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The Affordable Care Act and Texas Insurance Consumers

Testimony to the Senate State Affairs Committee on Interim Charge #6

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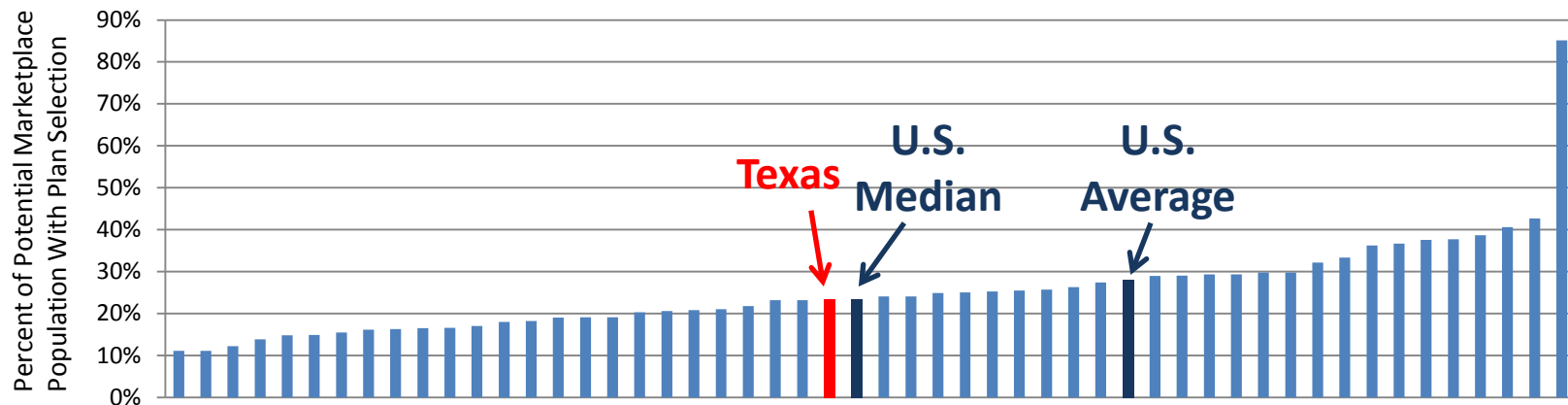
Monday, September 15, 2014

Texas Marketplace Plan Selection

From October 1, 2013 – April 19, 2014

	Selected a Marketplace Plan	As % of Marketplace-eligible Population
Texas	734,000	23%
United States	8.02 million	28%

Texas About in the Middle of the Pack When Looking at Eligible Enrolled



Texas Plan Selection Breakdowns

Of the 734,000 Texans who selected a plan:

- 84% received financial assistance
- 30% are ages of 18 to 34
- 38% are White, 34% are Latino, 14% are African American, and 13% are Asian*

Texas Plan Selection by Coverage Tier:

Catastrophic	Bronze	Silver	Gold	Platinum
1%	23%	67%	6%	3%

Source: U.S. Department of Health and Human Services, *Health Insurance Marketplace Enrollment Report*.

**Reflects only enrollees who indicated race or ethnicity, about 70% of Texas enrollees.*

Marketplace Timeline

Open enrollment for **2015** coverage:

Begins



2014

Ends



2015

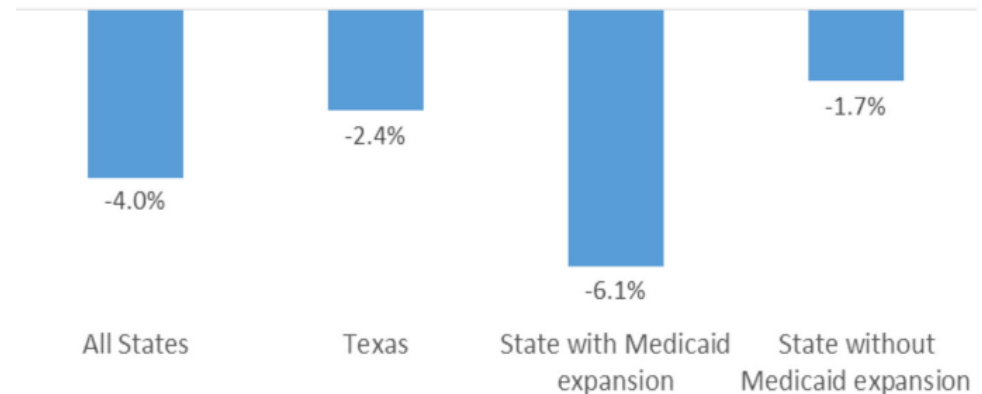
- Special enrollment periods available for life changes like losing other coverage, moving, marriage, and having a baby.
- Year-round enrollment for Medicaid, CHIP, and small business

The ACA is Working: Uninsured Rates Decline

- 57% of Marketplace enrollees nationally were previously uninsured
- Surveys show the uninsured rate in Texas dropped after open enrollment:

- Rice University: adult uninsured rate down 2.4% points.
- Gallup: adult uninsured rate down 3% points.
- Commonwealth Fund: nonelderly adult rate down 12% points.
- U.S. Census data will NOT be available until Sept. 2015

Chart 3: Percent Change in Uninsured adults, September 2013 to June 2014



Rice University, Baker Institute

Sources: Kaiser Family Foundation, [Survey of Non-Group Health Insurance Enrollees](#), June 14, 2014. Rice University, Baker Institute, [Insurance Status of Adult Texans and Characteristics of the Uninsured as of June 2014](#), September 3, 2014. Gallup, Arkansas, [Kentucky Report Sharpest Drops in Uninsured Rates](#), August 5, 2014. Commonwealth Fund, [Gaining Ground: Americans' Health Insurance Coverage and Access to Care After the Affordable Care Act's First Open Enrollment Period](#), July 2014.

Texas Marketplace Premiums

**Monthly Premium:
Full Price for 2nd-
Lowest Silver Plan***

- Age 22: \$186
- Age 35: \$227
- Age 45: \$268
- Age 55: \$414
- Age 62: \$534

**Most you pay monthly
with these annual incomes:**

\$15,000

\$25,000

\$35,000

\$25

\$144

\$277

*Prices for a single non-smoker in Blanco County

2015 Premium Analyses

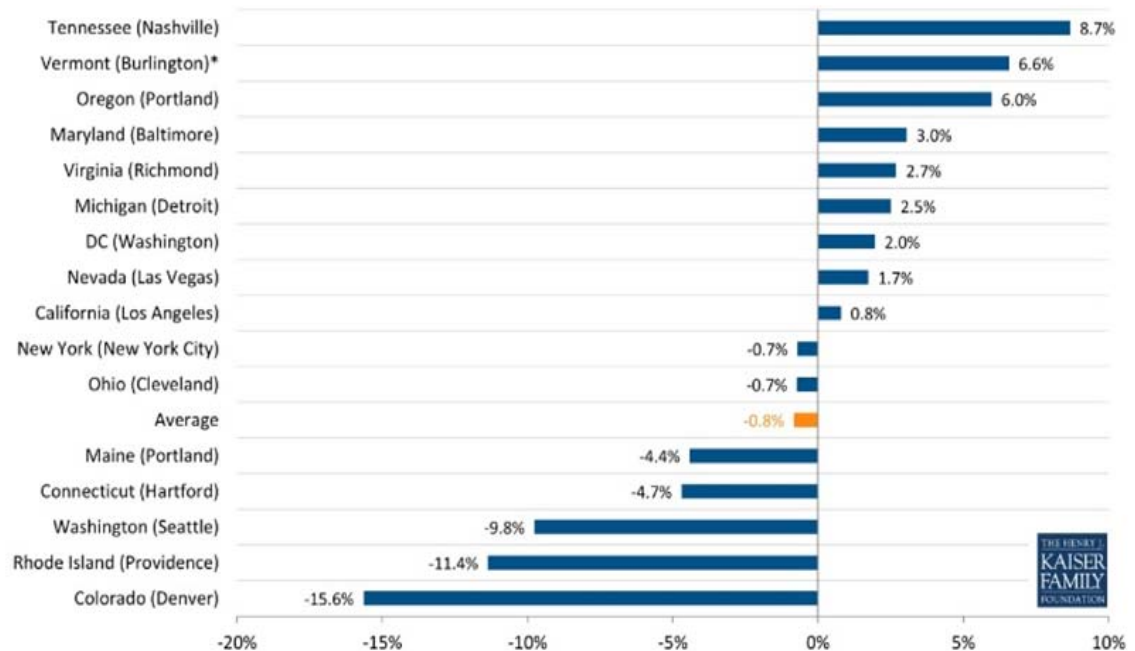
- Some Marketplace premiums are going up, some are going down.
- In general, changes in other states have been modest and lower than standard pre-ACA yearly increases of 10-12%

- 7% average rate increase across 33 states and DC (PWC)
- 1% average *decrease* across 16 large U.S. cities (Kaiser Family Foundation)

Sources: Commonwealth Fund, [Growth and Variability of Health Plan Premiums in the Individual Insurance Market Before the Affordable Care Act](#), June 5, 2014; PWC, [A preliminary look at 2015 individual market health insurance rate filings](#), August 27, 2014; Kaiser Family Foundation, [Analysis of 2015 Premium Changes in the Affordable Care Act's Health Insurance Marketplaces](#), September 2014

Silver Premium Percent Change from 2014 to 2015

Second-lowest-cost silver before tax credits, where 2015 filings are available as of September 3, 2014



Source: Kaiser Family Foundation analysis of insurance company rate filings to state regulators for 2015 Marketplace premiums.7

ACA Has Little Impact on Employer Coverage

➤ 2014 employer premiums and coverage were stable

- Family premiums increased 3% in 2014
- This is the lowest rate of increase in the Kaiser/HRET survey's 16-year history
- The share of employers offering coverage and employees enrolling in coverage were unchanged.

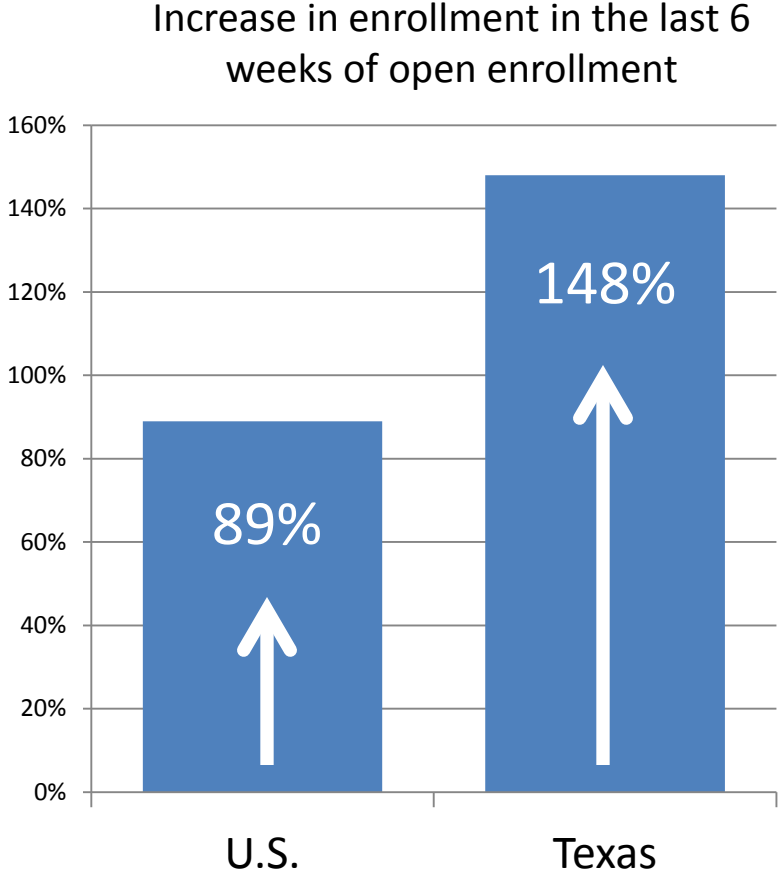
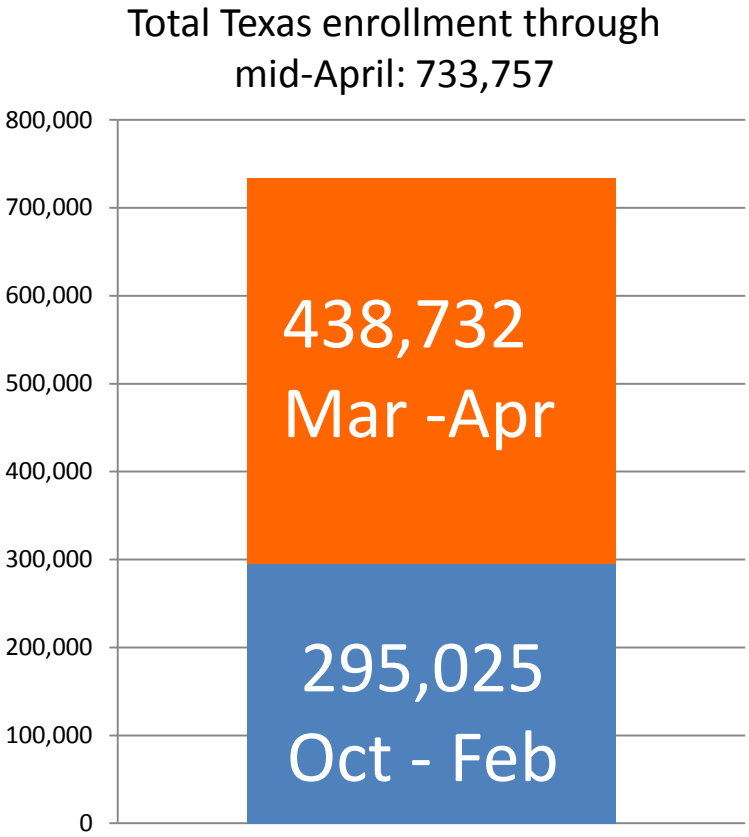


Additional Information

- Late surge in Texas Marketplace enrollment
- Importance of Navigator services
- ACA benefits for Texans
- Needed improvements moving forward
- Evidence suggests ACA not increasing part-time work so far

Late Surge in Texas Enrollment

More Texans selected plans in the last 6 weeks than the first 5 months



ACA Benefits for Texans

- **Mental health:** expanded mental health and substance use disorder benefits and federal parity protections for 5,188,706 Texans
- **Coverage for young adults:** 357,000 young adults under age 26 in Texas who would otherwise have been uninsured have gained coverage through a parent's plan
- **No lifetime limits:** 7,536,000 Texans are now free from worrying about their coverage "running out" if they get sick
- **Increased access to preventive care:** colonoscopies, well-child visits, well-woman exams, flu shots and other recommended preventive care is now available with no cost-sharing for 5,762,000 Texans

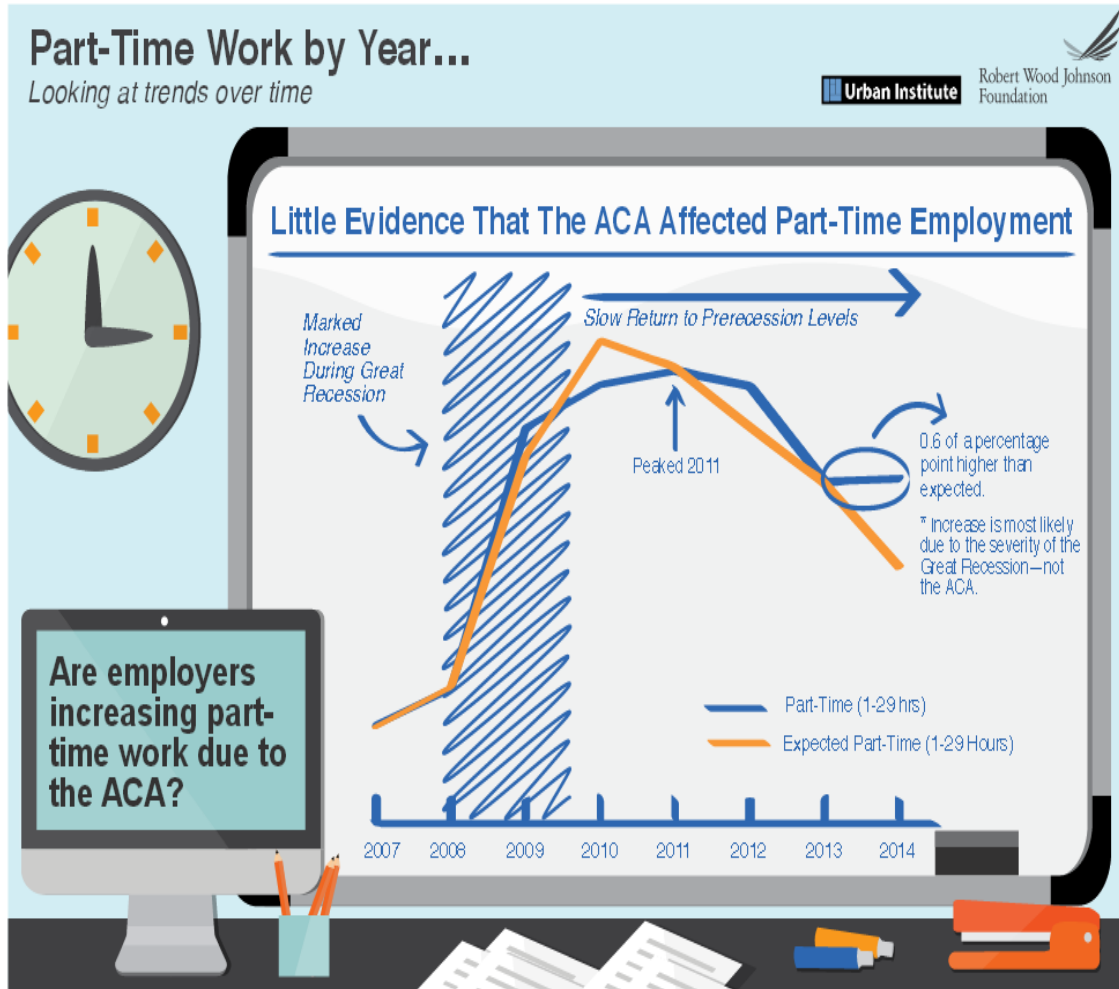
Importance of Navigator Services

- Navigators are professional, well-trained, accountable enrollment assisters.
- Texas Navigators appear to have more extensive training requirements than navigators in any other state using the Federal Marketplace.
- Navigator organizations are respected groups with strong community ties that generally have a long history of helping people connect to health coverage through Medicaid, CHIP, and Medicare.
- Consumers using in-person assistance were twice as likely to successfully enroll in the Marketplace as those who attempted online without help.

Needed Improvements Moving Forward

- Texas has many opportunities to improve access to and understanding of coverage:
 - Both insurers and doctors must be equipped to provide accurate information on network status to consumers, so consumers can make informed choices.
 - Networks must be adequate, even if narrow.
 - HHSC and TDI should become active partners in the statewide network of counties, cities, FQHCs, hospitals, and navigators helping to inform and enroll Texans in coverage. Our state agency experts could work collaboratively to increase knowledge about coverage available and respond to issues consumers face when using coverage.
 - Texas should accept federal funds to close the Coverage Gap to reduce local property tax burdens and insure low-wage workers.

Evidence Suggests ACA Not Increasing Part-time Work Thus Far



CBO: “there is no compelling evidence that part-time work has increased as a result of the ACA.”

Urban Institute: Part-time work increased during the Great Recession and has declined since 2011. No evidence of more part-time work than expected in 2013. Rate plateaued in 2014, off 0.6% point from what would be expected, which is “more likely due to a slower than normal recovery of full-time jobs following the Great Recession,” and not ACA-related.