

New report: Rate of uninsured young adults drops by more than one-third in Texas

August 24 2016

The percentage of young adults ages 18 to 34 in Texas without health insurance has dropped by 35 percent since the Affordable Care Act (ACA) went into effect, according to a new report released today by Rice University's Baker Institute for Public Policy and the Episcopal Health Foundation.

The report found the uninsured rate among [young adults](#) in Texas dropped from 33 percent in September 2013 to 21 percent in March 2016. This age group is often called "young invincibles" by the health insurance industry because they don't always purchase health insurance since they believe they are too healthy to warrant the cost.

Prior to the ACA going into effect, young invincibles had higher uninsured rates than older Texans. However, the report found this group of young Texans now has a lower uninsured rate than Texans ages 36 to 49.

"We found a significant increase in young adults getting health insurance through employer-sponsored health plans," said Vivian Ho, the chair in health economics at Rice's Baker Institute and director of the institute's Center for Health and Biosciences, a professor of economics at Rice and a professor of medicine at Baylor College of Medicine. "The ability of many young invincibles to remain on their parents' plans likely explains a substantial part of the drop in the uninsured."

Under the ACA, children up to age 26 can remain on their parents'

health plan.

Researchers say the ACA provision requiring large employers to make affordable health insurance available to employees and the strong Texas economy may also have contributed to the rising rates of health coverage for young invincibles as well as Texans overall.

The report discovered Hispanics and young adults making less than \$16,000 a year were the most likely young invincibles in Texas to remain uninsured. Researchers found more than one-third of young Hispanics and 56 percent of low-income young adults in Texas still do not have health insurance.

"For those young adults with the lowest incomes, the ACA coverage solution was an expanded Medicaid program," said Elena Marks, EHF's president and CEO and a nonresident health policy fellow at the Baker Institute. "Because Texas has not yet opted to use the federal Medicaid dollars to cover these individuals, it's likely they'll remain uninsured."

The participation of young invincibles in the ACA health insurance marketplace is important to its long-term success, the report said. Researchers said the lack of sufficient young invincibles and other healthier adults enrolled in ACA marketplace plans is cited by some as a factor in anticipated increases in 2017 premiums and the withdrawal of large insurance carriers from some state health insurance marketplaces.

"The composition of risk pools—including a mix of healthier and less healthy participants—is vital for the long-term sustainability of the ACA [health insurance](#) marketplace," Ho said.

Marks said outreach and enrollment organizations should develop new approaches to reach young adults in Texas, especially those who paid the escalating tax penalty fee for being uninsured.

"Another promising strategy is to encourage enrollment groups to assist young adults who are aging out of Medicaid and CHIP (Children's Health Insurance Program) and help transition them to ACA marketplace insurance plans or other coverage," Marks said. "Youth-friendly e-outreach during the upcoming open enrollment period may also be effective."

The report is the 23rd in a series on the implementation of the Affordable Care Act in Texas co-authored by Marks and Ho.

More information: Full survey report:
bakerinstitute.org/research/hrms-issue-brief-23

Provided by Rice University

Citation: New report: Rate of uninsured young adults drops by more than one-third in Texas (2016, August 24) retrieved 2 February 2024 from
<https://medicalxpress.com/news/2016-08-uninsured-young-adults-one-third-texas.html>

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