



HEALTH CARE, THE 2013 LEGISLATURE, AND THE AFFORDABLE CARE ACT

What Happened and What Work Remains?



MAY 2014

In a report on the 2007 Texas Legislative session, we reflected on the national health reform debate that was underway, and goals for reform to remove financial and systemic barriers to care.

Today, many provisions of the Affordable Care Act (ACA) are in effect, and delivering good affordable coverage to large numbers of the former uninsured. The ACA will need fixes that only the United States Congress can deliver, and constructive engagement by Texas government as well. As this report details, Texas enters 2014 facing great possibilities, and no shortage of big challenges as we look to improving the system for quality, affordable care for all.

STEPS FORWARD AND STEPS BACK

2013 was a big year for health care access in Texas, marked by both big steps forward and enormous opportunities that were not taken.

- ▶ Significant state-budget investment in behavioral health care yielding a 15 percent increase compared to agency funding for 2012-2013.
- ▶ The launch of open enrollment in the Affordable Care Act’s new health insurance Marketplace.
- ▶ Reversal of 2011 funding cuts to family planning services.
- ▶ New capacity to help Texans with disabilities and seniors access the services they need to live as independently as possible in their communities.
- ◀ The Texas Legislature failed to authorize Medicaid expansion for U.S. citizen adults under the ACA, leaving approximately one million Texans without a coverage option, and forfeiting over \$6 billion a year in new Texas federal health care dollars.
- ◀ Despite dollars allocated, serious concerns remain regarding access to family planning health care providers.
- ◀ Failure to authorize the Texas Department of Insurance to ensure high value and consumer protections with new insurance products in the Marketplace.
- ◀ Failure to contribute to the efforts to help Texans—especially our 6.4 million uninsured—enroll in new coverage.

A LOOK INSIDE

- ▶ Texas’ leaders created a Coverage Gap, leaving a million uninsured Texans without coverage benefits from the ACA in 2014.
- ▶ New investments were made in mental health and substance abuse care.
- ▶ Funding cuts for women’s health care were reversed, but access to services is still reduced in many communities.

ABOUT THIS REPORT

Commissioned by Methodist Healthcare Ministries of South Texas, Inc., CPPPP has produced a summary of major health care actions and issues after each Texas legislative session since 2005. In this fifth edition report, we also explain how the 2013 state-level decisions, actions, and omissions in health care intersect with the implementation of the Affordable Care Act in our state. The report’s conclusion identifies key opportunities for readers to get involved in the next steps for Texas health care.

[2011 Session Report](#)

[2009 Session Report](#)

[2007 Session Report](#)

[2005 Session Report](#)

For active URLs, please visit www.ForABetterTexas.org

FORWARD

BACK

The Big Budget Picture for Medicaid and CHIP

SMALLER MEDICAID “IOU” FOR 2014-2015

The 2013 Legislature restored the deliberate Medicaid “IOU” written into the 2012-2013 budget: under-funding Medicaid by \$5 billion in state dollars left the program six months short of a full 24-month budget. The 2014-2015 state budget is approximately \$1.3 billion short. Some of these shortages to Medicaid stem from:

- \$760 million from failure to fund ACA-related Medicaid changes required in every state (even if adult Medicaid is not expanded).
- Medicaid enrollment increase due to (1) New Medicaid coverage for certain former Texas foster care youth until they reach age 26; (2) 12-month renewal periods; (3) Elimination of “asset” limits and mandatory in-person enrollment; and (4) The “welcome mat effect” of heightened public awareness, resulting in hundreds of thousands of uninsured Texas children who qualify for Medicaid or CHIP, but who are not enrolled. Most importantly, the Texas Health and Human Services Commission (HHSC) intends to implement all these new policies and comply with federal law despite the symbolic gesture.
- Another \$520 million comes from using lower cost-per-enrollee assumptions than the Health and Human Services Commission (HHSC), the Department of Aging and Disability Services (DADS), and the Legislative Budget Board (LBB) actually anticipate. The LBB is the official entity that estimates the cost of Texas programs.

MOST 2011 MEDICAID AND CHIP CUTS REMAIN IN PLACE

In 2011, there were significant Medicaid funding cuts, primarily by decreasing health care provider reimbursement rates. Fees paid to medical providers were cut by amounts ranging from 2 to 12 percent, and most of these cuts remain in place.

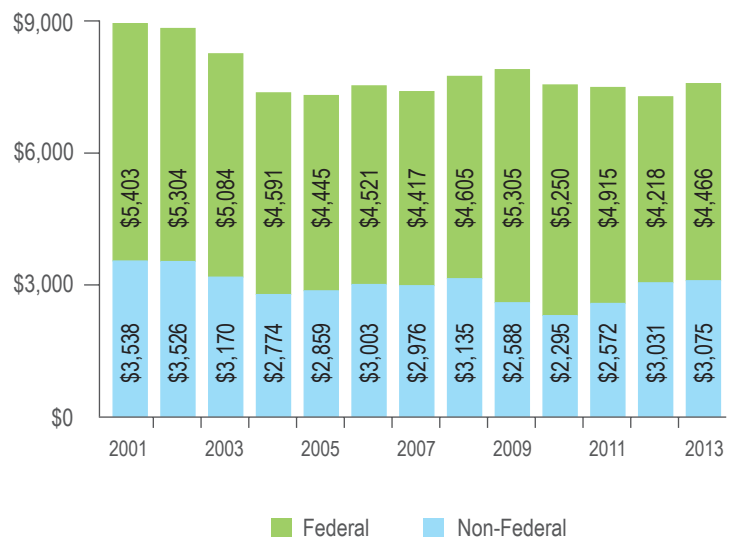
ACA raises certain Medicaid fees to the higher Medicare levels for 2013 and 2014, so some primary care physician rates are restored. This is mostly federally funded, but the Legislature did allocate \$44 million to include OB-Gyns in the temporary increase, and reverse the two percent 2011 Texas rate cut for the eligible primary care providers.

Cuts still in effect include \$400 million in Medicaid cuts (“Rider 51” in HHSC’s budget), and authorization for the agency to make the policy changes to secure those cuts. A major cut from 2011 was “Medicare Equalization” which reduced pay for care to Texans eligible for both Medicaid and Medicare down to the lower Medicaid rates. This policy created new barriers to care for seniors in critical services (e.g., oncology, dialysis, mental health). In response, Texas HHSC has modified the policy to phase in the impact, create several exceptions, and pay Medicare deductibles in full. The remainder of the reduced payment policy remains in place.

WHY DOES THIS MATTER?

The Texas Legislature has made numerous cuts and imposed rigorous cost containment, and as a result Texas Medicaid spending per enrollee has declined substantially in recent years. The Texas Legislature has made numerous cuts and imposed rigorous cost-containment, and as a result Texas Medicaid spending per enrollee (adjusted for inflation) has declined substantially in recent years. It is important to distinguish where reductions have achieved real efficiency improvements, versus reductions in access to care.

TEXAS MEDICAID SPENDING PER RECIPIENT, 2001-2013 (IN 2013 DOLLARS)



Sources: U.S. Bureau of Labor Statistics, Texas Health and Human Services Commission.

WHAT CONCERNS AND CHALLENGES REMAIN?

The Texas Legislature—not Congress or Texas HHSC—controls what Medicaid pays doctors and other care providers. If the Legislature keeps rates too low, Medicaid enrollees can't get appointments when they need care, and some are forced to seek care in the emergency room.

The Texas Coverage Gap: No “Texas Solution” Medicaid Expansion Leaves Many Uninsured Working Texans Without Options

The 2013 Texas Legislature and state leaders failed to advance a “Texas Solution” Medicaid Expansion, resulting in an estimated \$6 billion federal dollars lost per year (Texas HHSC estimate; other models project even greater losses). Some uninsured full-time working Texans will not qualify for marketplace coverage, and will remain uninsured.

Upon passage of the ACA, Congress set aside additional funding for every state Medicaid program

to reach all United States citizen adults below 138% of FPL. Then, the U.S. Supreme Court 2012 decision ruled Medicaid expansion was optional, by eliminating any penalty for states that failed to provide that coverage.

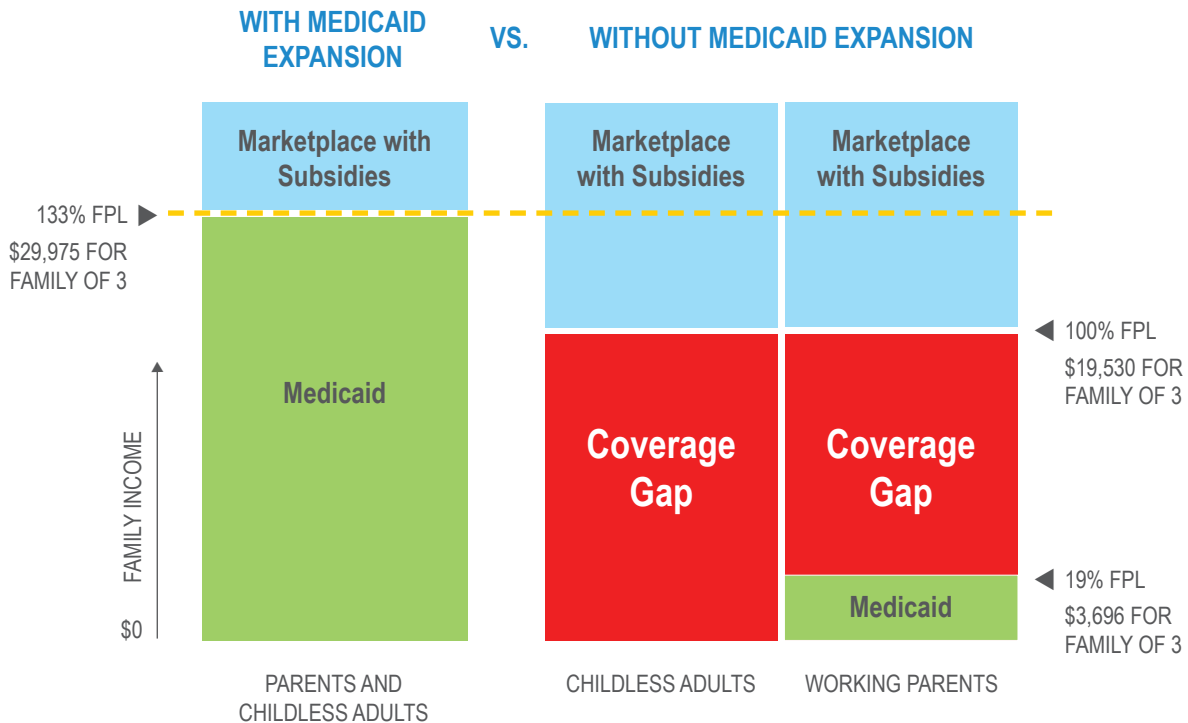
Because nationwide access to Medicaid coverage for all adults in poverty was assumed, the ACA only made sliding-scale and out-of-pocket costs in the new health insurance Marketplace available for U.S. citizens above the poverty line.

Now, Texas' decision to reject Medicaid funding for coverage means hard-working Texas adults with income below the poverty level will not qualify for subsidies, thereby creating a coverage gap.

MOST TEXANS, MAJOR CITIES, AND CHAMBERS OF COMMERCE SUPPORT COVERAGE

Statewide support for a Texas Medicaid expansion is strong. Every major Texas city and the Rio Grande Valley has expressed support through its business groups, elected officials, and health care providers. Texas and national polling firms report 58-59 percent of Texas voters support accepting federal ACA funds to cover the poorest uninsured adults. Two dozen chambers of commerce in Texas have called on the state to accept the funding.

TEXAS COVERAGE GAP: MEDICAID HOLE IN THE ACA COVERAGE SYSTEM



Source: CPPP

“TEXAS SOLUTION,” A CONSERVATIVE APPROACH TO MEDICAID EXPANSION, BUT OPPOSED BY GOVERNOR

The 2013 Texas Legislature considered a conservative, market-based “Texas Solution” alternative offered by Rep. John Zerwas in HB 3791. Despite broad support by Texans and more than enough supporting votes by House members for Zerwas’ “Texas Solution” bill, House leaders decided not to bring the bill up for a vote in the chamber after the Governor’s office communicated a veto threat.

Conservative southern states (Arkansas, Kentucky and West Virginia) and other states with conservative Governors (Arizona, Iowa, Michigan, Nevada, New Mexico, New Jersey, and North Dakota) have moved ahead with Medicaid expansion. Many have

negotiated approaches that incorporate commercial insurance markets and allow the lowest-wage uninsured access to affordable health coverage and their states to receive generous federal funding. Hardworking Texans—uninsured and insured taxpayers alike—will benefit if our state leaders follow suit, gaining access to the health care, jobs, and economic opportunities that federally funded coverage for over a million uninsured will deliver.

WHO IS LEFT OUT: TEXAS LOW-WAGE WORKERS, MILITARY VETERANS AND SPOUSES

United States Census data show that in 2011 there were over 806,000 uninsured working Texans who fall in the **Medicaid Expansion income group**: working US citizens in Texas, between 18 and 64, up to 138% of the Federal Poverty Income Level (FPL).

KEY FACTS: Texas Coverage Gap Solution

Uninsured Texas (United States citizen) adults left without a coverage option in 2014: **About one million**

- Estimates range from 935,000 ([Texas HHSC](#), out of 1.4 million below 138% of poverty), to 1.046 million ([Kaiser Family Foundation](#), out of 1.87 million below 138% of poverty) to as high as 1.3 million, ([Urban Institute](#), out of about 1.9 million below 138% of poverty).

Federal health dollars Texas would have gained each year 2014-2017: **Over \$6 billion a year**

- [Texas Medicaid’s \(HHSC\) estimate](#) of state-dollar General Revenue (GR) Medicaid costs to cover these new adults is \$1.3 billion GR for the first 4 years, drawing another \$23.9 billion in federal match. Texas would spend an average of \$784 million a year, drawing over \$6.8 billion federal match (for a net gain over \$6 billion/year). The [Legislative Budget Board \(LBB\)](#) projected lower enrollment, with \$482 million state GR costs for four years, and a \$14.4 billion gain in federal match.

For every \$1 Texas spends on expansion adults: **\$9 federal match – or more**

- The federal government will pay 100 percent of the costs for expansion adults from 2014-2016, 95 percent in 2017, 94 percent in 2018, 93 percent in 2019, and no less than 90 percent every year after that.

Medicaid expansion can provide adults with a commercial-style benefits package, with sliding-scale co-payments.

Estimated Texas Jobs Created if Medicaid expansion was implemented: **Over 300,000**

- [Former Deputy Comptroller Billy Hamilton](#) projects that economic activity from Medicaid expansion would generate an estimated 231,000 jobs by 2016, and several times that number in later years. His report notes that this would yield a significant reduction in Texas’ unemployment rate, and greater economic security to families and local communities.
- [Texas Economist Dr. Ray Perryman](#) estimates that Medicaid expansion would generate over 300,000 Texas jobs per year on average (“3.03 million person-years” of employment) over 10 years, even after netting out the impact of diverting the state’s required matching contribution.

Extra tax penalties Texas businesses pay in 2015 due to the Coverage Gap: **\$266 to \$399 million**

- If Texas does not implement coverage for adults up to 138 percent of the federal poverty level, Texas employers will pay higher taxes in 2015 because many uninsured Texas workers who earn between 100 and 138 percent of poverty will qualify for premium subsidies in the new health insurance Marketplace, generating penalties for larger employers. If those Texans enrolled in Medicaid, their employer would not be penalized. The [Jackson-Hewitt Tax Services](#) estimates \$266 to \$399 million in added penalties for Texans employers just from this group.

This number includes many **young adults** who typically have lower earnings and often young children to support. Any Texas adult working at low wages and supporting one or more children is indeed likely to fall near or below poverty, and into the Medicaid expansion income group. It also includes **older adults** with low incomes, who will not qualify for Medicare for years.

Census data show that Texas workers in the Retail; Accommodation and Food Services; Health Care and Social Assistance; and Construction sectors employ 450,000 uninsured Texas workers who fall into the Medicaid Expansion income group. Together, they account for 56 percent of Texas workers eligible for the ACA Medicaid expansion.

Texan average earnings, according to the Bureau of Labor Statistics, show dozens of Texas occupations in the sectors previously listed fall below 138% FPL for any person supporting one or more dependents.¹

Census data also show Texas has the highest number of uninsured veterans and veterans' spouses in the United States, with over 200,000 uninsured (over 130,000 veterans and over 73,000 spouses). Nearly four in ten of Texas' uninsured veterans are at Medicaid expansion incomes, and nearly three-quarters of that number are below the poverty line and thus will fall into the Texas Coverage Gap in 2014.

WHY DOES THIS MATTER?

The economic argument for Medicaid expansion is powerful, and the impact of leaving Texans below poverty in the Coverage Gap is both unjust and fiscally harmful to communities.

2013 Incomes: Texas Coverage Gap and Medicaid Expansion		
Family Size	Poverty Line Annual Income (Texas Coverage Gap)	138% of Poverty Line (Medicaid Expansion upper limit)
1	\$11,670	\$16,105
2	\$15,730	\$21,707
3	\$19,790	\$27,310
4	\$23,850	\$32,913
5	\$27,910	\$38,518

WHAT CONCERNS AND CHALLENGES REMAIN?

Failing to expand adult Medicaid coverage under the ACA means denying one million uninsured United States citizen adults coverage, foregoing over \$6 billion a year in direct health care spending, and losing hundreds of thousands of new jobs for Texans.

The broad support for Medicaid expansion among Texas local elected officials, chambers of commerce, and healthcare stakeholders is a good first step. But Texans must work now to make the case for action—as soon as possible, or in 2015.

A strong, continuous education effort is needed to make even more Texans aware of the unconscionable and wasteful consequences of failing to provide coverage options for uninsured Texans in the Gap.

THE ACA AND TEXANS IN 2014: WHO WILL GET NEW COVERAGE?

January 2014 was month four of “open enrollment” in the new health insurance Marketplace. For the first two months, states with their own health insurance marketplaces had much stronger enrollment, but the federal online marketplace website serving Texas and over half the states was working poorly. But when the federal website began working well in December, enrollment surged and nationwide, over 2.1 million enrolled in private coverage and another 3.9 million had enrolled in Medicaid or CHIP by the end of December.

Some key facts about the new Marketplace and the Texans who are likely to use it:

- About 3.7 million uninsured Texans (58% of the total uninsured) have incomes between the poverty line and four times that amount (100-400% FPL). This is the income range that could qualify for sliding-scale help with premiums (“premium tax credits”).²
- The new marketplace is targeted to the uninsured who lack access to employer coverage; firms with 50 or fewer workers who want to provide health benefits; and anyone buying insurance directly from an insurer who wants to shop for a better deal. Most people who already have employer-based coverage will continue to be insured through their jobs.

Monthly Premium for a Single 27-Year-Old at Varying Income Levels, Houston, TX (Rating Area 10)						
% FPL	Annual Income	Full Price of 2nd-Lowest Cost Silver Plan	Her Monthly Subsidy	What She Pays Monthly	Full Price of Lowest-Cost Bronze Plan	What She Pays Monthly (Bronze)
133%	\$15,282	\$201.10	\$162.90	\$38.20	\$137.53	\$0.00
150%	\$17,235		\$143.65	\$57.45		\$0.00
200%	\$22,980		\$80.46	\$120.65		\$57.08
250%	\$28,725		\$8.40	\$192.70		\$129.13
300%	\$34,470		\$0.00	\$201.10		\$137.53

Source: CPPP analysis of US HHS (www.healthcare.gov) data.

- Help with premiums is tied to income: the lower the income, the bigger the “tax credit” or discount on the premium. For example, a single 27-year-old woman with an income around \$17,000 could get a plan that would cost \$210 a month at full price for just \$57, almost a 75 percent discount; if she earned \$23,000, she would pay about \$120 a month for the same plan, a 45 percent discount; and at \$29,000, her discount would be less than 10 percent off the full-price premium.
- Not everyone between 100-400% FPL qualifies for sliding-scale help. In some families the worker has a good health benefit but the spouse and/or children do not. A serious flaw in the ACA dubbed “the family glitch” will prevent some low- and moderate-income family members from getting subsidies to reduce the price of coverage. Fixing this should be a top priority for working families and health care advocates.

Texas Medicaid 1115 Waiver and the Affordable Care Act

Texas is near the mid-point of a five-year federal Medicaid “Transformation waiver” program. Under this agreement with the United States Department of HHS, Texas is allowed to convert Medicaid almost entirely to HMO-style managed care, while using local health care tax dollars to draw federal matching funds to pay for both uncompensated health care for the uninsured, and for projects to build capacity to serve more Texans safely and effectively (see mental health section for more). The 1115 Waiver Program has strong benefits for health care access and taxpayers in general.

WHY DOES THIS MATTER?

Federal Medicaid authorities approved the 1115 waiver when Texas was still assumed to be expanding Medicaid for low-wage Texas adults below 138% FPL. The waiver gives hospitals more resources to help them care for the uninsured and insured alike, but it does not provide coverage to uninsured Texans or fill the Coverage Gap.

For every \$1 Texas communities provide for the waiver, health care providers receive \$1.45 in federal funds. For every dollar Texas would provide for Medicaid expansion, our state would get \$9 or more in federal matching funds.

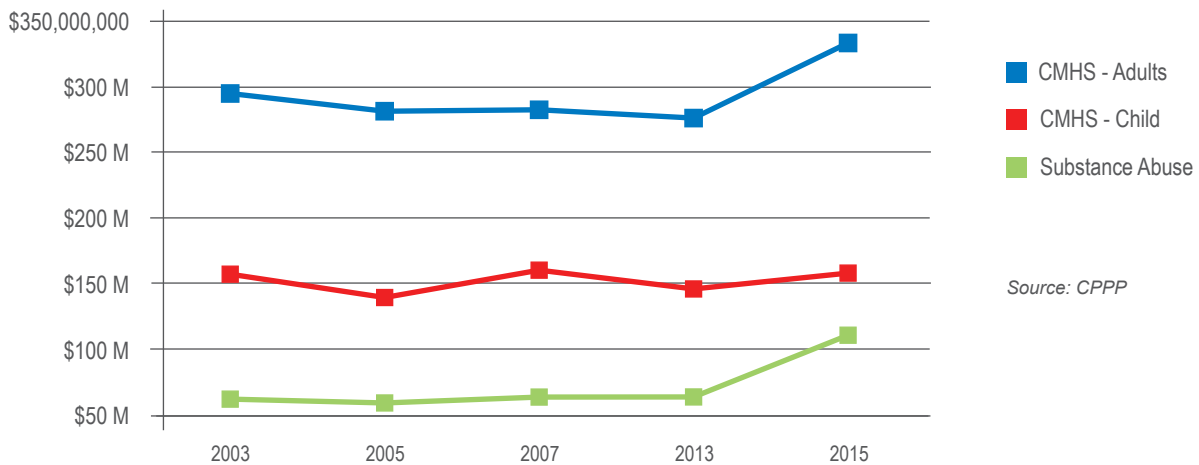
WHAT CONCERNS AND CHALLENGES REMAIN?

A key premise of Texas 1115 waiver was building needed capacity to provide quality, cost-effective care to a larger Medicaid and privately-insured population in 2014 and beyond. Texas’ failure to accept the Medicaid expansion coverage for adults may affect the terms or even approval of a waiver renewal past 2016.

Mental Health Gets Boost from New State Funds, ACA, and 1115 Waiver

Driven in part by horrific shootings across the US, the 2013 Legislature approved new investments in Texans’ behavioral health needs. The Department of State Health Services’ (DSHS) budget includes \$332 million in new behavioral health services for 2014-2015. These funds end a decade of flat funding for community mental health care and substance abuse services, and

TEXAS PUBLIC BEHAVIORAL HEALTH SPENDING: ANNUAL SPENDING, 2003-2015



are expected to eliminate the 2013 waiting lists for community mental health services. New performance targets are being created for Local Mental Health Authorities (LMHAs), and support for in-substance abuse care is nearly doubled.

The new state resources are enhanced by the behavioral health work being done (mostly outside the state budget) under the Texas Medicaid 1115 Transformation waiver, now in its third year. Of over 1,300 delivery system reform projects (DSRIP) submitted, over 27 percent are related to behavioral health care and could add close to \$2 billion in services and capacity over the waiver's life. Projects of LMHAs and hospitals include targeted interventions to prevent avoidable crises, Emergency Room visits, and incarcerations. Waiver projects are expanding behavioral health care hours, locations, and transportation; building alternatives to hospitalization; and integrating behavioral care with physical health.

Also enhancing mental health care access in 2014-2015 are new ACA standards. All Medicaid Managed Care plans and Qualified Health Plans sold in the new health insurance Marketplace must include mental health and substance abuse coverage (part of "essential health benefits"). Behavioral care must also be provided with "parity" (i.e., equal to) medical benefits, including out-of-pocket costs, service pre-authorization, utilization review, and application of "medical necessity" standards.

WHY DOES THIS MATTER?

Untreated or under-treated mental health and substance abuse needs in Texas are drivers of massive avoidable costs in our emergency rooms, hospitals,

jails, and prisons. Untreated behavioral health needs result in untold lost work productivity, prevent parents from doing their best for their children, and impede children and youth from fulfilling their potential.

WHAT CONCERNS AND CHALLENGES REMAIN?

Texas has the opportunity to make enormous gains in access to effective and well-coordinated care. Our state should make sure that resources are allocated to coordinate and monitor the progress of new initiatives, so problems can be solved and solutions shared, and best practices identified and replicated.

Without Medicaid expansion (or a "Texas Solution"), low-wage earners who fall below poverty and have behavioral health needs will miss out on the opportunity to get new health coverage that addresses those needs. The care that could help individuals increase their capacity to earn will be denied.

Medicaid Managed Care: Latest Laws will Move Nearly All Remaining Enrollees to HMO-style Care

Over the last 20 years, the Legislature has directed HHSC to move a growing share of enrollees into managed care plans. In 2013, SB 7 and SB 58 directed Medicaid to launch multi-year plans to serve enrollees who are medically fragile, have mental health diagnoses, or who have intellectual, developmental, and age-related disabilities through Managed Care Organizations (MCOs). These plans would be

responsible for medical care, behavioral health, and long-term services and supports. Moreover, some of the major changes in the new laws include:

- Addition of nursing home services, prescription medications, and psychiatric rehabilitation and case management in plan coverage—all of which were previously excluded from Medicaid MCOs.
- Requires all MCOs to use the Texas Medicaid drug list.
- Opens up delivery of some Medicaid mental health services—previously only delivered by Local Mental Health Authorities—to other providers.

KEY FACTS: Texas Uninsured

- ▶ 6.4 million (24.6%) Texans of all ages were uninsured in 2012.
- ▶ The uninsured rate for Texas kids (birth through age 18) is 16.4 percent (1.2 million of the 6.4 million total).
- ▶ Nearly 1 in 3 working-age adults in Texas ages 19-64 (32.1 percent) is uninsured; adults here are nearly twice as likely to be uninsured as children.
- ▶ Texans are less likely to get health coverage through their jobs (or their spouse's or parent's job) than the United States average: 51.6 percent of Texans under 65 have employer-based health insurance, compared to 58.4 percent of Americans.
- ▶ About one million United States citizen Texas adults below the poverty line were uninsured in 2012, making up 1 in 6 of all uninsured Texans (the 2013 poverty line is \$11,490 for a single adult, or \$23, 550 for a family of four).
- ▶ About 1.7 million of Texas' 6.4 million uninsured are non-citizens, and the best available estimates are that 33-39% of those are lawfully present. But, Texas still has the worst uninsured rate, even when only United States citizens are analyzed.

[CLICK HERE FOR HEALTH INSURANCE GRAPHICS](#)

- Re-establishes a statewide Medicaid Managed Care advisory committee (abolished in 2003), and creates a Behavioral Health Integration Advisory Committee, STAR Kids Managed Care Advisory Committee, and a STAR+PLUS quality council.
- Creates a new Medicaid Managed Care “STAR Kids” program for children with disabilities, who are served today in “waiver” programs.
- Sets goals and establishes financial incentives for improved quality and patient outcomes, including premium rates based on provider payment reforms.

WHY DOES THIS MATTER?

Texas is transferring an ever-increasing share of its \$26 billion in annual Medicaid health care spending to for-profit and non-profit health plans every year. As the bulk of care management is outsourced, consumers and stakeholders can play an important role in ensuring the transparency and the quality of systems of care.

WHAT CONCERNS AND CHALLENGES REMAIN?

It is up to concerned citizens, consumer advocates and budget hawks alike to engage in oversight to make sure the growing outsourcing of care management results in higher quality and more cost-effective care.

New Medicaid Managed Care advisory committees provide an important opportunity for stakeholders, consumers, and family members to get involved.

Community-Based Long-Term Services and Supports

SOME 2011 CUTS REMAIN...

Around 750,000 adult Texans with disabilities and seniors rely on Texas Medicaid, which offers a range of services to help them remain in their homes and the most independent settings. In 2011, budget cuts to LTSS included:

- A three percent rate cut for the HCS waiver (which serves Texans with intellectual disabilities) that has not been reversed.
- Reduced payments to agencies that manage attendant services by \$15 million.

...AND NEW INVESTMENTS WERE ACHIEVED

The Department of Aging and Disability Services requested funding to serve over 11,500 Texans on waiting lists to receive long-term services and

supports, and received funding for nearly 5,900. This will serve about five to six percent of the total waiting list, or about 105,000 Texans with disabilities (as of April 30, 2013).

Funding for “Promoting Independence” will allow nearly 1,400 Texans to leave or avoid institutional living.

ACA-FUNDED GAINS FOR TEXAS LTSS

The Affordable Care Act will provide access to attendant care and habilitation services for nearly 12,000 Texans and major funding gains for Texas LTSS, such as:

The **Balancing Incentive Payments** will give Texas a federal matching rate boost worth \$220 million in 2014-2015, to help shift more of state spending toward person-centered, community-based long-term care.

The **Community First Choice Option** established by ACA provides a six percentage point increase in federal Medicaid match and provides community-based attendant supports and habilitation to individuals with disabilities exceeding the SSI income limit (about \$2,130 a month or 222% of the FPL in 2013 for an individual).

THE FRONT LINE: UNCERTAINTY FOR ATTENDANTS WHO HELP SENIORS AND TEXANS WITH DISABILITIES

Nearly 200,000 seniors and Texans with disabilities use the services of Medicaid-funded personal attendants who help them live as independently as possible. These workers receive no sick leave, vacation, or health benefits and many earn less than \$8 per hour. The Legislature raised the “floor” for the lowest-paid workers to \$7.86 effective 2015.

Texans’ attendant care access faces new challenges in 2014 and 2015. Agencies that employ attendants (if they employ 50 or more full-time equivalent workers), even non-profits, are expected to face penalties in 2015 if they don’t provide health benefits to employees who work 30 hours or more per week. Texas Medicaid has not promised to cover the costs of benefits in the Medicaid rates for attendant care agencies that do offer health benefits, but a budget “rider” requires a report by November 2014 on the impact on LTSS providers.

In addition, attendants earning below the federal poverty income level do not qualify for ACA Marketplace coverage assistance, and will remain uninsured, because of Texas’ failure to expand its Medicaid program for adults.

WHY DOES THIS MATTER?

Texans with disabilities and low- and moderate-income seniors rely on Medicaid for life-preserving health care, and long-term services and supports long-term services and supports that allow them to live in the most independent settings possible.

WHAT CONCERNS AND CHALLENGES REMAIN?

While the 2013 Texas policies enacted by the Legislature will allow many more Texans to access LTSS including attendant care, the state’s decision not to expand the Medicaid program will leave Texas attendants, other direct care workers, and the agencies they work for without benefits or the resources they need to continue providing those much-needed services.

Women’s Health and Family Planning: Rebuilding Begins

In 2012, the new statewide Texas Women’s Health Care Coalition (TWHC) formed to promote better access to preventive health care for women. The coalition asked lawmakers to reverse the damaging 2011 family planning cuts, maintain the Women’s Health Program, and expand provider availability and capacity. With TWHC advocacy and bipartisan support, the 2013 Legislature increased General Revenue (GR) funding for women’s health:

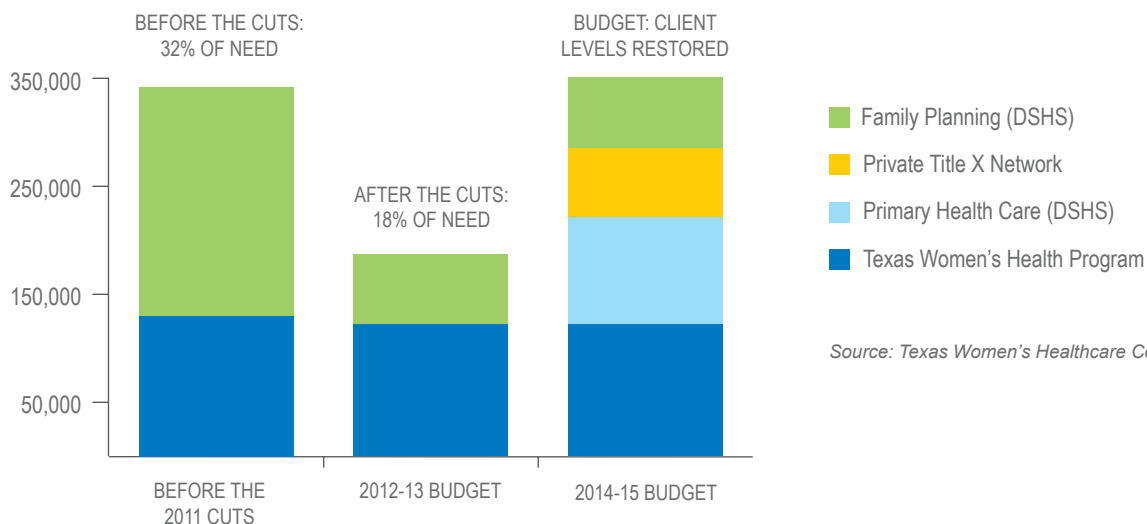
- \$100 million to expand the DSHS Primary Health Care Program, with 60 percent of those new funds allocated for family planning;
- Provided \$73 million in state dollars to fully fund the Texas Women’s Health Program (which replaced the Medicaid Women’s Health Program); and
- Increased state funding to DSHS Family Planning by \$32.1 million, replacing federal Title X Family Planning block grant dollars now awarded to the Women’s Health and Family Planning Association of Texas.

WHY DOES THIS MATTER?

Preventive care check-ups and family planning services increase early detection and treatment of health care problems, and help women prepare for a healthy pregnancy and baby, which is key to reducing the rate of low-birth weight and pre-term babies.

Access to birth control is of course a health issue, but it is also critical to reducing unplanned pregnancies.

NUMBER OF TEXAS WOMEN WITH ACCESS TO PUBLICLY FUNDED FAMILY PLANNING



Family planning is an important tool help teens and low-income families plan for their most successful futures, and move up the economic ladder.

WHAT CONCERNS AND CHALLENGES REMAIN?

In 2011, in addition to family planning budget cuts at DSHS, the separate Medicaid Texas Women’s Health Program (TWHP) was required to exclude Planned Parenthood. This further reduced statewide family planning resources, because at that time Planned Parenthood served 40% of the TWHP program’s patients, or about 52,000 Texas women.

Data from HHSC comparing TWHP payments for the first five months of 2013 (without Planned Parenthood) to WHP payments from the first five months of 2012 (with Planned Parenthood) show a decrease in claims submitted of about 22 percent. This indicates the state has not yet successfully replaced the large capacity gap left by the exclusion of Planned Parenthood.

Funding cuts in 2011 resulted in the closing of 76 Texas family planning clinics. There is an urgent need to map the geographic distribution and patient capacity of family planning contractors across Texas—including the DSHS, TWHP, and Title X networks. This mapping is needed to identify the communities left without services due to clinic closures, take steps to fill the gaps, and to plan to meet future service needs.

Early Childhood Intervention and Adult Rehabilitation: Fewer Will Be Served

Parents of infants and toddlers with developmental delays, and youth and adults recovering from illness and injury all turn to the Department of Assistive and Rehabilitative Services for services to let them reach their maximum potential.

Funding cuts by the 2011 Legislature imposed more restrictive eligibility requirements for Early Childhood Intervention and reduced funding by \$47 million. The 2013 Legislature partly reversed that funding reduction. The 2014-2015 funding level prevents additional service cuts for the current, smaller pool of kids.

WHY DOES THIS MATTER?

With early detection and intervention during the critical zero-to-three years of age, many children can fully eliminate a developmental delay, and all children have their best chance at achieving their maximum potential.

For Texas adults recovering from disabling injuries and illnesses, access to comprehensive Rehab Services can mean the difference between a productive life of work and community engagement, and avoidable disability and unemployment.

Modest investments in supports today can mean years of productive contributions in the years to come. Research finds greatly improved outcomes for children and families as well as economic savings ranging from \$3 to \$9 for each dollar of investment in early intervention.

WHAT CONCERNS AND CHALLENGES REMAIN?

Due to the continued effect of 2011 funding cuts, in 2013 Texas served 5,400 fewer children in need than in 2011—and will remain about 2,100 children below 2011 service levels in 2015 based on budget not being fully restored.

Budget documents also show a small decrease in the number of adult Texans able to access Comprehensive Rehabilitation Services every month compared to 2012-13, and waiting lists for those needing rehab services will continue to grow.

WHAT YOU CAN DO/NEXT STEPS

Spread the word or lend a hand: Work to make sure people in your community learn about new health coverage, and know where to go for help learn about their options and apply for coverage. There may be opportunities in your community to get trained and volunteer to help people enroll in affordable coverage. To learn how you can get involved, contact your local United Way, Community Health Center, 211, or go to <https://localhelp.healthcare.gov> and enter your zip code to see who provides help in your community.

Get involved in closing the Texas Coverage Gap: Individuals or organizations can join in and be part of the growing network of Texans who are working to close the Texas Coverage Gap. If you want to help advocate for a Texas Medicaid expansion, contact the Cover Texas Now Coalition, and sign up for emails and activities at TexasWellandHealthy.org, part of the Cover Texas Now coalition that helps connect people with the tools and information they need to work to close the Coverage Gap. Texans in the Coverage Gap can sign a petition to close the Coverage Gap, share their story, or get tips on where to find low-cost care at TexasLeftMeOut.org.

Get involved to make sure Texas Medicaid Managed Care Delivers High-Quality Care, Access, and Value for Taxpayers' dollars. Texas is on a path to place nearly 100 percent of our Medicaid enrollees into "capitated," risk-based managed care plans, as new 2013 laws establish new pathways to extend the reach of HMO-style Medicaid Managed Care. This means an increasing share of Texas Medicaid's \$26 billion in annual health care spending will flow through both for-profit and non-profit health plans every year. Oversight and engagement is needed from consumer advocates and budget hawks alike, to make sure these plans are providing high-quality care at a cost-effective price. Several statewide advisory committees will monitor Medicaid Managed Care overall, integration of mental health services into MCOs, managed care for individuals with intellectual and developmental disabilities, and medically fragile children. To get information and stay involved, go to <http://www.hhsc.state.tx.us/> and select "sign up for email updates."

Get involved to make sure Texas can make the public investments that improve people's lives. Texas does not have fewer needs than other states, but we are doing less than other states to create economic opportunity and protect children and families as reflected in our low rankings on education, health care, child well-being, and parks. Public investments in quality education, healthy communities, and economic opportunity can't keep up unless the state has adequate resources to avoid facing more budget cuts every year. The Texas Forward Coalition brings together organizations that support a balanced approach to the state budget, one that adequately funds today's needed public services and prepares Texas for future demands caused by changing demographics, technology, and economic competition. Texas Forward believes taxes should be imposed equitably on families of different income levels and businesses in different sectors, and should grow along with Texas' growth in need for public services. Learn more about how you can make a difference at TXforward.org.



CENTER for PUBLIC POLICY PRIORITIES

WORKING FOR A **BETTER TEXAS™**



ENDNOTES

- 1 See pages 13-15, http://forabettertexas.org/images/HC_2013_02_PP_MedicaidExpansion.pdf.
- 2 Of the remaining Texas uninsured, about 12% have incomes over 400% of the FPL, and about 30% have incomes below the poverty line. Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2013.

FOR ACTIVE URLS AND RECENT REPORTS, PLEASE VISIT:

ForABetterTexas.org



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CENTER FOR PUBLIC POLICY PRIORITIES

The Center for Public Policy Priorities believes in a BETTER TEXAS, where economic and social opportunity is available in fair measure to all. We work on public policies to improve conditions for low-income Texans through independent research, policy analysis, public education, and advocacy.

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