

# CPPP PERSPECTIVE:

## Texas Impact of proposed federal roll-back of Medicaid and the ACA

House Appropriations Committee  
Tuesday, July 25, 2017

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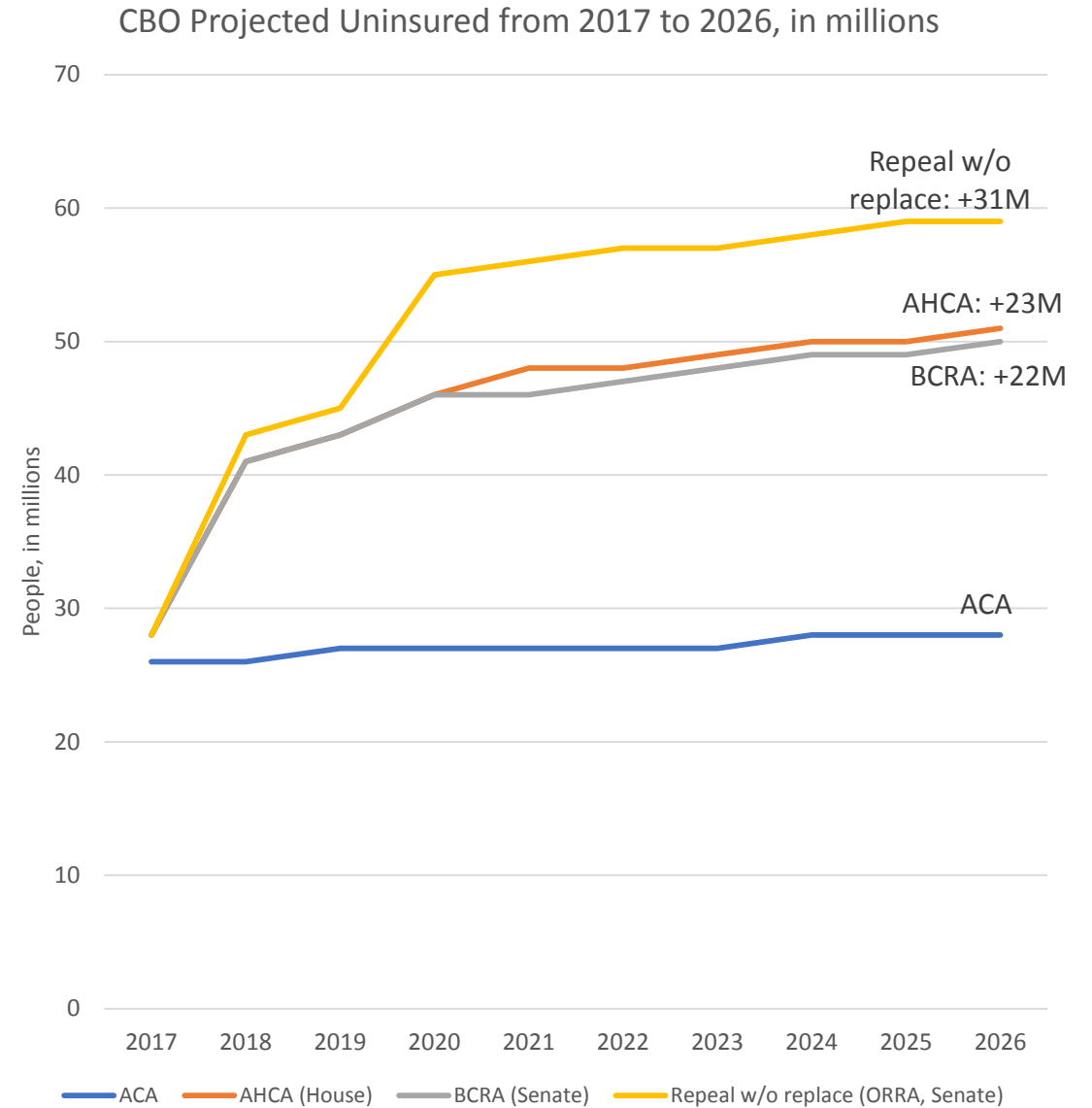
## About CPPP:



CPPP was born from faith and a vision of social justice in 1985 when a Congregation of Benedictine Sisters in Boerne, Texas, founded the center to improve health care access for the poor.



# All ACA Repeal Bills in Congress Cause 22 Million Or More People to Lose Coverage



# All Repeal Bills Contain Massive Cuts to Programs That Make Coverage Affordable for Low- and Moderate-Income People

CBO estimates of federal funding cuts to Medicaid and Marketplace subsidies, 2017-2026

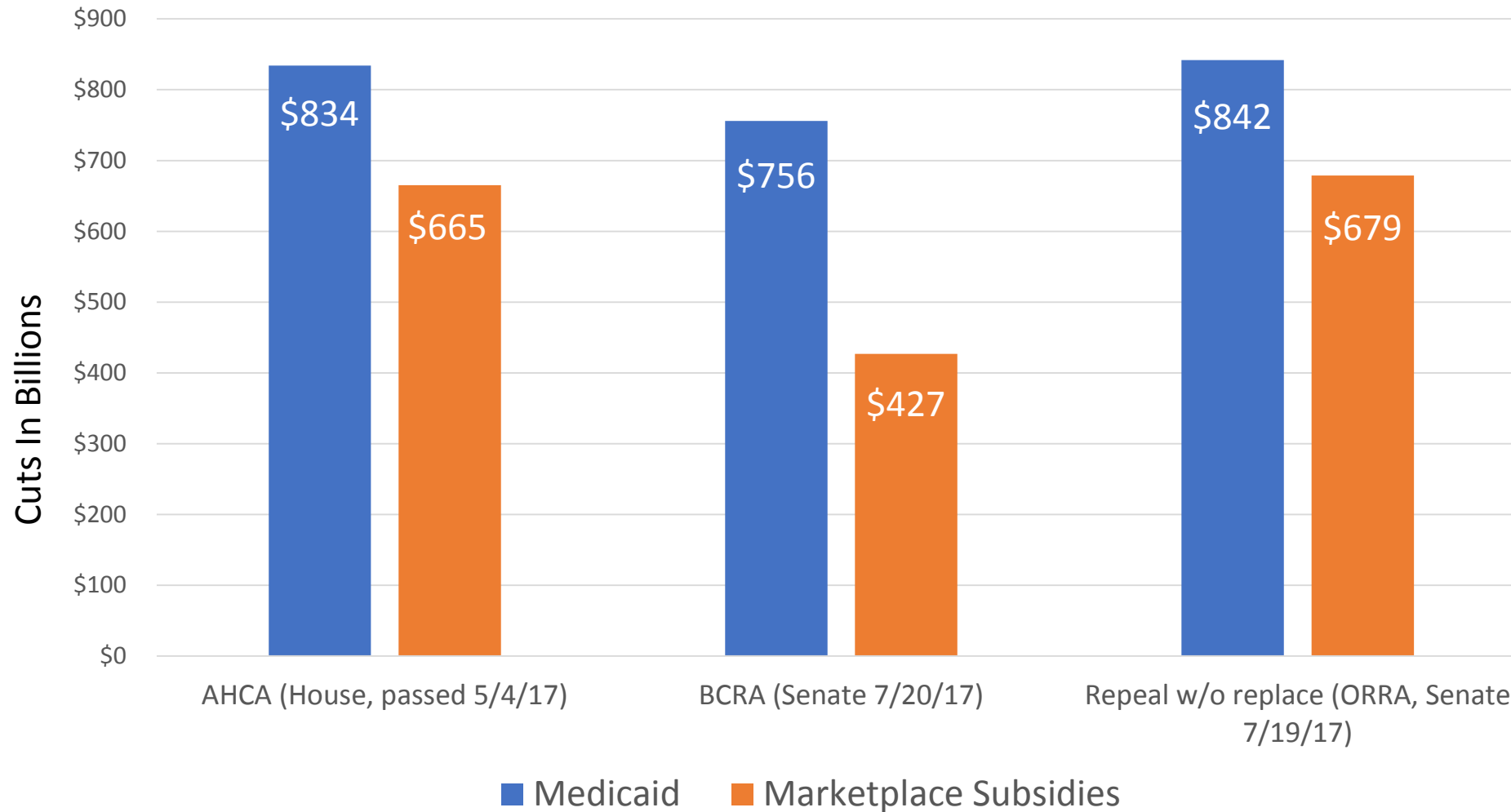
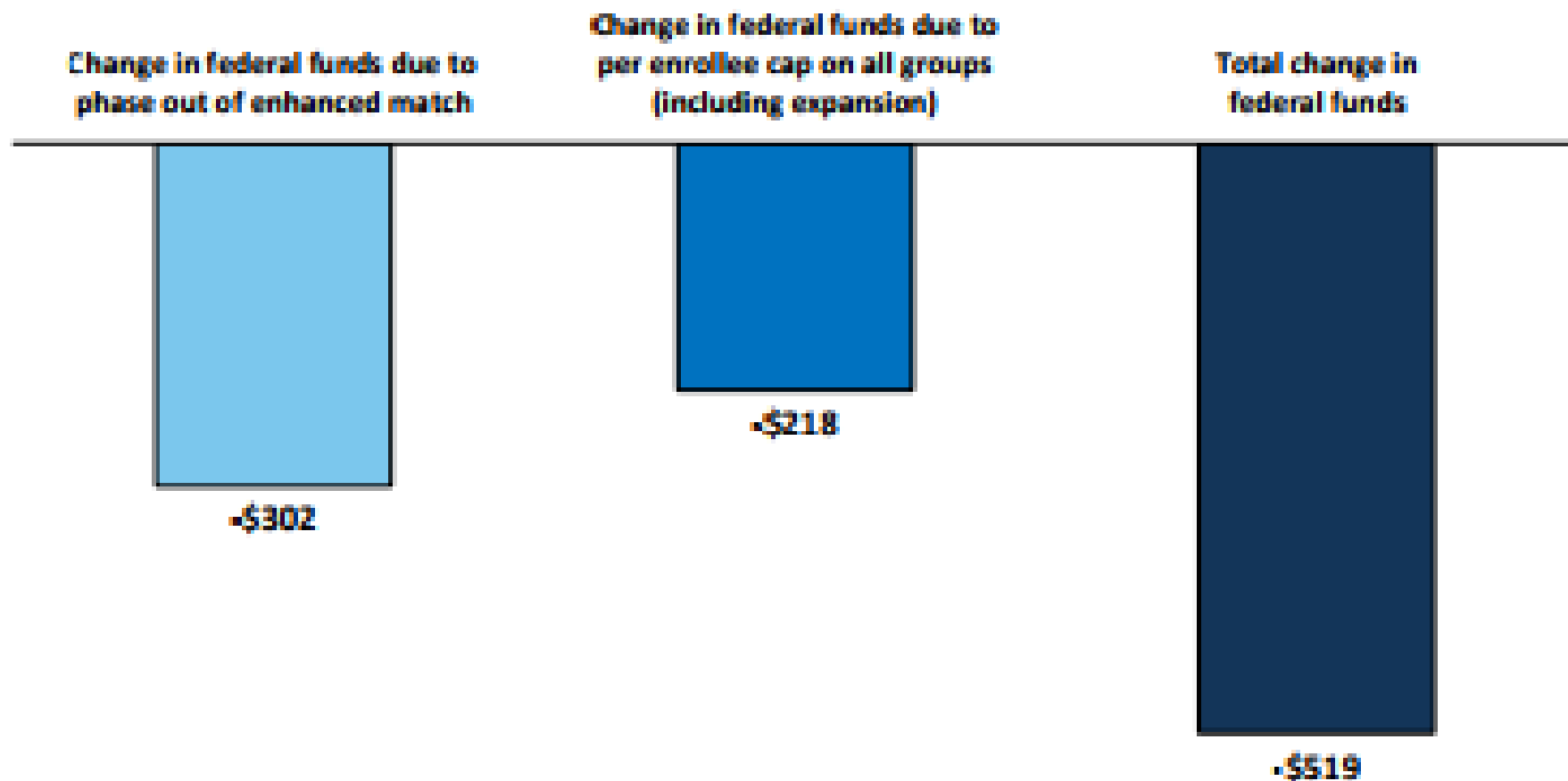


Figure 1

## Estimated Change in Federal Medicaid Spending under the BCRA, 2020-2029 (in billions)

*Assumes States Fill in Loss of Federal \$*



SOURCE: Kaiser Family Foundation estimates, July 2017.



**Medicaid Cuts are NOT limited to Medicaid expansion: 42% of Senate BCRA cuts 2020-2029 are due to Per Capita Cap**

<http://files.kff.org/attachment/Issue-Brief-BCRA-State-by-State-Estimates-of-Reductions-in-Federal-Medicaid-Funding>

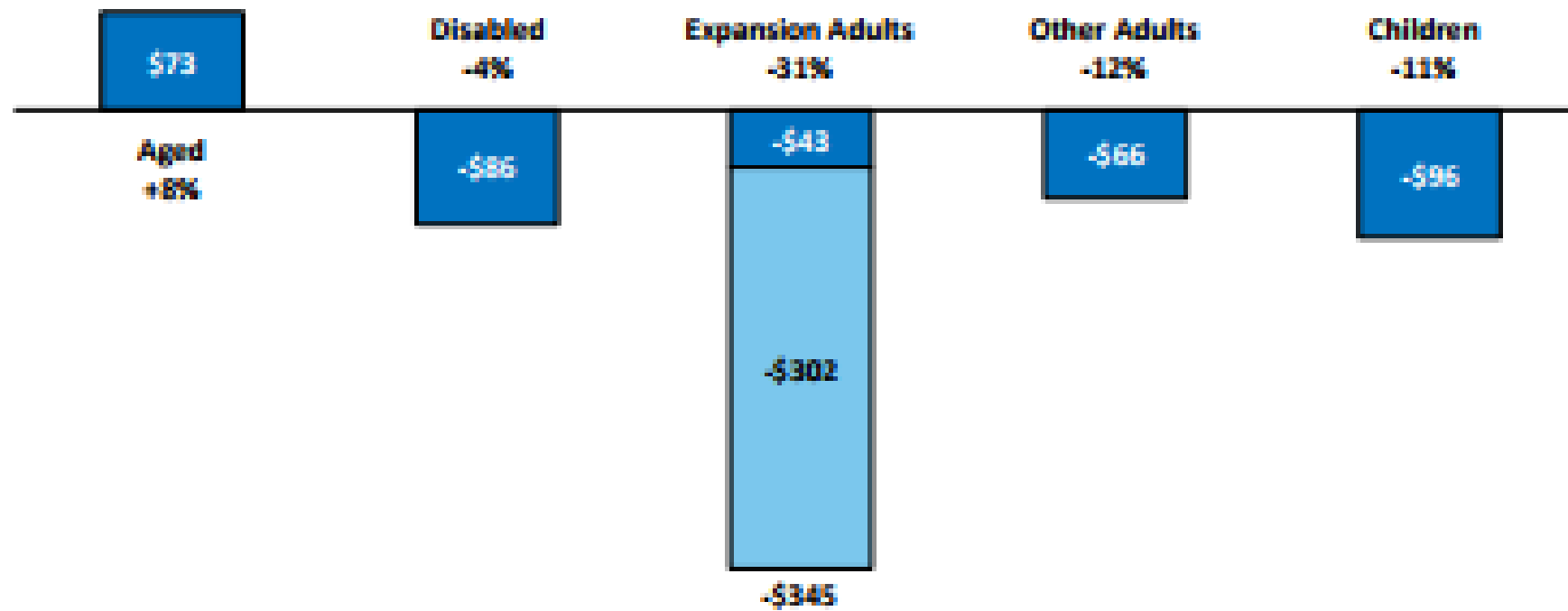
Figure 3

## Estimated Change in Federal Medicaid Spending under the BCRA, 2020-2029 (in billions)

*Assumes States Fill in Loss of Federal \$*

Total Across Groups = **-\$519 Billion (-10% change)**

■ Change due to per enrollee cap    □ Change due to enhanced FMAP phase out



SOURCE: Kaiser Family Foundation estimates, July 2017.

Senate bill delays a big Medicaid cut to 2025 to push major impact into the second decade.

Supplemental CBO (6/29) report:

- National Medicaid spending cut to 26% lower in 2026 than under current law.
- Deeper cuts in the next decade cause the reduction to the Medicaid to grow to 35% in 2036.

# Impact on Texas Medicaid and Private Insurance (1)

- CBO scores are nationwide
- Estimates of state impact from Robert Wood Johnson and Kaiser Family Foundations, Urban Institute, and Manatt Health.
- Urban Institute:
  - In 2022 over a million fewer Texans have coverage under Senate bill, including:
    - 440,000 Texans with employer-sponsored insurance and
    - 768,000 Texans with individual market insurance. (page 13 [report](#))
    - 295,000 more Texas children will be uninsured, compared to current law ([Table 1.B](#))
  - Urban's House bill analysis estimated 224,000 fewer Texans would be covered by Medicaid in 2022 (page 23 of [the report](#)).

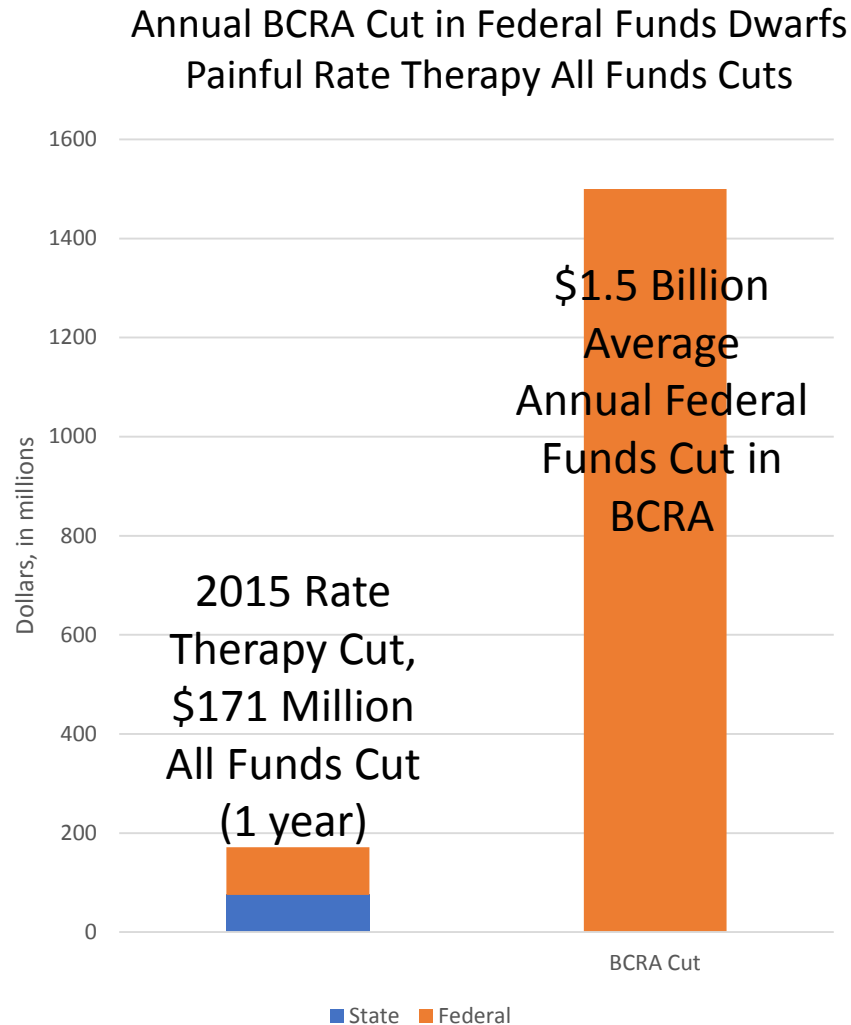
# Impact on Texas Medicaid and Private Insurance (2)

- Manatt Health, for the Robert Wood Johnson Foundation.
  - 19 non-Medicaid expansion states lose \$53 billion from 2020 to 2026 in federal Medicaid dollars, due to per capita cap that launches in 2020.
  - Cuts to the existing (pre-ACA expansion) Medicaid program will hit people with disabilities the hardest, with seniors, children, and pregnant women following behind.
  - Texas would lose \$10.5 billion in federal Medicaid dollars for our current (unexpanded) Medicaid program between 2020 and 2026. That's about \$1.5 billion a year.
  - Of this loss, \$4 billion would be for care for Texans with disabilities, \$2 billion for seniors, \$3.4 billion for children, and \$1 billion for pregnant women and the small number of parents who qualify for Texas Medicaid.

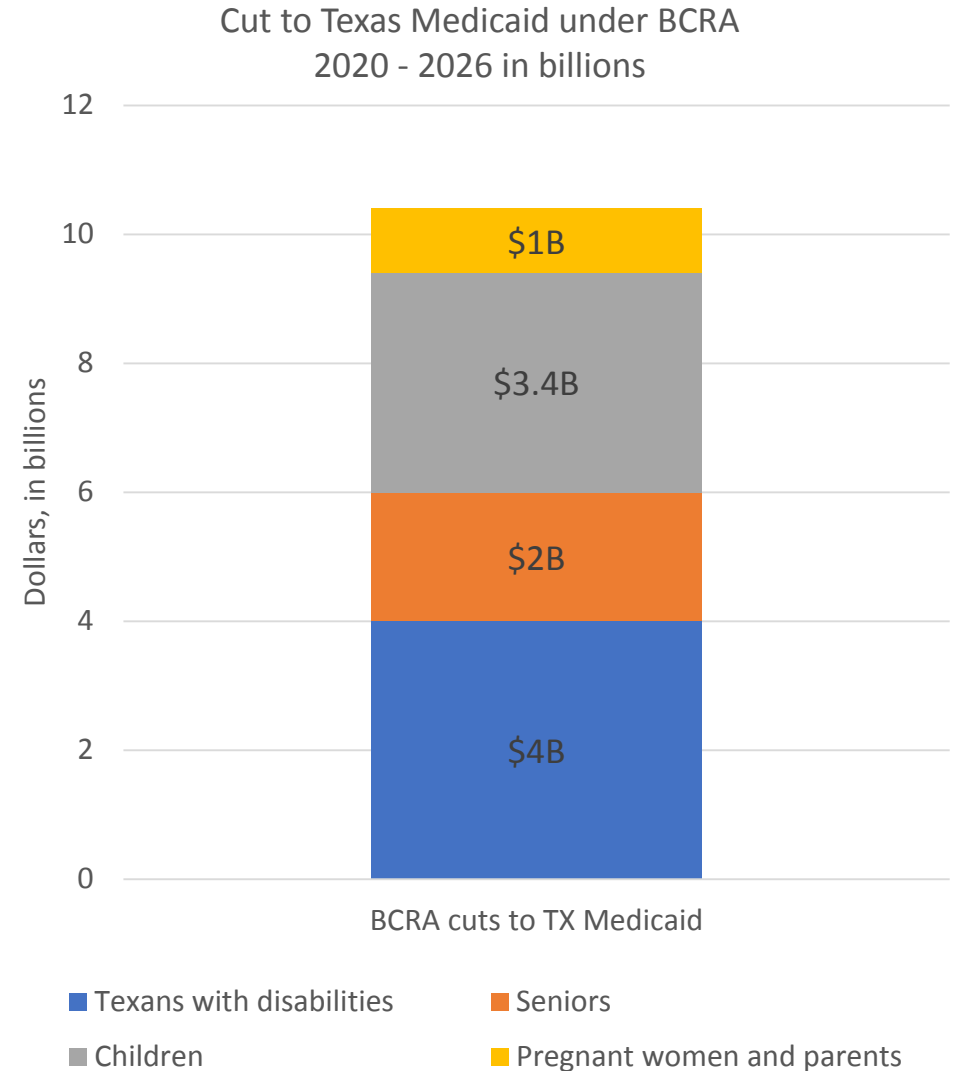


# BCRA Cuts Billions of Federal Dollars From Texas Medicaid

## One Year Snapshot

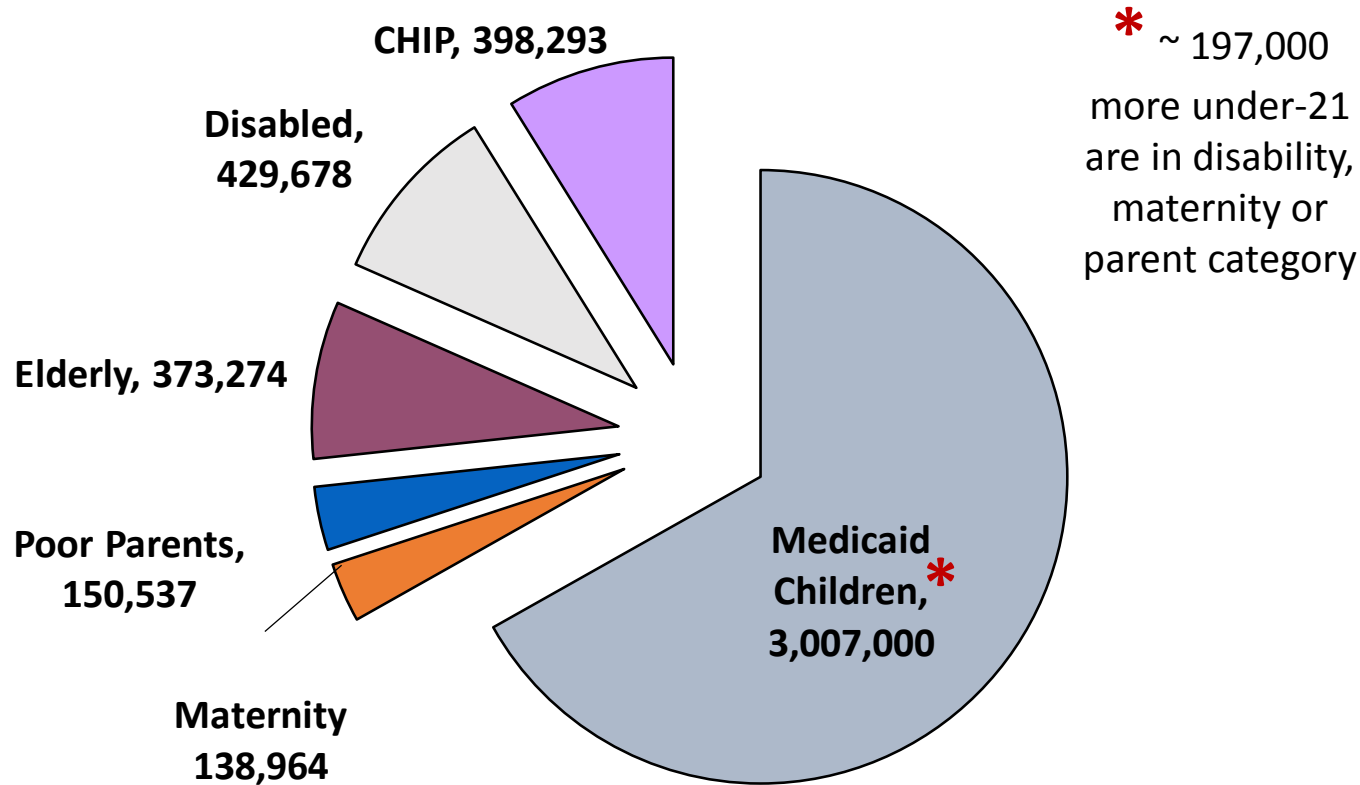


## Seven Year Total, \$10.5B Cut



# Texas Medicaid/CHIP: What's at Stake in Congress

*Children, Texans with Serious Disability, Poor Seniors, Pregnant Women*



Total Enrolled:  
(as of February 2017)  
**4.5 million Texans**

*Of these,*  
**3.4 million are children**  
*(that's ~45% of Texas kids)*

February 2017, HHSC data  
Source: Center for Public Policy Priorities, HHSC data.

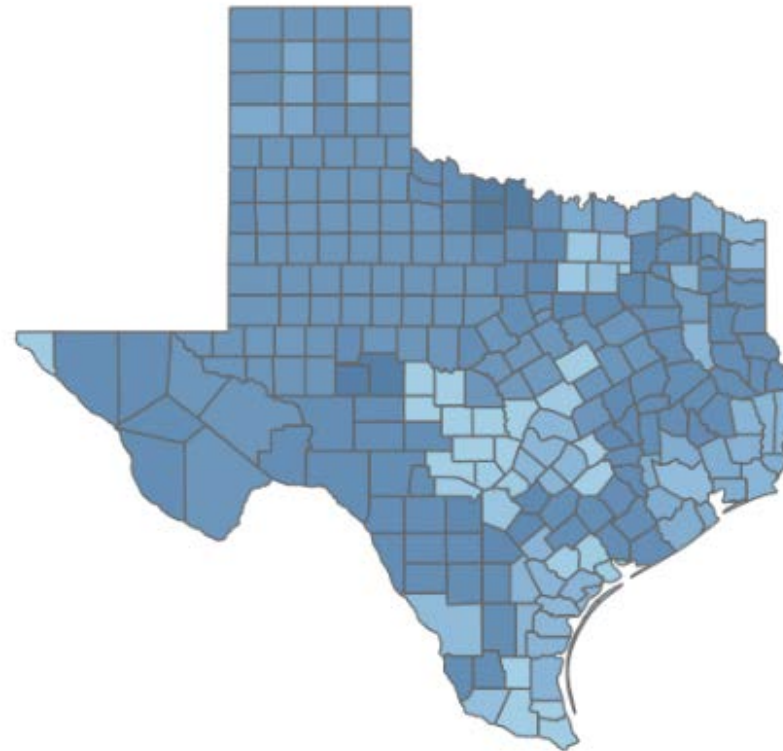
# Senate Bill Doesn't Help People In Medicaid Coverage Gap

- Premium subsidies would be available to people in poverty (low-income consumers would need to pay 2 percent of their incomes in premiums),
- **But**, plans will have deductibles averaging \$6,100, or *more than half* the income of someone at the poverty line (\$12,060 in 2017).
- So, enrolling in the coverage available under the Senate bill would leave low-income people with an insurance card they couldn't use.
- Because of this, the CBO predicts that very few low-income consumers would purchase coverage.

Example: BCRA Increase in Net Premium (after subsidy) for Silver Plan in 2020

Individual Age 60 Earning \$30,000/year  
Net Premium Increase of \$1,360 - \$7,360

Some of Hardest  
Hit by Repeal Bill  
Marketplace  
Subsidy Changes  
are Lower-Income  
Texans, Texans Age  
50+, and Texans in  
Rural Areas



BCRA 6/22/17

Source: Kaiser Family Foundation

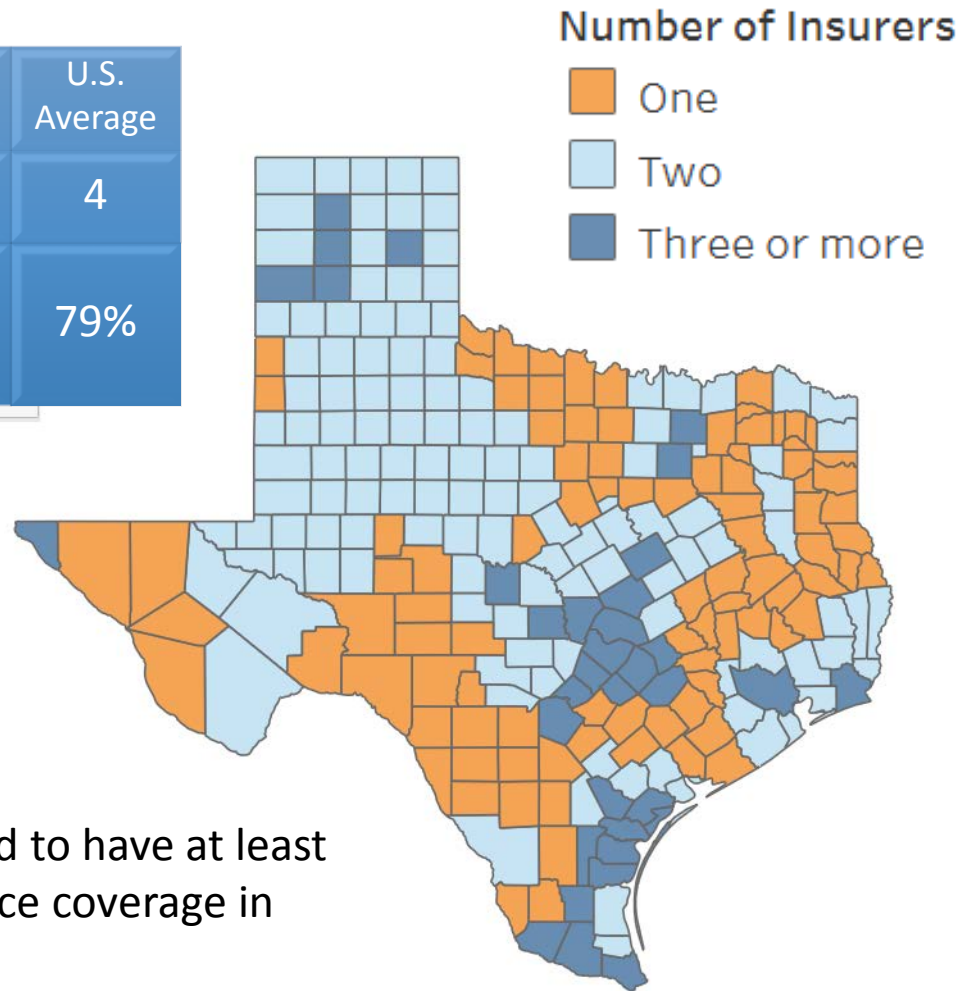
# Deductibles Soar Under Senate Health Repeal Plan (Individual Market Coverage)



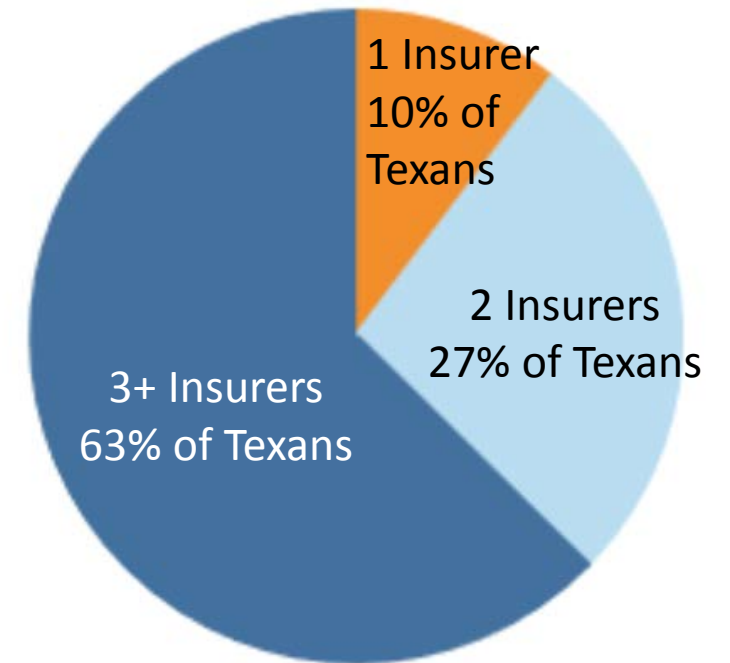
Source: Kaiser Family Foundation analysis, [https://twitter.com/larry\\_levitt/status/878605553705943040](https://twitter.com/larry_levitt/status/878605553705943040)

# Texas Marketplace Insurer Participation, 2017

	Texas	U.S. Average
# of Marketplace Insurers, 2017	10	4
% of population with choice of 2 or more insurers, 2017	90%	79%



**Percent of Enrollees**



All Texas counties are expected to have at least one insurer writing Marketplace coverage in 2018, as of now.

# How Senate Repeal of Subsidies for “Cost Sharing” Would Gut Affordability

- In 2017 (under ACA), the average deductible for a silver plan was \$3,609 and \$6,105 for a bronze plan
  - people making between 100 – 150% of poverty enrolled in a silver plan on healthcare.gov had an average deductible of \$255;
  - incomes between 150 – 200% of poverty had an average deductible of \$809;
  - incomes between 200 – 250% of poverty had deductibles averaging \$2,904
- Without the sliding-scale “CSR” subsidies, high deductibles and co-pays will make care unaffordable and make insurance worthless.

# Recap:

- House, Senate, and Repeal-without-replace bills all result in large increase in uninsured Texans.
- Reduced federal Medicaid funds for states include Texas -- cuts are NOT limited to Medicaid expansion states.
- CBO provides US totals; estimates of Texas' share show deep fiscal losses, more uninsured with fewer covered in employer plans, individual market, and Medicaid.
- Capping Medicaid with Per Capita Cap below historical trends means Texas must either cut back, or replace federal dollars.
- Senate bill drives up premiums and deductibles, but takes away any help with deductibles. This will drive off current low-income Texans and wipe out potential benefits from “offering” Marketplace coverage to Texas adults below poverty (Coverage Gap).



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