The Affordable Care Act at 10
Progress Despite Barriers in Texas

MARCH 2020
Affordable Care Act brings a historic drop in uninsured nationally

20 million Americans have gained health coverage due to the ACA. Kaiser Family Foundation
Despite failing to act on the Medicaid expansion option, Texas has seen historic gains in coverage due to the ACA. Gains likely stem primarily from Marketplace subsidies (started in 2014), prohibition on pre-existing condition discrimination (2014), and the ability for young adults to stay on a parent’s plan to age 26 (2011).
Texas ACA Marketplace Enrollment

- The number of Texans who selected a Marketplace plan increased 3% in 2020 Open Enrollment
- The number of Texans who both signed up and paid their first month’s premium has held pretty steady since 2016
People who aren’t offered coverage at work and aren’t eligible for Medicaid or Medicare rely on the “individual market” for coverage.

The ACA greatly expanded access to individual market coverage through subsidies for some people with modest incomes and prohibiting insurers from discriminating against people with pre-existing conditions.

ACA Subsidies Keep Coverage Affordable & Stable

Average Monthly Enrollment in Texas Individual Market

At full cost

With subsidy

8 in 10 Texans with individual market coverage get a premium subsidy

• 79% of Texan Marketplace enrollees have 3 or more insurers to choose from

• 9% of Texas enrollees have only 1 insurer available

• 8 insurers in 2020 Texas Marketplace

• 5 of 8 Texas Marketplace insurers expanded into new counties for 2020

Growing evidence shows that, nationally, coverage gains under the ACA are translating into improvements in access to care and financial security.

CBPP

ACA has improved access to care and financial security nationally

Between 2010 and 2018 the share of non-elderly adults:

- With a problem paying a medical bill fell: -17%
- Who didn’t fill a prescription fell: -27%
- Who skipped a test or treatment fell: -24%
- Who didn’t visit provider when needing care fell: -19%

Source: Commonwealth Fund, Biennial Health Survey

ACA has strong protections for people with pre-existing conditions

ACA pre-existing condition protections include:

1. You can’t be denied coverage
2. You can’t be charged more
3. Policies can’t exclude coverage for pre-existing conditions
4. No lifetime or annual limits
5. Policies sold to individuals & small employers must have comprehensive coverage, so insurance covers care you’ll need

None of these ACA protections are guaranteed in Texas state law

Pre-existing conditions are common:

- 28% of non-elderly Texas adults have a pre-existing condition that would have resulted in a denial of individual market coverage prior to the ACA
- 45% of families nationwide include a non-elderly adult with such a pre-existing condition

None of these ACA protections are guaranteed in Texas state law

Graphics and data: Kaiser Family Foundation
The ACA improved health coverage for Texans

**COVERAGE YOU BUY ON YOUR OWN, 1.6M TEXANS**
- Can no longer be denied coverage, charged more, or face waiting periods due to a pre-existing condition
- Preventive services – like flu shots, mammograms and other cancer screenings, and contraception – at no out-of-pocket cost to patients
- No lifetime or annual caps on coverage
- Coverage of Essential Health Benefits” – like mental health treatment, prescription drugs, and maternity
- Insurers can cancel your coverage after you get sick
- Women can’t be charged more than men and limits on premium increases as you age
- Financial help to make Marketplace coverage affordable for people with low and moderate incomes

**JOB-BASED COVERAGE, 13.2M TEXANS**
- Preventive services – like flu shots, mammograms and other cancer screenings, and contraception – at no out-of-pocket cost to patients.
- No more waiting periods for coverage of pre-existing conditions
- No lifetime or annual caps on coverage
- Young adults can stay on parent’s plan to age 26

**MEDICARE, 3M TEXANS**
- Closed the “Part D donut hole,” saving seniors money on prescription drugs
- Preventive services and annual check-up with no out-of-pocket cost to patients
- Strengthened Medicare’s financial status

Texas population by coverage type from Kaiser Family Foundation analysis of Census Bureau’s 2018 American Community Survey
By the numbers: ACA benefits for Texans

• More than 1-in-4 Texans has a pre-existing condition – like high blood pressure, high cholesterol, diabetes, and asthma. Under the Affordable Care Act, they are assured that they will not be denied coverage, charged more, or face waiting periods due to something in their medical history.

• 10.3 million Texans, most of whom have job-based insurance, gained access to preventive services – like flu shots, mammograms and other cancer screenings, and contraception – at no out-of-pocket cost to patients.

• Insurance companies can no longer place lifetime or annual caps on coverage. 7.5 million Texans had insurance with a lifetime cap before the ACA.

• 205,000 young adults in Texas gained coverage by being able to stay on a parent’s plan to age 26.

 Sources linked
By the numbers: ACA benefits for Texans

- Seniors in Texas have saved money on prescription drugs because the ACA closed the Medicare “donut hole.” In Texas, 333,500 seniors saved money on drugs in 2016, and from 2010-2016, Texans in Medicare saved $1.8 billion.

- Coverage sold to individuals and small employers must have “Essential Health Benefits” – like mental health treatment, prescription drugs, and maternity. Many pre-ACA individual market plans had skimpy or no coverage of these benefits. No plans in the pre-ACA, Texas individual market included maternity.

- Federal funding for affordable coverage in Texas has increased by about $6.4 billion/year. Most of that, about $5 billion/year, is the investment of federal Marketplace subsidies that connect roughly 1 million low- and moderate-income Texans to coverage.

Sources linked
Health care costs and premiums for job-based coverage have grown slower following ACA

Health Care Cost Growth Has Slowed Since 2010, Due Partly to Affordable Care Act Reforms
Average annual growth in per-enrollee spending

- **Private plans**
  - 2000-2005: 9.1%
  - 2005-2010: 5.4%
  - 2010-2017: 3.7%

- **Medicare**
  - 2000-2005: 7.1%
  - 2005-2010: 6.4%
  - 2010-2017: 1.5%

- **Medicaid**
  - 2000-2005: 2.8%
  - 2005-2010: 1.7%
  - 2010-2017: 1.2%

Note: The Affordable Care Act was enacted in 2010.
Source: National Health Expenditure Accounts

Premium Growth Has Slowed for Employer-Provided Family Health Coverage
Average annual growth

- **Total premium**
  - 2000-2010: 7.9%
  - 2010-2018: 4.5%

- **Worker's contribution**
  - 2000-2010: 9.5%
  - 2010-2018: 4.2%

- **Employer's contribution**
  - 2000-2010: 7.3%
  - 2010-2018: 4.7%

Source: Kaiser Family Foundation 2018 Employer Health Benefits Survey
National polling has consistently found strong public support for major ACA provisions.

KFF

<table>
<thead>
<tr>
<th>Provision</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Prohibits private health insurance companies from denying coverage because of a pre-existing medical condition</td>
<td>90%</td>
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<tr>
<td>Requires private health insurance companies to cover the cost for most preventive services</td>
<td>89%</td>
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<tr>
<td>Prohibits private health insurance companies from denying coverage to pregnant women</td>
<td>88%</td>
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<tr>
<td>Prohibits private health insurance companies from charging sick people higher premiums than healthy people</td>
<td>87%</td>
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<td>Gives states the option of expanding their Medicaid programs to cover more low-income, uninsured adults</td>
<td>87%</td>
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<tr>
<td>Provides financial help to low- and moderate-income Americans who don’t get insurance through their jobs to help them purchase coverage</td>
<td>85%</td>
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<tr>
<td>Prohibits private health insurance companies from setting a dollar limit on how much they will spend on your coverage during your lifetime</td>
<td>85%</td>
</tr>
<tr>
<td>Prohibits private health insurance companies from setting a dollar limit on how much they will spend on your coverage each year</td>
<td>85%</td>
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<tr>
<td>Allows young adults to stay on their parents’ insurance plans until age 26</td>
<td>78%</td>
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Kaiser Family Foundation, [Health Tracking Poll, July 2019](https://www.kff.org/health-costs/tracking-poll/)
Barriers to Further Progress in Texas
Texas’ Health Care Repeal Lawsuit Would Harm Texans

If courts strike down the ACA:

• 1.7 million Texans and 20 million Americans would lose their health care coverage.

• People with a pre-existing conditions will lose ACA protections

• Insurers do not have to cover “Essential Health Benefits” like mental health, Rx and maternity and can impose lifetime limits

• Texans lose a $5 billion/year investment of federal Marketplace subsidies that connect nearly 1 million low- and moderate-income Texans to coverage ($55B/year nationally)

Lawsuit stands in stark contrast with what Texans actually want:

• 88% of Texans support requirements to cover pre-existing conditions

• 85% of Texans think increasing access to health insurance should be a “top priority” or “important” for the Texas Legislature

More at CPPP blog

Episcopal Health Foundation, March 2019
Texas is one of just 14 states that has failed to act on the ACA option to expand Medicaid

1.5 million uninsured adults in Texas, 30% of our uninsured population, could get coverage through Medicaid expansion

64% of Texans support Medicaid expansion

Episcopal Health Foundation, March 2019

Kaiser Family Foundation

Studies find Medicaid expansion leads to

Increases in:

- People getting regular check-ups
- Prescriptions filled for heart disease and diabetes
- Early-stage cancer diagnoses
- People getting surgical care consistent with clinical guidelines

Decreases in:

- People skipping medications due to cost
- One-year mortality among patients diagnosed with end-stage renal disease
- People screening positive for depression
- People without a personal physician or usual source of care


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

We envision a Texas
where everyone is healthy,
well-educated, and financially secure.

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