

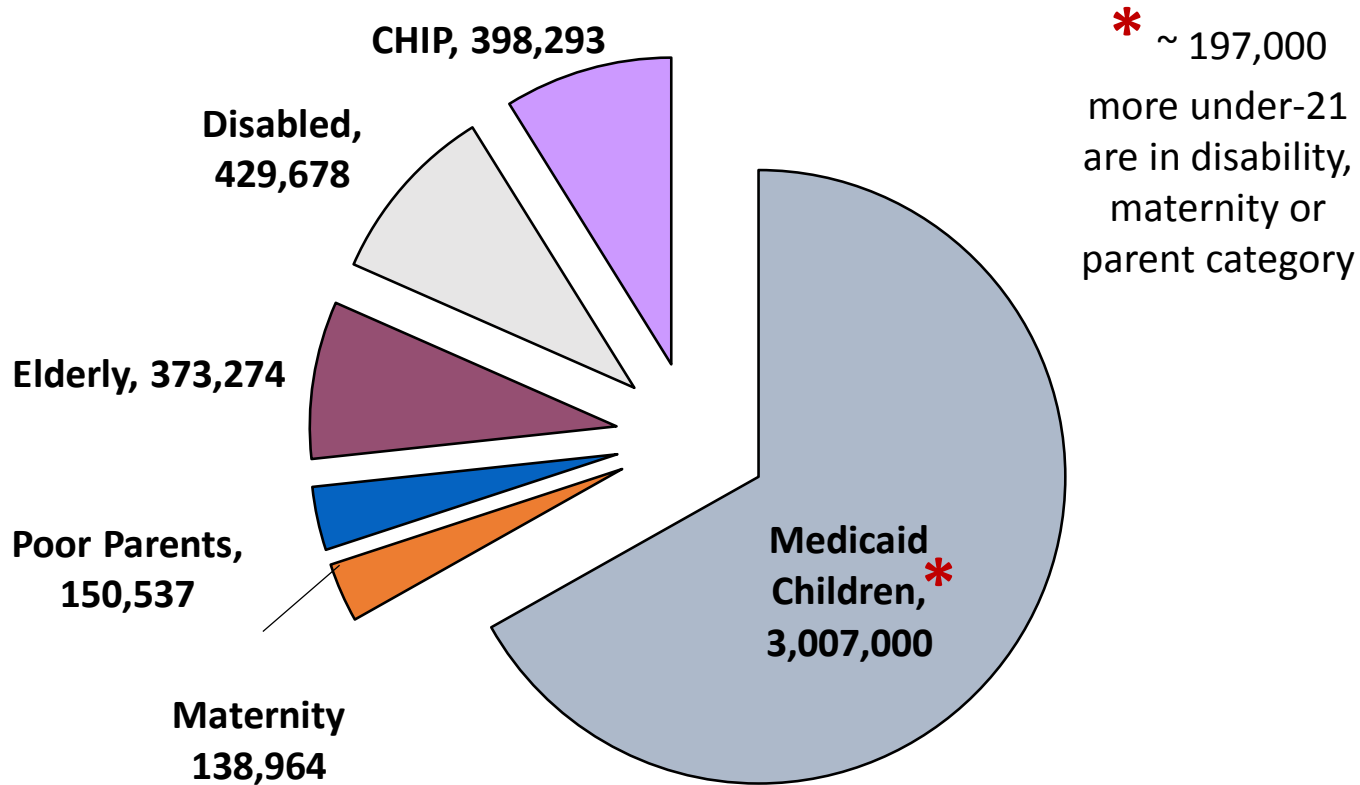
Texas Medicaid Data

for office of Senator John Cornyn
George Leonardo 6/12/2017

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Texas Medicaid/CHIP: Mostly Children

Plus Serious Disability, Poor Seniors, Pregnant Women

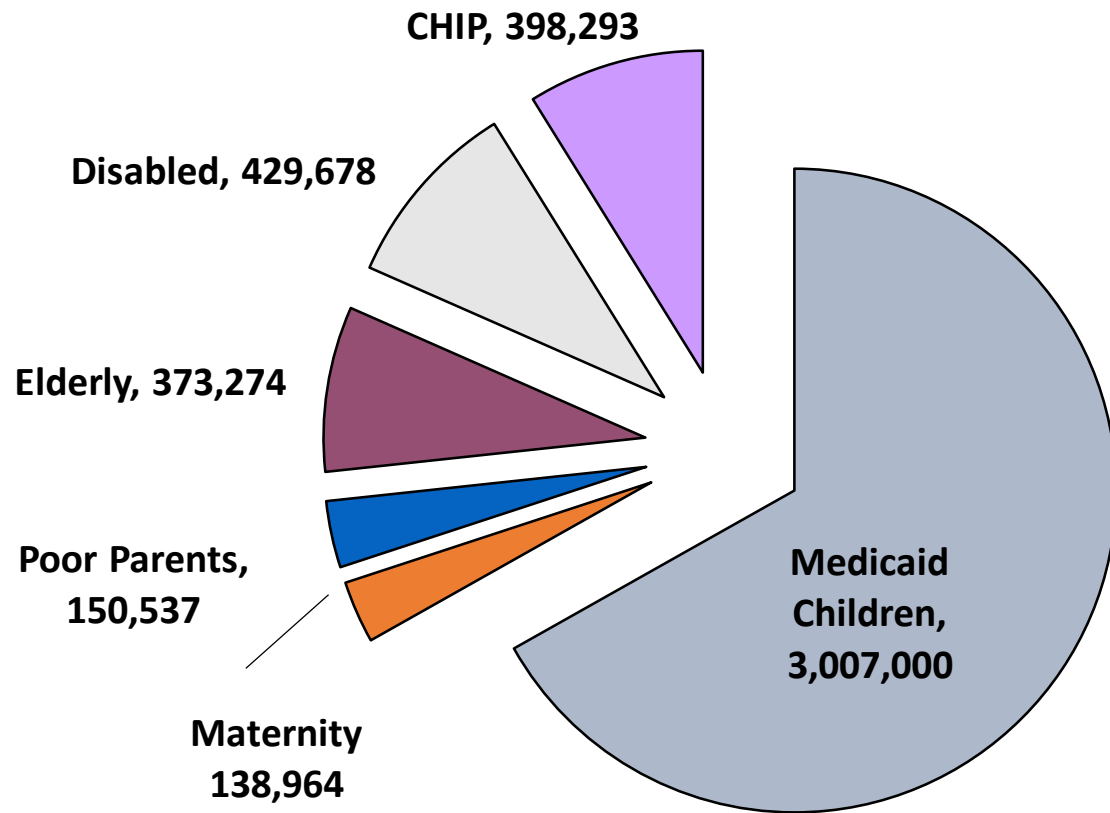


Total Enrolled:
(as of February 2017)
4.5 million Texans

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

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

Texas Medicaid/CHIP: Mostly Children



February 2017, HHSC data

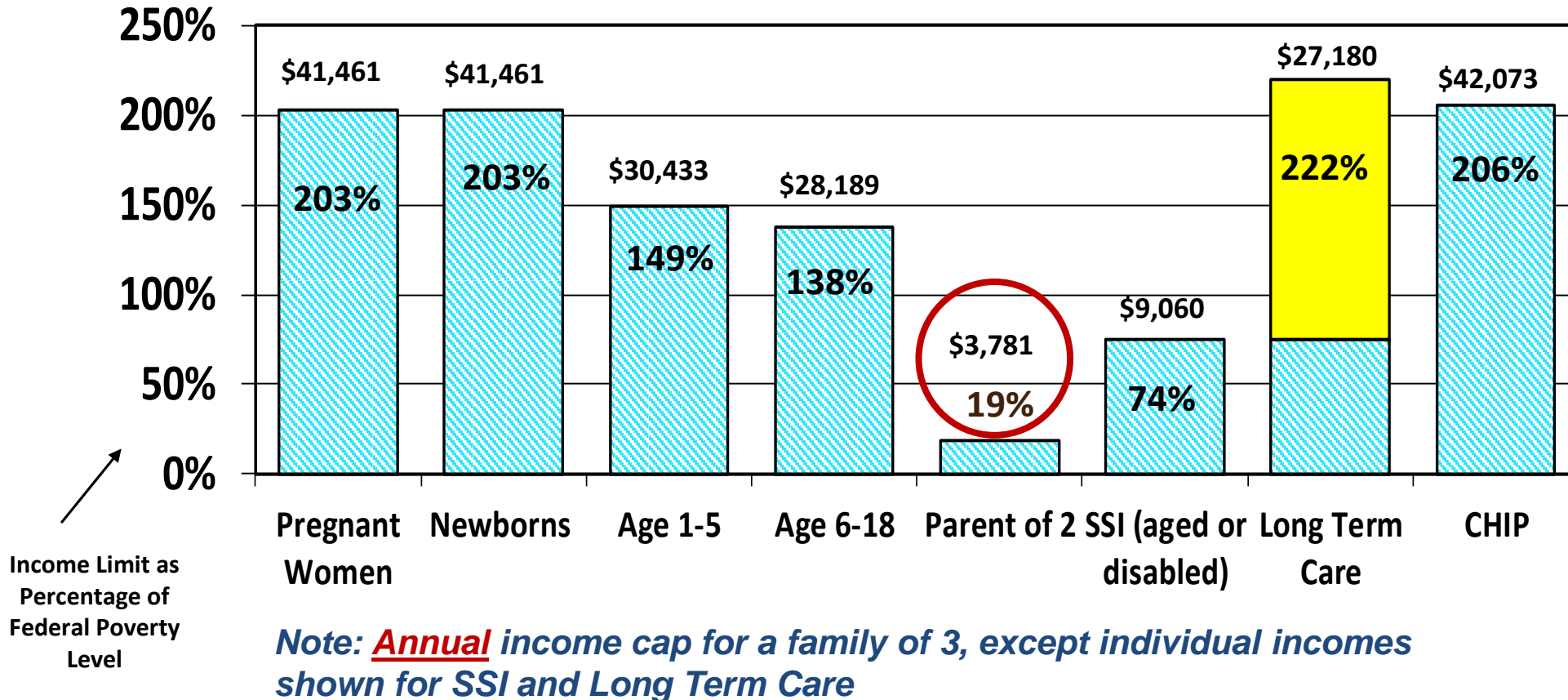
Source: Center for Public Policy Priorities, HHSC data.

Texas Medicaid and CHIP cover many Texas Children, but Texas Medicaid coverage for adults is much more limited. ***Most low-income uninsured adults will not qualify for Medicaid in Texas today.*** Here's who can get Medicaid as an adult in Texas:

- Low-income pregnant women
- Low-income women with Breast or Cervical Cancer
- VERY-low income adults caring for a child
- Former Foster Care Children (ends at age 26)
- People age 65+ and people with disabilities, who are below or near poverty:
 - Includes people who need long-term care
 - Includes people who get Supplemental Security Income (SSI)
 - Medicaid pays some costs for low-income Medicare beneficiaries through the "Medicare Savings Program"
 - Some working adults with disabilities can "Buy-In" to Medicaid

Why 3 million children, only 150,000 Parents?

Income Caps for Texas Medicaid and CHIP, 2017

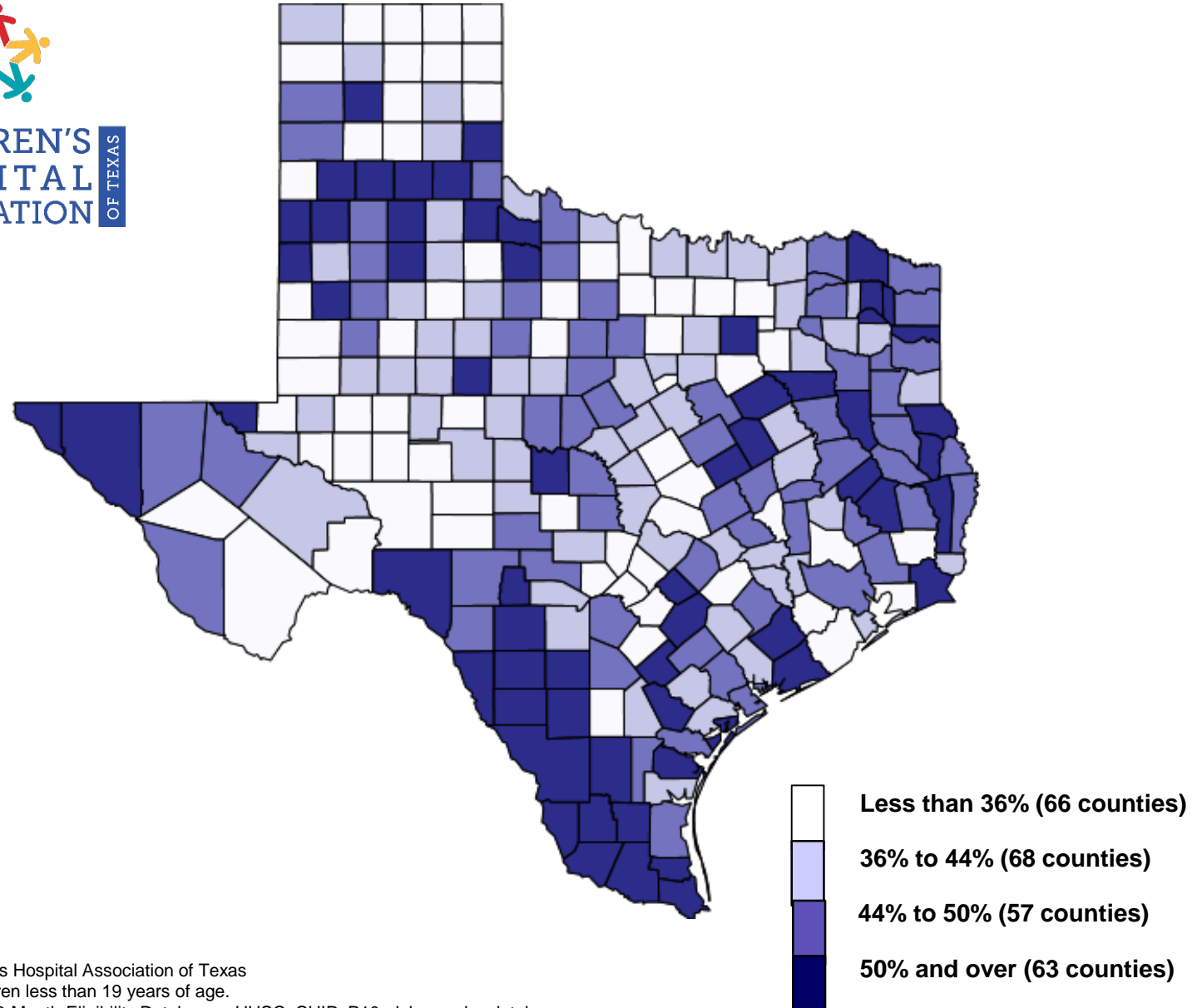


(ACA Repeal May Change These!)

Source: Center for Public Policy Priorities.

Nearly half of Texas Children Were Enrolled in Medicaid or CHIP in March 2014,

From a high of 77% to a low of 10%



Analysis by Children's Hospital Association of Texas
Note: Includes children less than 19 years of age.
Sources: Medicaid: 8-Month Eligibility Databases, HHSC; CHIP: P10_dob_regular database, HHSC. Prepared by Data Quality & Dissemination, Strategic Decision Support, HHSC.
Children <19: Projections of the Population of Texas and Counties in Texas by Age, Sex and Race/Ethnicity for 2010-2050 (2000-2010 Migration (1.0) Scenario), UTSA, November 2014.



Figure 1. Medicaid and CHIP serve the United States' most vulnerable children.

A large share of at-risk children rely on public coverage, as reflected by the percentage of United States children in each group below that depend on Medicaid and CHIP for health care they need to thrive:

79%

Children living in or near poverty.

45%

Infants, toddlers, and pre-schoolers during the early years that are key to their healthy development and school readiness.

43%

Children with disabilities or other special health care needs such as juvenile diabetes, congenital heart conditions, or asthma.

100%

Children in foster care who face poverty, family dysfunction, neglect, and abuse that result in high rates of chronic health, emotional, and developmental problems.

48%

Newborns in families to assure a healthy delivery and strong start during their critical first year of life.

Texas Schools depend More on Medicaid for Special Education support than any other State

In 2015, Medicaid paid for nearly \$4 billion in school-based health care services, including both special education and EPSDT services provided outside of special education. Texas schools received \$444 million, \$250 million of it federal.

- For students with disabilities, schools provide medical services necessary for them to get an education as part of their special education plans, and Medicaid pays for these services for eligible children.
- Medicaid's role in schools goes beyond special education: it also pays for health services all children need, such as vision and dental screenings, when they are provided in schools to Medicaid-eligible children.
- Medicaid helps schools by reducing their special education and other health care-related costs, freeing up funding in state and school budgets to help advance other education initiatives.

<http://www.cbpp.org/research/health/medicaid-helps-schools-help-children>

Cutting Medicaid Funds to Texas through Block Grants or Per Capita Caps: Threat to Reverse Progress in Covering Children

Figure 6. States with the Greatest Decline in the Rate of Uninsured Children in Small Towns and Rural Areas, 2008-2009 and 2014-2015

State	Uninsured children, 2008-2009 (percent)	Uninsured children, 2014-2015 (percent)	Decline in uninsured (percentage points)
Nevada	21%	7%	-14%
Oregon	14%	4%	-10%
South Carolina	11%	3%	-8%
New Mexico	14%	5%	-8%
Colorado	15%	7%	-8%
Florida	16%	9%	-7%
Mississippi	11%	4%	-7%
Montana	15%	8%	-7%
Texas	18%	11%	-7%
Alaska	18%	9%	-9%

Note: Differences may not sum due to rounding.

<https://ccf.georgetown.edu/wp-content/uploads/2017/06/Rural-health-final.pdf>

The Coverage Gap: ~1 Million Texans

Higher-income parents get help denied to their lower-income neighbors:
2 parents with 2 kids living on...

\$23,500/yr

Just below Poverty line:

- Kids get Medicaid
- No financial help for parents (both eligible for exemption)
- No affordable options
- **Parents would have to pay full price: \$410/month**



\$25,000/yr

Just above poverty line:

- Kids get Medicaid
- Sliding-scale Marketplace coverage for parents (PTCs)
- **Parents pay \$43/month or less**

This example: San Antonio, Parents aged 35 and 28, for 2016 coverage.

CPPP analysis for Cover Texas Now Coalition

Texas Enrollee Medicaid Spending Varies by Category

State Ranking of Medicaid Spending (Federal and State) per Full Benefit Enrollee, FY 2011

#	Total		Children		Adults*		Disabled		Aged	
1	MA	\$11,091	VT	\$5,214	NM	\$6,928	NY	\$33,808	WY	\$32,199
2	NY	\$10,307	AK	\$4,682	MT	\$6,539	CT	\$31,004	ND	\$31,155
3	RI	\$9,541	NM	\$4,550	AK	\$6,471	AK	\$28,790	CT	\$30,560
4	AK	\$9,481	RI	\$4,290	AZ	\$6,460	ND	\$28,692	NY	\$28,336
5	DC	\$9,083	MA	\$4,173	VT	\$6,062	DC	\$28,604	DE	\$27,666
11	MD	\$7,878	TX	\$3,010	KY	\$5,055	OH	\$21,892	MN	\$25,030
22	VA	\$6,477	MA	\$2,528	TX	\$4,371	VA	\$18,952	MS	\$18,592
26	KS	\$6,267	TN	\$2,470	OH	\$4,225	TX	\$17,709	KS	\$18,328
36	TX	\$5,668	IA	\$2,116	WI	\$3,765	MT	\$16,352	TN	\$15,745
40	HI	\$5,506	LA	\$2,082	OK	\$3,551	LA	\$15,099	TX	\$14,739
47	AL	\$4,976	NV	\$1,940	FL	\$2,993	MS	\$12,960	CA	\$12,019
48	FL	\$4,893	MI	\$1,926	CA	\$2,855	KY	\$12,856	UT	\$11,763
49	IL	\$4,682	IN	\$1,858	NV	\$2,367	SC	\$12,830	IL	\$11,431
50	GA	\$4,245	FL	\$1,707	ME	\$2,194	GA	\$10,639	NC	\$10,518
51	NV	\$4,010	WI	\$1,656	IA	\$2,056	AL	\$10,142	NM	N/A
U.S. Average		\$6,502	\$2,492		\$4,141		\$18,518		\$17,522	

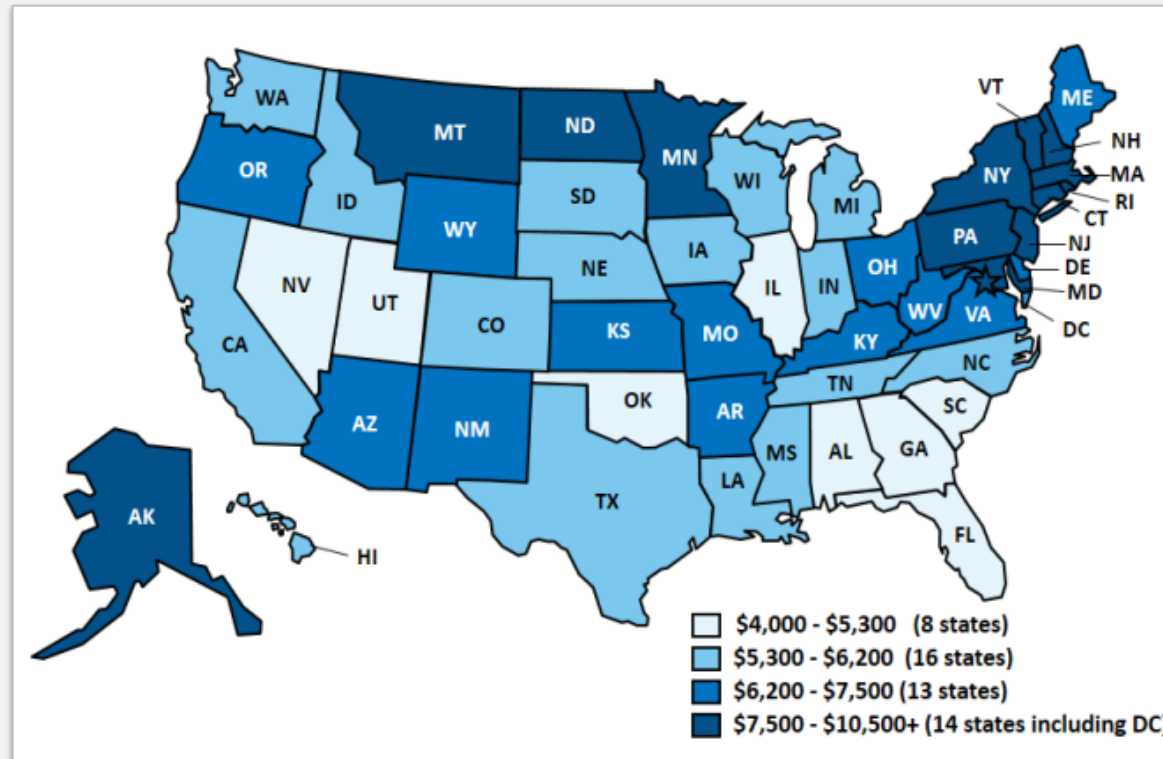
* Includes low-income parents and pregnant women.

- Texas’ spending per enrollee was 36th overall, though spending per enrollee varied by eligibility category
- Texas spent more than most states on Children (\$3,010 vs. US, \$2,492)
- Texas spent less than most states on the Aged (\$14,739 vs. US, \$17,522)
- Texas’ Adult and Disabled spending were on par with national averages

Capped Funding: Locks in Disparities Across States

Capped funding freezes in historic differences in spending

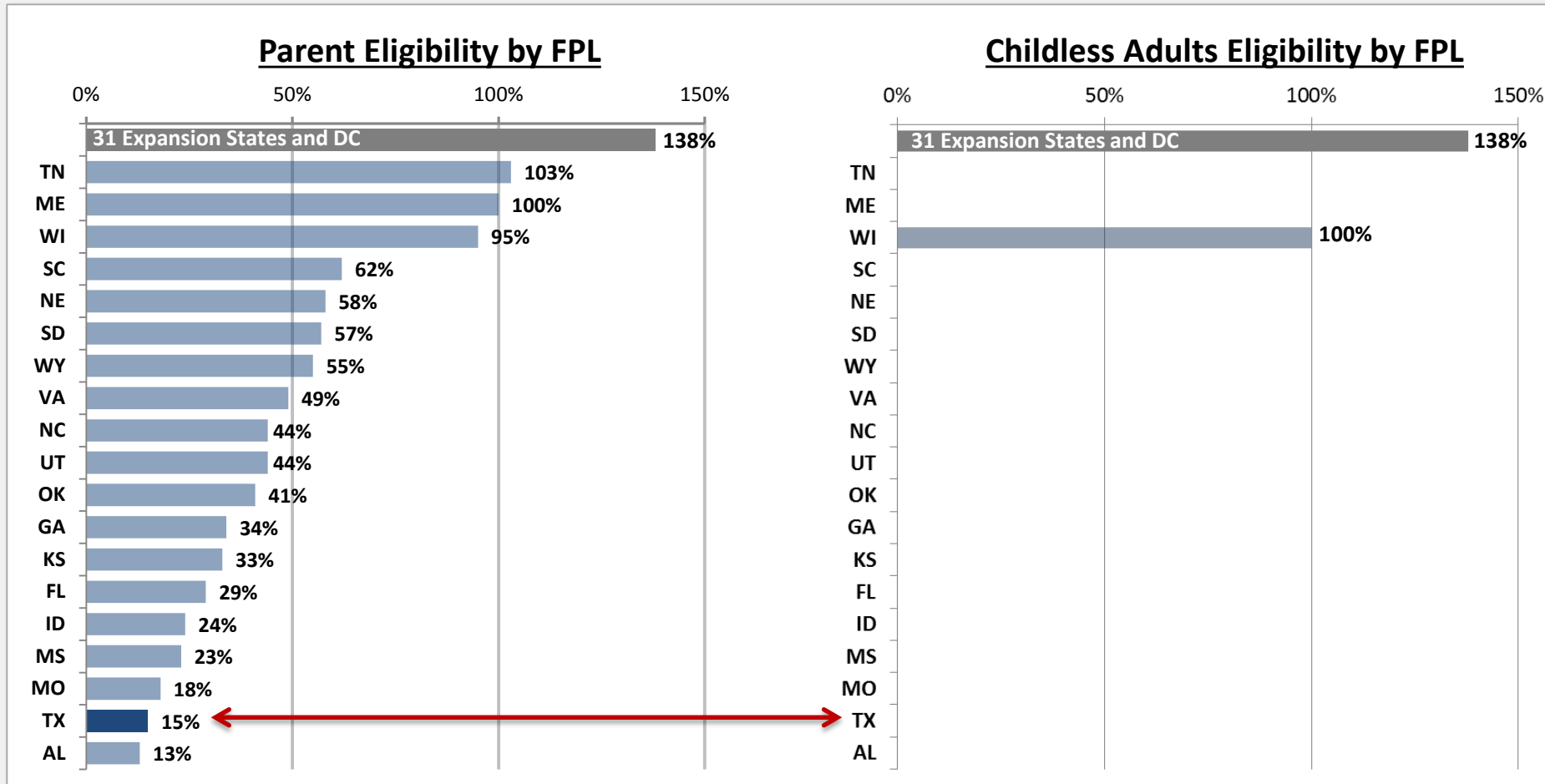
Spending Per Full Medicaid Enrollee, FY 2011



Source: Rudowitz, R., Garfield, R., and Young, K., "Overview of Medicaid Per Capita Cap Proposals," Kaiser Family Foundation, June 2016. Available at: <http://kff.org/report-section/overview-of-medicaid-per-capita-cap-proposals-issue-brief>

Texas Has the Second Lowest Eligibility Levels in U.S.

Medicaid Income Eligibility Levels Across States in 2017

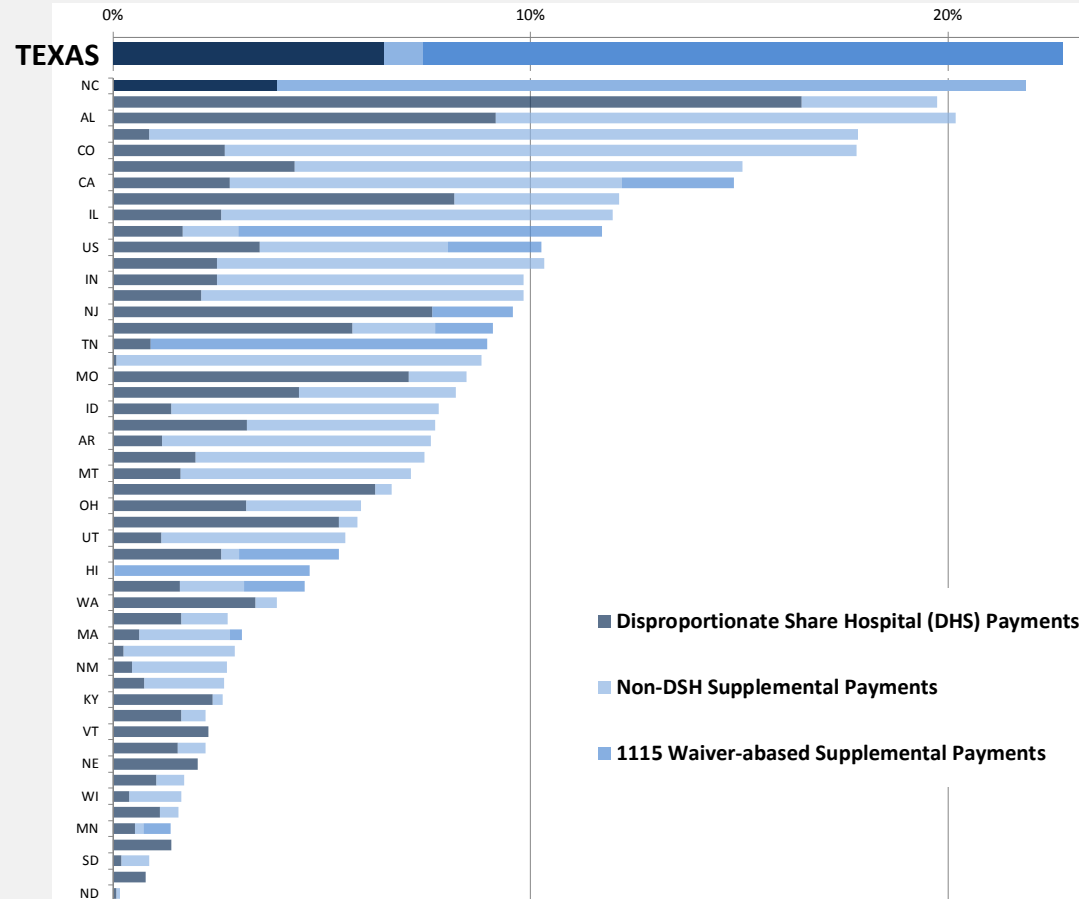


Source: <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-eligibility-levels/index.html>

Capped Funding, Waivers, and Supplemental Payments

Supplemental payments are a major revenue source for Texas hospitals, but treatment of supplemental payments under funding caps is unclear

Supplemental Payments Per State as a Share of Total Medicaid Spending, FY 2015



Texas spends the greatest percentage of total Medicaid dollars on supplemental payments and waiver funds of any state.

Supplemental Payments account for:

- **1 in 4** Medicaid dollars spent
- **53%** of Medicaid payments to hospitals participating in DSH and waiver programs

Source: Mann, C., Bachrach, B., Lam, A., and Codner, S., "Integrating Medicaid Supplemental Payments into Value-Based Purchasing," The Commonwealth Fund, November 2016. Available at: <http://www.commonwealthfund.org/publications/fund-reports/2016/nov/medicaid-supplemental-payments>. MACPAC, 2016, analysis of CMS-64 FMR net expenditure data as of May 24, 2016 and CMS-64 Schedule C waiver report data as of August 2, 2016.

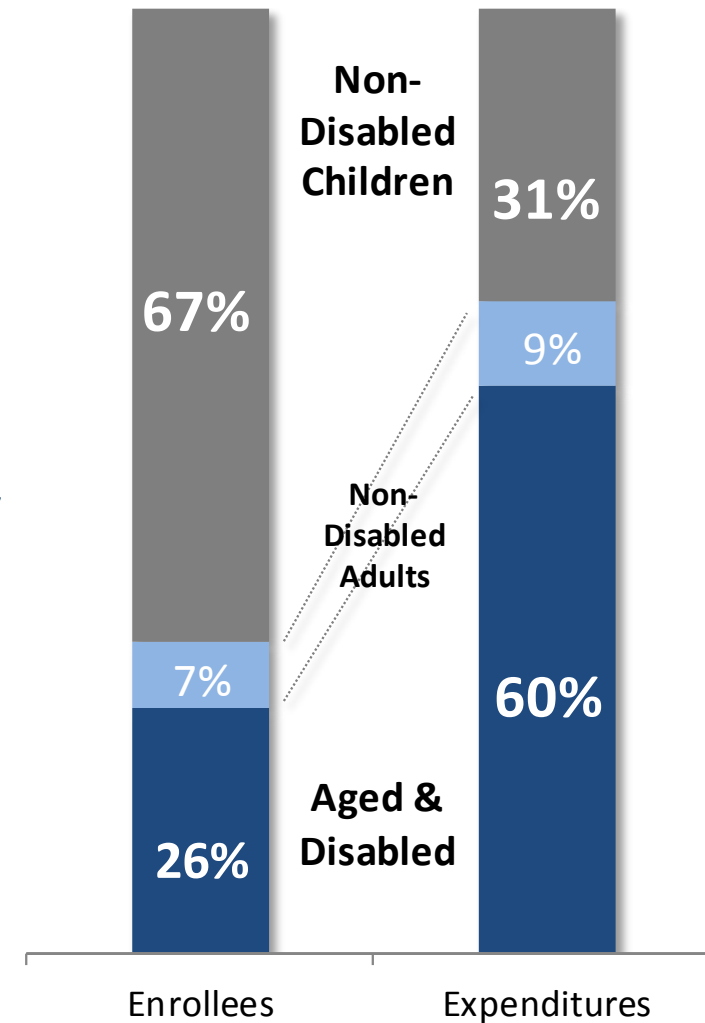


Texas Medicaid Enrollment and Spending

KEY FACTS

- **4.3 M** enrollees
- **\$36.1 B** total spending
(\$14.7 B state, \$21.4 B federal)
- **56%** federal match rate

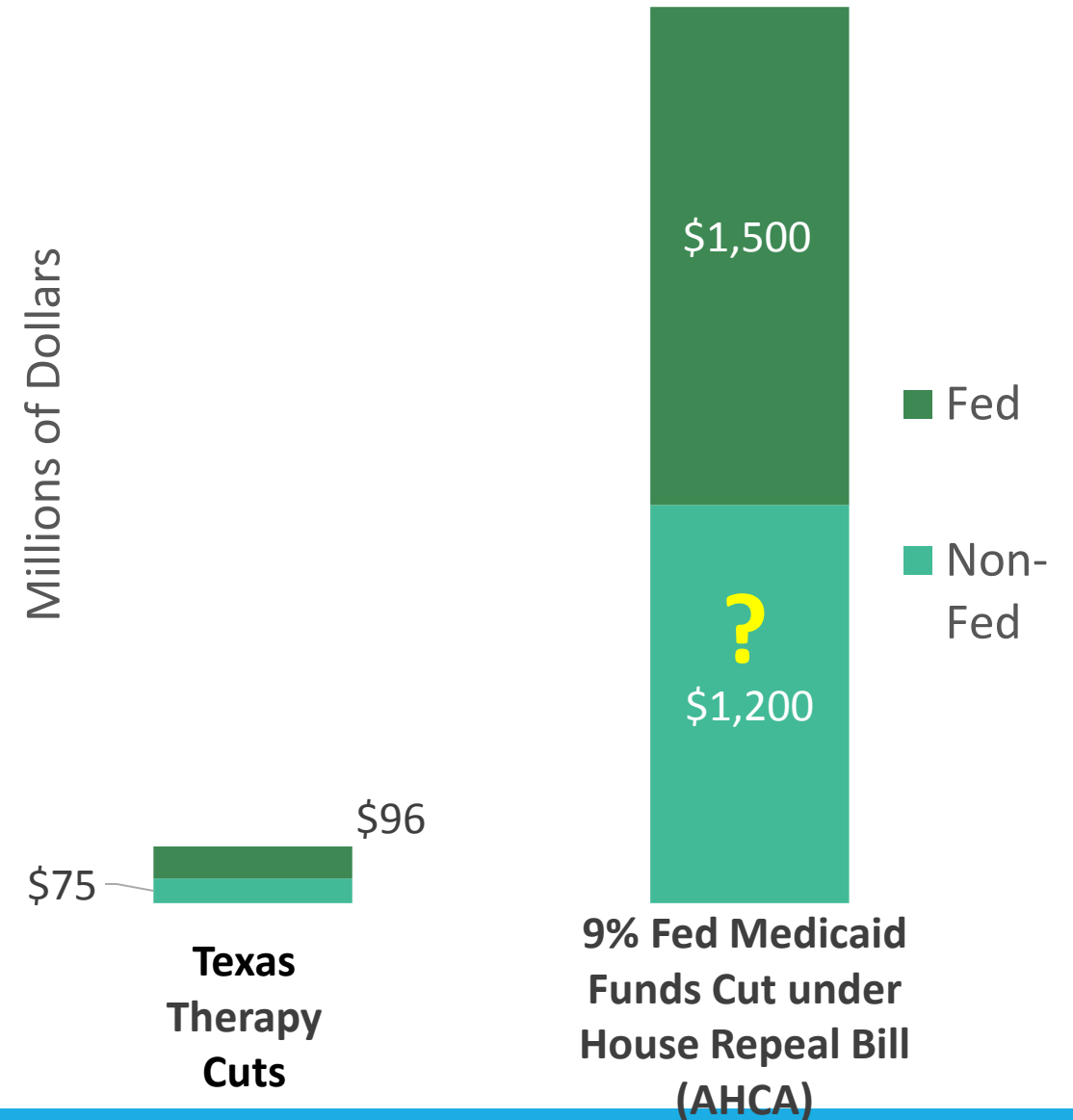
- **Non-Disabled Children** represent more than two-thirds of Texas Medicaid enrollees but less than one-third of spending
- **Aged and disabled** enrollees represent only a quarter of Medicaid enrollees but 60% of costs



Damaging Texas Medicaid Therapy Cuts Dwarfed by US House Medicaid Cut

- Legislature's Medicaid Therapy rate cuts passed 2015 were **\$171 million All Funds** (\$75 million GR) per year, just 0.4% (less than one-half of one percent) of total All Funds Texas Medicaid funding for 2016.
- Compare: Projected \$15 billion Texas loss of federal Medicaid funding over 10 years under House AHCA, or average \$1.5 billion loss per year.
- Would Texas replace that, or even spend the \$1.2 billion in state dollars that would have matched it?
- Imagine the cuts the Texas Legislature will have to decide on, the harm done, and the public outcry.
- Effect of AHCA: Massive Medicaid cuts, that shift costs to the state and local level.

Texas Medicaid Therapy Cuts Compared to House Medicaid Block Grant-Per Capita Cap Cut



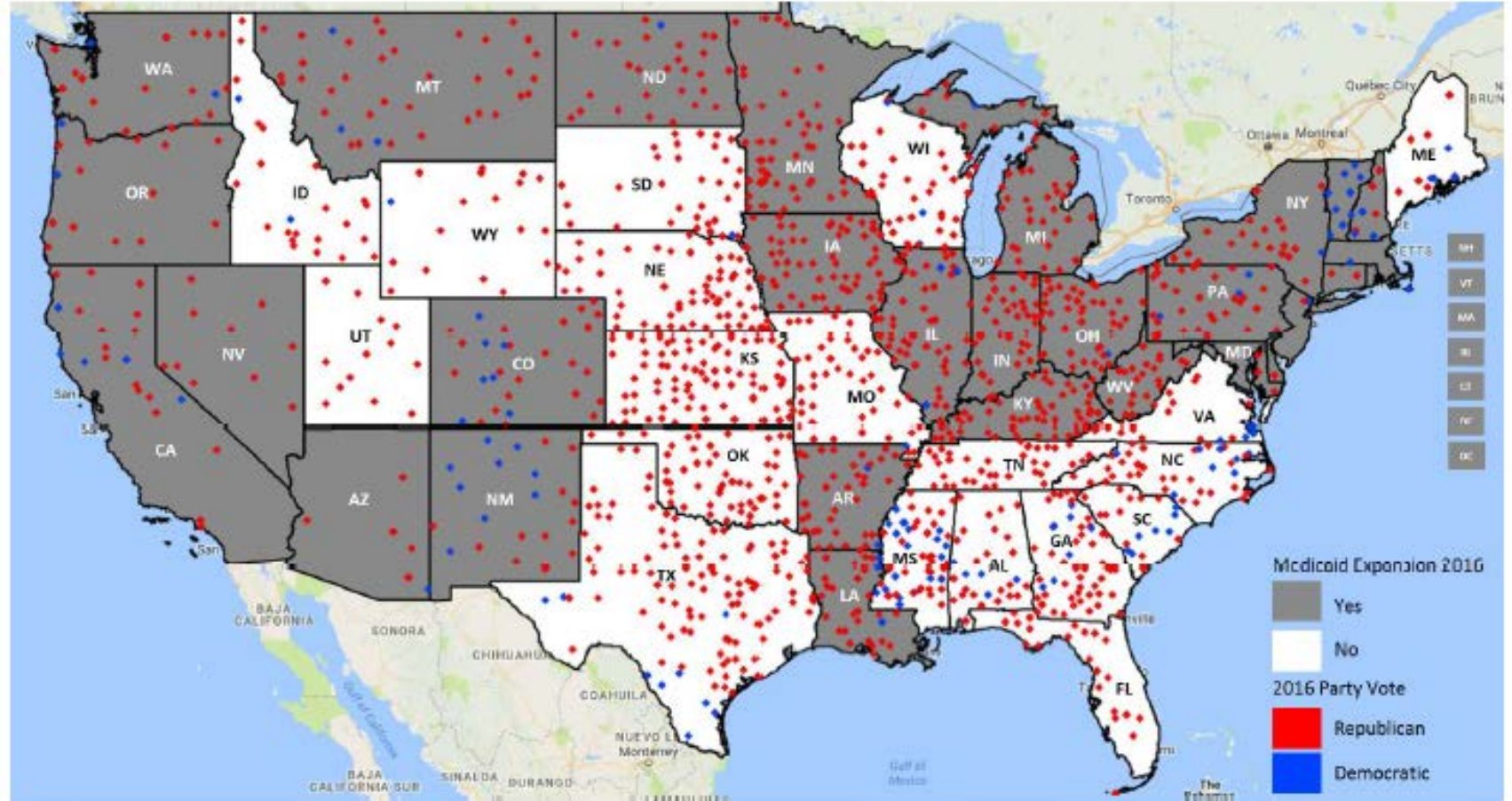
“Hospitals, schools, churches. It’s the three-legged stool. If one of those falls down, you don’t have a town.”

JOHN HENDERSON,
CHILDRESS REGIONAL
CEO

➔ *21 hospital closures in 2016: 4 in Texas*

➔ *10 Texas rural hospitals closed permanently in last 4 years*

The rural-urban disparities in hospital financial vulnerability mirror the nation’s political divide: Over 95% of rural hospitals are in Republican congressional districts.

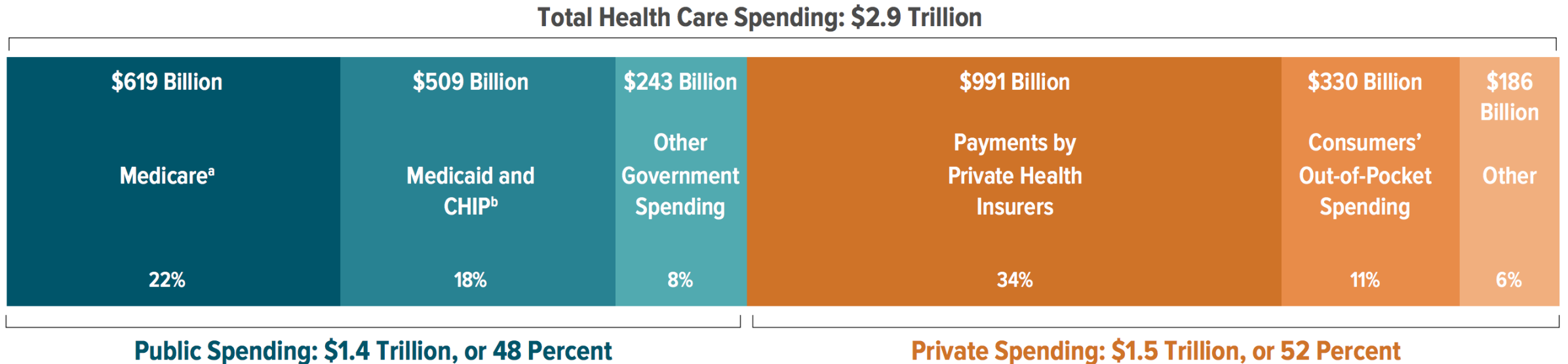


<http://www.torch.net.org/documents/25%20Things%20about%20Texas%20Rural%20Hospitals.pdf>

Figure 3-1.

National Spending for Health Care, 2014

Total health care spending amounted to \$2.9 trillion in calendar year 2014, about half of which was private spending. The federal government subsidizes a substantial part of that private spending, primarily through the tax exclusion for employment-based health insurance.



Source: Congressional Budget Office, using data from the Centers for Medicare & Medicaid Services.

CHIP = Children's Health Insurance Program.

a. Refers to gross spending for Medicare, which does not account for offsetting receipts that are credited to the program. Those offsetting receipts are mostly premium payments made by beneficiaries to the government.

b. Includes federal and state spending.

Other AHCA Concerns:

- Dramatic reduction in affordability programs (tax-credit-based subsidies that reduce premiums and out-of-pocket copays and deductibles)
- No longer base subsidy on the actual cost of insurance, AND
- No more sliding scale based on income
- Hikes premiums for age 50-65
- AS a result: Affects seniors, rural Texans, lowest income worst

60 year-old Dallas county resident, \$30,000 annual income ; now pays \$2,480 or 8% of her income.

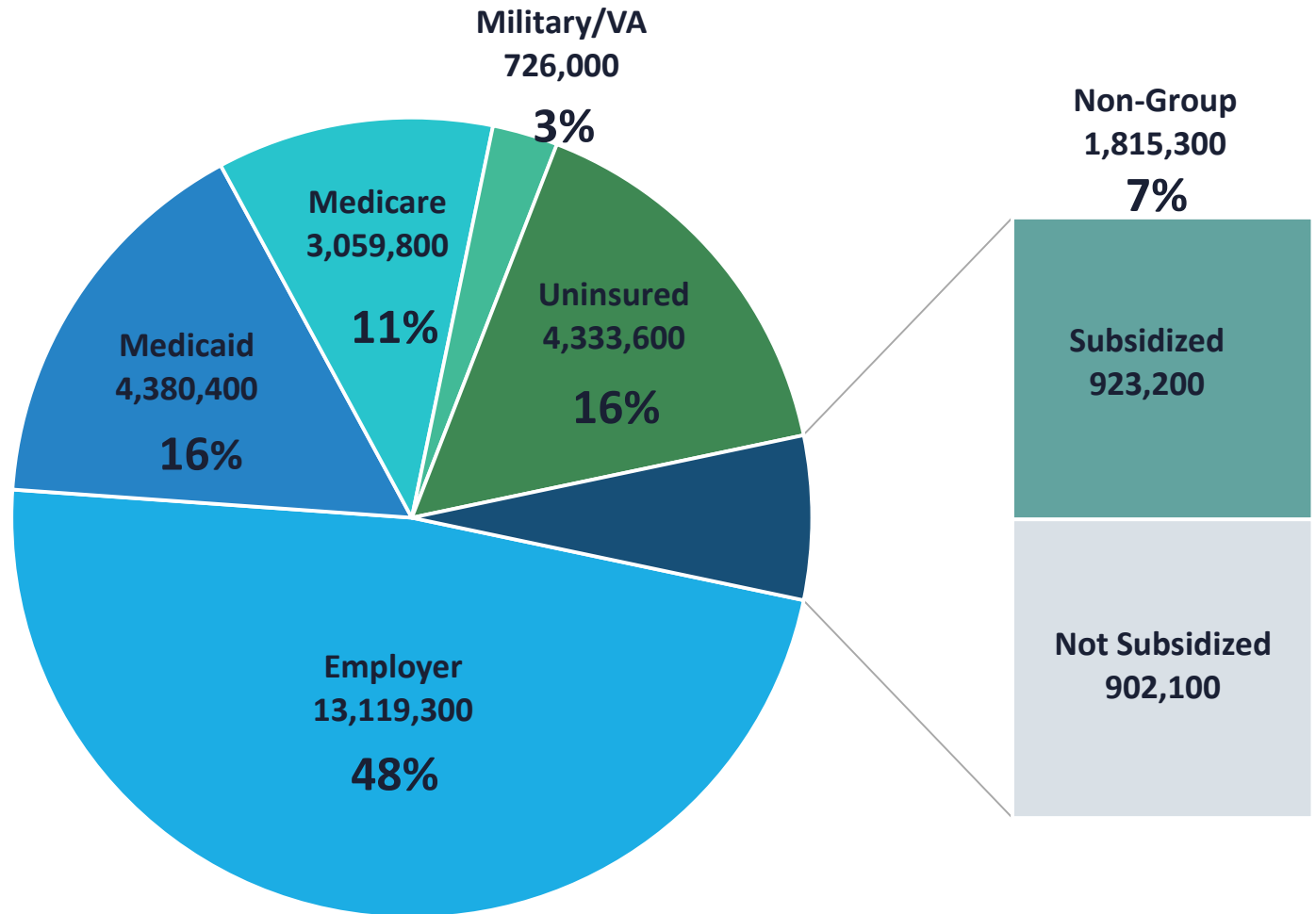
Loses 1/3 of ACA tax credit: drop from about \$6,000 today under the ACA to a flat \$4,000 under the House repeal bill.

Rural neighbors take a bigger hit: Same 60-year-old living in Cleburne, Bowie or Wichita Falls, where insurance prices are higher, would lose 2/3 or more of her subsidy (KFF.org, AHCA)

County	Credit ACA	Credit House Bill	Loss
Bexar (San Antonio)	\$5,840	\$4,000	-\$1,840 (32%)
Guadalupe (Seguin)	\$12,150	\$4,000	-\$8,150 (67%)
Dallas	\$6,000	\$4,000	-\$2,000 (33%)
Wichita Falls	\$15,300	\$4,000	-\$11,300 (74%)
Montague (Nocona)	\$11,280	\$4,000	-\$7,280 (65%)
Travis (Austin)	\$6,730	\$4,000	-\$2,730 (41%)
Brazos (College Station)	\$11,870	\$4,000	-\$7,870 (66%)
Tom Green (San Angelo)	\$14,390	\$4,000	-\$10,390 (72%)

ACA: beyond the individual market

- The ACA includes important protections in almost all types of insurance
- Some could be at risk through changes to rules/guidance
- All need to be considered when evaluating ACA replacement plans



Kaiser Family Foundation estimates based on the Census Bureau's March 2014, March 2015, and March 2016 Current Population Survey (CPS: Annual Social and Economic Supplements).

More information:

Two reports on the intersection/potential impact of federal Medicaid funding reductions, state and local government costs, and impact on hospitals.

- Texas Impact report, produced with THA, Texas Association of Business, and Texas Association of Community Health Plans: <http://texasimpact.org/Uncompensated-Care>
- Manatt report (from which several slides in the deck came) on capped Medicaid funding and Texas: <https://www.manatt.com/Insights/White-Papers/2017/Capped-Federal-Medicaid-Funding-Implications-for>
- <https://ccf.georgetown.edu/wp-content/uploads/2017/06/EPSDT-At-Risk-Final.pdf>
- <https://ccf.georgetown.edu/wp-content/uploads/2017/06/Rural-health-final.pdf>

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.



We believe in a Texas

that offers everyone the chance
to compete and succeed in life.

We envision a Texas

where everyone is healthy,
well-educated, and financially secure.

CENTER *for* PUBLIC POLICY PRIORITIES

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