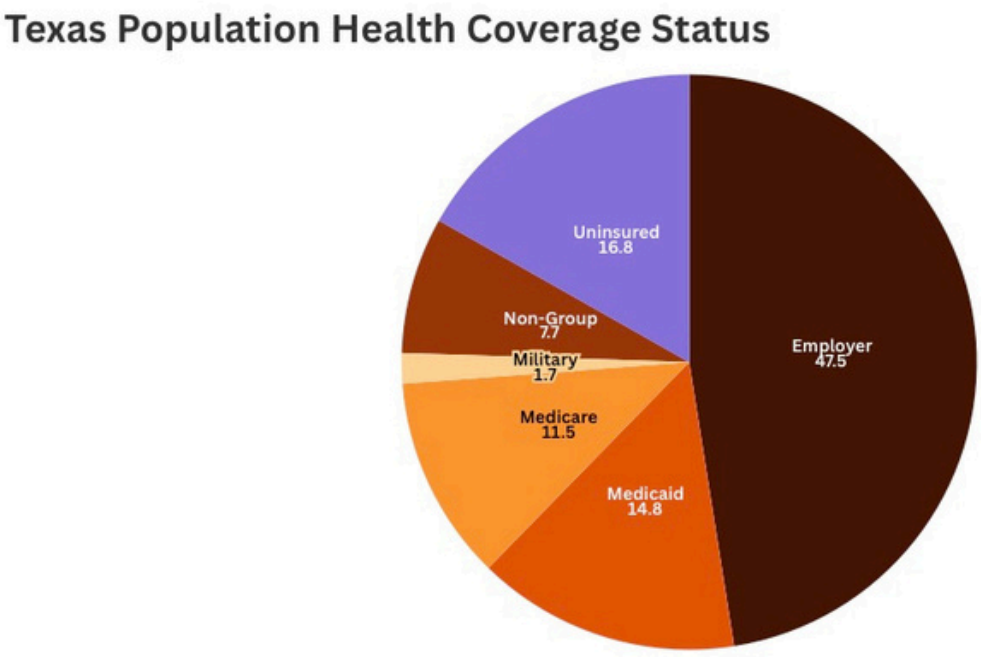
Lynn Cowles, Director of Health and Food Justice, Every Texan

UNINSURANCE & MEDICAL DEBT CAUSE FINANCIAL TOXICITY

The financial strain and physical stress of being uninsured and/or having medical debt make everyday health worse.[1] Uninsurance and medical debt also exacerbate illness and health conditions like acute injury or chronic conditions. The cancer treatment community of patients, doctors, and advocates call the financial stress and hardship faced by uninsured and underinsured cancer patients "financial toxicity."[2] Medical debt, or the potential for it, functions like a literal toxin in human bodies.[3]

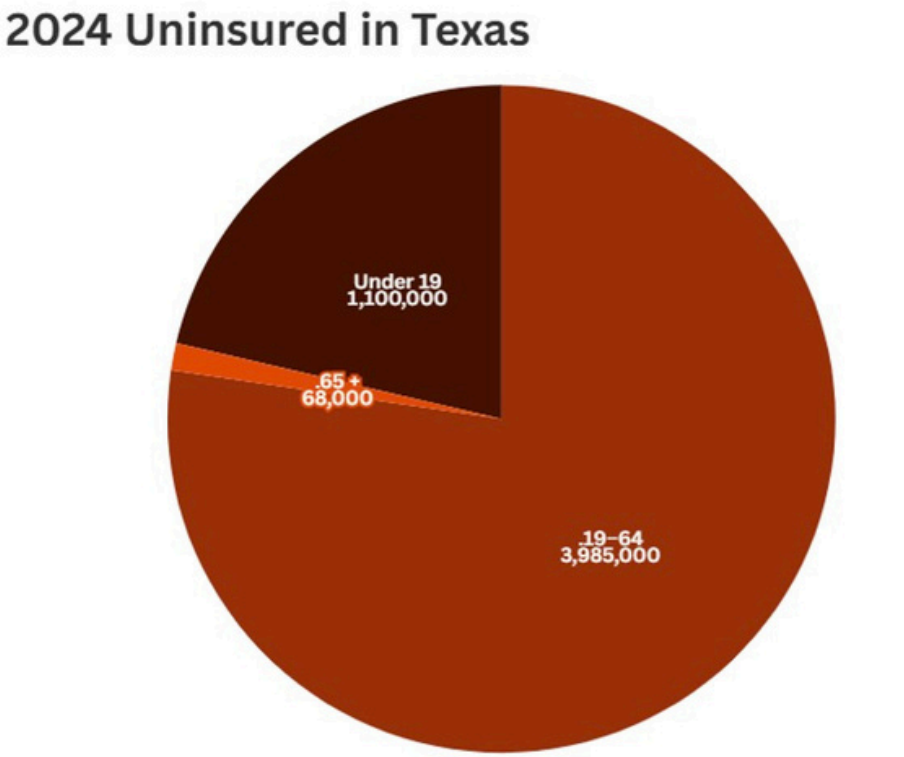
Among Texans who have not had a checkup with a primary care doctor within the last year, 73% have health insurance.[4] That shows even people with health insurance are not getting annual checkups. Only 8% of people without health insurance have had a recent checkup. Because it's less likely for low-income adults and adults from communities of color to have health insurance, the percentages of adults from those populations who have not had checkups within the last year are higher than adults who have higher incomes, who are older, or who are white.

Census data estimate that, in Texas, health insurance provided by employers covers 47.5% of residents; Medicaid and/or Medicare cover 26.3%; private plans from the health insurance Marketplace or direct purchase cover 7.7%; and 16.8% of Texans are uninsured.[5]



KFF. (2024). State Health Facts
https://www.kff.org/state-health-facts/custom-state-report/?i=32234%7Ca3df3e94&g=tx&view=3

Generally, but not in all cases, children under 18 and seniors over 65 have access to Medicaid or Medicare if they're eligible based on family incomes and/or taxpaying history. However, there are no accessible options for low-income adults and low- to middle-income Texas families whose ages or family income make them ineligible for Medicaid or Medicare, or whose employers don't offer coverage. These Texans are more likely to be uninsured:

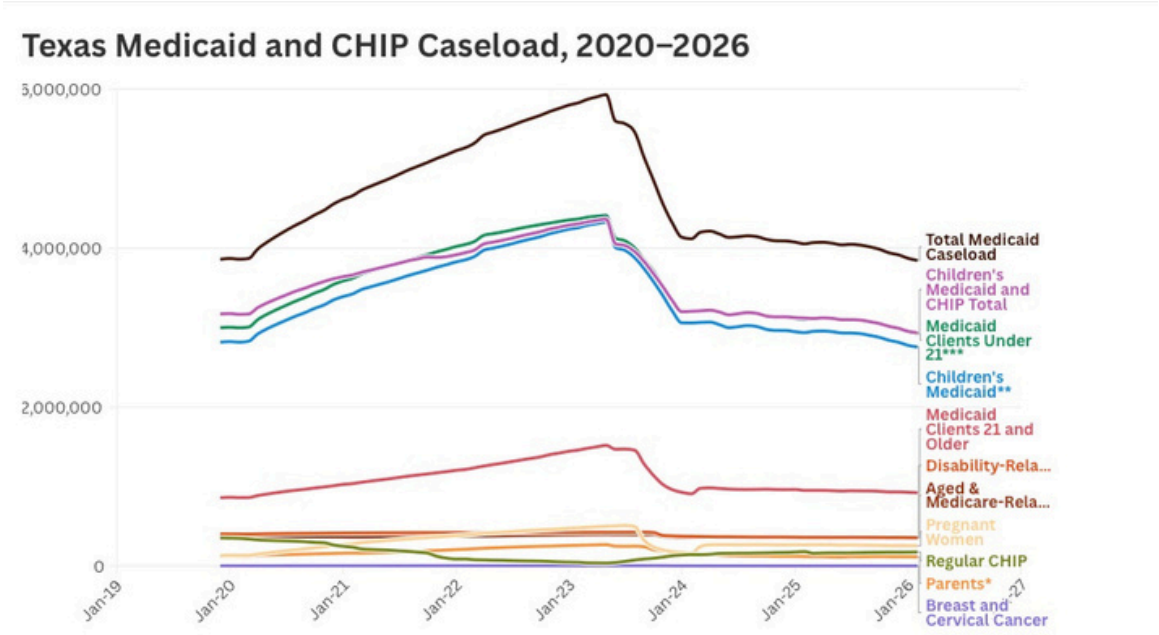


American Community Survey Tables for Health Insurance Coverage, 2024
https://www.census.gov/data/tables/time-series/demo/health-insurance/acs-hi.html

The increasing number of uninsured children in Texas is alarming considering children under 18 in low income families with low incomes and who meet Medicaid eligibility criteria can enroll in that no-cost coverage program.[6]
The increase suggests:

- Families whose children are eligible for Medicaid cannot get or stay enrolled;
- Families whose children are not eligible for Medicaid based on their incomes are not able to find affordable coverage options from employers or the health insurance Marketplace.

Costs for both of those coverage types have increased dramatically over recent years due to market forces and bad policy, including the expiration of the enhanced financial help that made Marketplace health insurance affordable and helped lead to millions more Texas adults and families enrolled to enroll in Texas coverage from 2021–2025.[7]



Texas HHSC. (2026.) Healthcare Statistics
https://www.hhs.texas.gov/about/records-statistics/data-statistics/healthcare-statistics

Uninsured and underinsured Texas families and individuals face the mental and physical stress of medical debt and financial toxicity because they are most likely to be uninsured or underinsured.

Adults in those categories with increased risk of medical debt and financial toxicity include:

- Low-income adults who don't qualify for Medicaid in Texas because they are over 18 and not pregnant, or are disabled, or they are a very low-income caretaker;
- Adults and families who are privately insured by employers but who cannot afford or will not pay for health insurance plans with low consumer cost-sharing (copays, deductibles, and out-of-pocket maximums); and
- Adults and families who purchase private health insurance with high deductibles and copays through the Affordable Care Act's health insurance Marketplace. [8]

Federal figures on Marketplace enrollment show that more than 4 million Texans enrolled in Marketplace plans for 2026,[9] but those figures also include people lacking coverage because of Congress' failure to continue funding the increased subsidies that made those plans affordable from 2021 to 2025.[10] We're still waiting on federally reported numbers of actual enrollments for 2026, which are expected to be published in Summer 2026. In the meantime, potentially 17–26% of 2026 Marketplace enrollees[11] either never paid their first month's premium (meaning their plans never started) or they paid their first month's premium but couldn't continue making those expensive monthly payments (meaning their plans cancelled after three months of nonpayment.) That's between 709,000 and 1+ million Texans who enrolled in Marketplace health insurance plans for 2026 but are now actually uninsured. Texas already has the highest rates of uninsured adults and children in the country, and those rates will continue to grow in 2026.[12]

Federal enrollment numbers also include many Texans who chose plans that are less expensive per month because they have higher deductibles and out-of-pocket maximums.[13] These Marketplace enrollees are likely to be underinsured —that is, they act as if they are uninsured and don't seek out health care services because their insurance does not actually make services or medications affordable for them. Their deductibles are so high that they avoid non-emergent care. In cases of emergency, Marketplace enrollees will go into thousands of dollars of medical debt because of their high deductibles (in the $8,000 range annually on some 2026 plans in Texas). Thus, Texans will experience both the financial toxicity and the worsened health conditions that come with medical debt.

HEALTHCARE POLICY SOLUTIONS

While healthcare coverage can protect people from financial toxicity, the root causes of Texans' overall health challenges are inadequate investments in non-medical drivers of health (NMDOH). NMDOH account for 80% of a person's overall health[14] and are key components of any public health strategy, which must "incorporate [NMDOH] into public health services to reduce health disparities."[15] Unfortunately, Texas lawmakers prioritize tax cuts[16] for wealthy residents instead of making adequate investments in NMDOH for low-income residents, like free transportation,[17] summertime food supports for children,[18] and affordable child care.[19]

Texas lawmakers have made some strides to address the social and non-medical conditions[20] that impact individual and community health, especially conditions related to food access for Texans with complex medical needs. These efforts are necessary, but they are limited in scope and without significant funding, existing disparities will continue to widen and undermine health equity.

Experts know that the solution Texans and Americans need is universal access to affordable, quality care for all. Until leaders find the political will to unlock that goal, Every Texan recommends these common-sense, achievable reforms that will narrow health care coverage gaps:

- Texans must continue pushing Congress to pass Enhanced Advanced Premium Tax Credits legislation and return affordable health insurance to millions of Texans who dropped their Marketplace plans or opted for higher-deductible plans. The U.S. House already passed this legislation in January 2026;[21] U.S. Senators can demand a vote on this bill despite the Senate leader's refusal to bring it to the Senate floor.
- State lawmakers can request data from hospitals, stand-alone emergency departments, credit bureaus, and related institutions to understand the extent, concentrations, and demographics of uncompensated care costs around the state. With these data, agencies, providers, patient groups, and advocates can target short-term solutions like health insurance application assistance and longer-term solutions like local preventive health programs and education to communities suffering from uninsurance and underinsurance.

IN THE 90TH LEGISLATIVE SESSION, LAWMAKERS CAN:

- ✓ Protect their uninsured and underinsured constituents from financial toxicity by requiring hospitals to screen uninsured and underinsured patients for their eligibility for charity care,[22] which eliminates or reduces medical debt;
- ✓ Shore up standards for comprehensive health insurance coverage. Texans who enroll in health insurance plans should know they're avoiding junk insurance[23] and trust they are covered by plans that will share the costs of medically-necessary treatments and medications;
- ✓ Provide funding for HHSC-certified Community Partner Programs[24] that provide staff and volunteers to help Texans navigate healthcare programs, minimize medical debt, prevent financial toxicity, and improve NMDOH.

Texans demand accountability for our healthcare from state leaders. We look forward to supporting solutions that advance healthcare reform in Texas and strengthen financial security and improve health for all Texans.

Anyone invested or interested in making healthcare more affordable and accessible for Texans across the state can sign up to receive our Texas Outreach and Enrollment Digest or scan the QR code below.

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