The Latest on Texas, the Affordable Care Act, and the Coverage Gap - the Good News and the Bad!

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Center for Public Policy Priorities

Saturday, May 31, 2014
Texas Continues to Top List for Highest Uninsured Rate

Working-Age Texans Have A Higher Uninsured Rate

Texans age 19 – 64 have lower access to public insurance, and are twice as likely to be uninsured as kids.

<table>
<thead>
<tr>
<th>Age (Years)</th>
<th>People (Millions)</th>
<th>Uninsured</th>
<th>Medicaid</th>
<th>Medicare</th>
<th>Job-based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 19</td>
<td>1.2 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 to 64</td>
<td>5.1 million</td>
<td>32%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>65 and over</td>
<td>91,000</td>
<td>3%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources of Coverage in Texas by Age, 2012. Analysis excludes additional sources of coverage such as military care and direct purchase; adjusts for major (but not all) sources of dual coverage. Source: CPPP Analysis of U.S. Census Bureau, CPS Annual Social and Economic Supplement, 2013
Immigrants Not Primary Cause of Texas’ National Uninsured Ranking

Remove all non-citizens from the data and TX still tops list for highest uninsured rate.

19.8% Citizen Uninsured Rate

5 Most Populous States:
- TX
- FL
- CA
- IL
- NY

ACA Support Fitted to Your Income

- **Job-based coverage, or**
- **Full-cost coverage in the Marketplace**

- **Job-based coverage, or**
- **Subsidized Marketplace coverage: premiums capped at 2% - 9.5% of income**

<table>
<thead>
<tr>
<th>Family Income</th>
<th>Children</th>
<th>Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$31,322 for a family of four; &lt; 133% FPL</td>
<td>Medicaid</td>
<td>Medicaid (not eligible for Medicare or Medicaid today)</td>
</tr>
<tr>
<td>$31,322-$47,100; 133-200% of FPL</td>
<td>CHIP</td>
<td>Medicaid</td>
</tr>
<tr>
<td>$47,100-$70,650; 200-300% of FPL</td>
<td>Medicaid</td>
<td>Medicaid</td>
</tr>
<tr>
<td>$70,650-$94,200; 300-400% of FPL</td>
<td>Medicaid</td>
<td>Medicaid</td>
</tr>
<tr>
<td>&gt;$94,200 for a family of four; &gt;400% of FPL</td>
<td>Medicaid</td>
<td>Medicaid</td>
</tr>
</tbody>
</table>
ACA: Over 1/3 Texas Uninsured May Get Help

ACA Income Eligibility for Uninsured Texans, 2011-2012 avg.
6.4 million uninsured, 24.6% of all ages

Cost-Sharing Reductions
PLUS Subsidies

Subsidies Only

Marketplace Subsidies & Cost-Sharing Reductions

Kids’ Medicaid/CHIP
(eligible today but not enrolled)

Marketplace, No Assistance

Coverage Gap:
\textit{TX State Policy Decision}

Non-Citizens
(some may be eligible for assistance)

Uninsured Texans (Millions) →

0.0  0.5  1.0  1.5  2.0  2.5

24%  13%

11%

10%

15%

27%

Note: Authorized non-citizens may also be eligible for financial assistance under a separate set of state and ACA eligibility rules; this analysis does not take into account uninsured families who may have an affordable offer of job-based coverage and who would therefore be ineligible for Marketplace subsidies.

Texas ACA: Take-Up Rates Matter!

LIMITED ENROLLMENT
17.8% of Texans remain uninsured

MODERATE
11.6% of Texans remain uninsured

ENHANCED
5.8% of Texans remain uninsured

But: Assumes ACA Medicaid expansion, which accounts for about half of projected coverage gains

Blanco County Examples

Monthly Premium: Full Price for 2\textsuperscript{nd}-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
- $25,000: $144
- $35,000: $277

*Prices for a single non-smoker
Texas Marketplace **Eligible**

**2,049,000**

Texans eligible for premium subsidies in the Texas Marketplace. (Includes both uninsured and people with individual market coverage today)

**3,143,000**

Potential Marketplace size

Kaiser Family Foundation, *State-by-State Estimates of the Number of People Eligible for Premium Tax Credits Under the Affordable Care Act*, November 5, 2013
Actual Enrollment

From October 1, 2013 – April 19, 2014

<table>
<thead>
<tr>
<th></th>
<th>Selected a Marketplace Plan</th>
<th>Determined/assessed eligible for Medicaid or CHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>734,000</td>
<td>???</td>
</tr>
<tr>
<td>United States</td>
<td>8.02 million</td>
<td>???</td>
</tr>
</tbody>
</table>

84% Eligible for Financial Help

Increased 89% over Feb.

Texas Enrollment by Coverage Tier

<table>
<thead>
<tr>
<th>Coverage Tier</th>
<th>Catastrophic</th>
<th>Bronze</th>
<th>Silver</th>
<th>Gold</th>
<th>Platinum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1%</td>
<td>23%</td>
<td>67%</td>
<td>6%</td>
<td>3%</td>
</tr>
</tbody>
</table>

U.S. Department of Health and Human Services, *Health Insurance Marketplace Enrollment Report*
More on Texas’ Marketplace Numbers.....

• **734K Texans enrolled through the Marketplace, essentially in 4.5 months** (# who selected a plan in Oct-Nov was just 14K because the website didn’t work for 2 months)

• **Enrollment in the last 6 weeks grew faster in Texas than any other state.** From 3/2 to 4/19, plans selected in Texas grew by 148% (nationwide we saw a 89% increase). In Texas, more people enrolled in the last 6 weeks than the first 5 months.

• Since we are in the middle of the pack (23%) looking at plan selections as a share of potential Marketplace enrollees, we have several leader states we can look to, to learn how we can do better. We can look to FL (39%), GA (30%), and KY (27%). We have many more questions than answers at this point.
Figure 1

Current Status of State Medicaid Expansion Decisions, 2014

NOTES: Data are as of March 26, 2014. *AR and IA have approved waivers for Medicaid expansion. MI has an approved waiver for expansion and plans to implement in Apr. 2014. IN and PA have pending waivers for alternative Medicaid expansions. WI amended its Medicaid state plan and existing waiver to cover adults up to 100% FPL, but did not adopt the expansion. NH has passed legislation approving the Medicaid expansion in Mar. 2014; the legislation calls for the expansion to begin July 2014.

SOURCES: States implementing in 2014 and not moving forward at this time are based on data from CMS here. States noted as “Open Debate” are based on KCMU analysis of State of the State Addresses, recent public statements made by the Governor, issuance of waiver proposals or passage of a Medicaid expansion bill in at least one chamber of the legislature.
Nationwide, 4.8 million uninsured nonelderly adults below poverty may fall into the coverage gap.

Distribution By State:
- Texas (22%)
- Florida (16%)
- Georgia (8%)
- North Carolina (7%)
- Pennsylvania (6%)
- Other States Not Moving Forward (41%)

Distribution By Geographic Region:
- South (79%)
- Midwest (11%)
- Northeast (7%)
- West (4%)

Total = 4.8 Million in the Coverage Gap

Notes: Excludes legal immigrants who have been in the country for five years or less and immigrants who are undocumented. The poverty level for a family of three in 2013 is $19,530. Totals may not sum to 100% due to rounding. Source: Kaiser Family Foundation analysis based on 2014 Medicaid eligibility levels and 2012-2013 Current Population Survey. See technical appendices available at http://www.kff.org/health-reform/issue-brief/the-coverage-gap-uninsured-poor-adults-in-states-that-do-not-expand-medicaid/ for more detail.
Texas Medicaid/CHIP: Who is Helped Today

April 2014, HHSC data

- Medicaid Children, 2,692,579
- Disabled, 427,463
- Elderly, 370,455
- Poor Parents, 132,605
- Maternity, 138,060
- CHIP, 495,187

Total enrolled 4/2014:
3.76 million Medicaid;
495,000 CHIP
(44% of Texas kids)
Medicaid Expansion NOT Just “Childless Adults,” Significantly Increases Eligibility for Parents in TX, and Many States

Medicaid Eligibility Levels for Parents, January 2013:

Current Medicaid Limit

ACA Medicaid Expansion Limit

SOURCE: Kaiser Family Foundation

NOTE: Ten states (CT, IL, ME, MA, MN, NJ, NY, RI, VT, WI) and DC already offer coverage to parents at or above 133% FPL under the ACA an income disregard of 5 percentage points will be applied to this limit increasing the effective income limit to 138% FPL.

SOURCE: Based on the results of a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2013.
Income Caps for Texas Medicaid and CHIP, 2014

Shows ACA “MAGI” changes, effective 1/2014

- **Long Term Care consumers above SSI income limit**
- **Annual Income is for a family of 3, except Individual Incomes shown for SSI and Long Term Care**
Texas Coverage Gap: Medicaid Hole in the ACA Coverage System

With Medicaid Expansion vs. Without Medicaid Expansion

<table>
<thead>
<tr>
<th>Family Income</th>
<th>With Medicaid Expansion</th>
<th>Without Medicaid Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>Medicaid</td>
<td>Coverage Gap</td>
</tr>
<tr>
<td>$25,975 for family of 3</td>
<td>133% FPL</td>
<td>Childless* Adults</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family Income</th>
<th>With Medicaid Expansion</th>
<th>Without Medicaid Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>$19,530 for family of 3</td>
<td>100% FPL</td>
<td>Working Parents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family Income</th>
<th>With Medicaid Expansion</th>
<th>Without Medicaid Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,696 for family of 3</td>
<td>19% FPL</td>
<td>Childless* Adults</td>
</tr>
</tbody>
</table>

“Childless” includes parents with grown children.
The Coverage Gap

1,000,000

About 1 million U.S. citizen adults are uninsured in Texas and will have no affordable coverage options.

We have the opportunity at any time to accept federal dollars to expand coverage to low-income adults.
The Coverage Gap

Single parent with 2 kids living on $18K per year

Kids get Medicaid

Mom gets no financial help and has no affordable options

Single parent with 2 kids living on $20K per year

Kids get Medicaid

Mom gets sliding-scale Marketplace coverage for $33/month or less
What’s Happened in Texas?

➢ In 2013, 13 House & 6 Senate bills filed to expand Medicaid per ACA, this included Republican leadership

➢ There was Widespread Support

✓ Statewide support: doctors, hospitals, county officials, chambers of commerce, and even the Texas Association of Business eventually supporting the Zerwas coverage option.

✓ Polling by Texas and national firms found: 58-59% of Texas voters support accepting federal ACA funds to cover the poorest uninsured adults.

✓ 22 chambers of commerce called on the state to accept this funding (new chambers continue to join)

➢ There was more than sufficient support by House and Senate members for Zerwas’ “Texas Solution” bill. But the Governor’s office began to communicate a veto threat. The bill was never allowed on the House floor for a vote.
Federal health dollars Texas would have gained each year 2014-2017: Over $6 billion a year

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% in 2017, 94% in 2018, 93% in 2019, and no less than 90 percent every year after that.

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

Estimated Texas Jobs Created if Medicaid expansion was implemented: 200-300,000

- Former Deputy Comptroller Billy Hamilton projects economic activity from the ACA Medicaid expansion would generate an estimated 231,000 jobs by 2016,
- Texas Economist Dr. Ray Perryman estimates the 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

- The Jackson-Hewitt Tax Services estimates $266 to $399 million in added penalties for Texans employers just from this group.
HEALTH & WEALTH COUNTY CHECKUP
An interactive tool measuring health and wealth benefits of covering more Texans

This interactive tool displays the most recent estimates from respected Texas and national experts.

Click here to view Source Details »

**How many uninsured Texans would gain health care coverage if Texas accepts federal health care funds to expand Medicaid or adopts a Texas alternative that expands health care coverage?**

<table>
<thead>
<tr>
<th>Sources</th>
<th>Bexar County</th>
<th>Cameron County</th>
<th>Dallas County</th>
<th>Harris County</th>
<th>Texas Total (Estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total uninsured who could gain coverage if Texas expanded Medicaid, rough estimate: (Uninsured U.S. citizens ages 18-64 with incomes between 0-138% of the federal poverty level)</td>
<td>136,512</td>
<td>64,667</td>
<td>238,543</td>
<td>383,144</td>
<td>2,106,625</td>
</tr>
<tr>
<td>Urban Institute, large metro only (Estimate)</td>
<td>134,000</td>
<td>54,700</td>
<td>134,400</td>
<td>323,200</td>
<td>1,960,100</td>
</tr>
<tr>
<td>Number of Texans in the &quot;Coverage Gap&quot; – out of the total uninsured (above), the number whose income is below 100% of the federal poverty level, making them ineligible for low-cost health insurance.</td>
<td>69,680/83,210</td>
<td>33,300/39,130</td>
<td>124,840/142,330</td>
<td>202,220/226,910</td>
<td>1,151,410 to 1,208,090</td>
</tr>
<tr>
<td>Urban Institute, large metro only (Estimate)</td>
<td>85,900</td>
<td>42,000</td>
<td>303,200</td>
<td>205,700</td>
<td>1,293,100</td>
</tr>
</tbody>
</table>
Texas Solution Options

• **Cost-sharing for the newly-covered adults is allowed, non-1115 states following federal law and rules**
  - Waiver exceptions: modest premiums and $10 co-pays for non-emergency ER visits, mostly targeted to the new adults who are above the poverty line.
  - Protections that mirror those in the Marketplace cap premiums at 2% of family income, and total combined costs at 5% of family income, consistent with federal standards.
  - Both MI and PA are looking at reducing out-of-pocket costs for enrollees who get check-ups or meet other wellness goals.

• **Flexibility—Within Limits.**
  - 1115 must “further the objectives” of the federal Medicaid law.
  - DENIED requests include reducing benefits for the traditional Medicaid population (as opposed to the newly covered adults).
  - To get the 100%/90% ACA match, states may not cap enrollment and must cover the full adult coverage expansion income range (up to 138% of the FPL), not just stopping at the poverty line.
Coverage Gap Advocacy

• YOU can be part of Continuing Education on the Texas Coverage Gap – Voices are needed from EVERY perspective. Clearly, there is broad support, but all hands need to weigh in with state leadership, including business leaders who are NOT in health care.

• A diverse network of Texans and Texas organizations are working to help Texans in the “Gap Group” tell their stories and seeking inclusion of Texas’ working poor in the ACA’s health reforms.

• For individuals:
  – www.TexasLeftMeOut.org
  – www.texaswellandhealthy.org

• For organizations:
  – www.covertexasnow.org
Coverage Gap Advocacy

Texas Impact

Money being lost to date because Texas did not accept the Medicaid expansion.

Texas Association of Community Health Centers

Money being lost to date because Texas did not accept the Medicaid expansion.

$2.39 BILLION. That’s a lot of money.

And, that’s what Texas will lose in 2014 by not expanding health insurance coverage to our poorest adults under the Affordable Care Act (ACA).

$113 per second
$6,829 per minute
$409,768 per hour
$9,832,386 per day
$2,389,269,842 per year

You can add these widgets to your website
Texas Left Me Out is a project of the Cover Texas Now Coalition and is led by:

- Accessible Housing Austin!
- ADAPT of Texas
- Alamo Breast Cancer Foundation
- Center for Public Policy Priorities
- Children’s Defense Fund of Texas
- CHRISTUS Health
- CitySquare
- Coalition of Texans with Disabilities
- Community Advancement Network
- Consumers Union
- Dallas Area Interfaith
- Dallas-Fort Worth Hospital Council
- Direct Care Alliance
- Doctors for America
- Easter Seals Central Texas
- Easter Seals Rio Grande Valley
- Equal Voices Network Health Working Group
- Gateway to Care
- Health Care for All Texas
- Healthcare Committee of Collin County
- Healthy Futures of Texas
- La Union del Pueblo Entero
- Legacy Community Health Services
- Mental Health America of Texas
- Methodist Healthcare Ministries
- MomsRising
- National Alliance on Mental Illness Texas
- National Association of Social Workers-Texas
- National Council of Jewish Women – Texas State
- Policy Advocacy Network
- National Physicians Alliance
- Nuestra Clinica del Valle
- Oak Cliff Chamber of Commerce
- Personal Attendant Coalition of Texas
- Proyecto Azteca
- San Antonio Nonprofit Council
- Seton Healthcare Family
- Texans Care for Children
- Texans Together Education Fund
- Texas AFL-CIO
- Texas Impact
- Texas Organizing Project
- Texas Pediatric Society
- Texas State Teachers Association
- Texas Well & Healthy
- Young Invincibles
I am a veteran and a single mother. I was married to my child's father when I became pregnant, but he gave me an ultimatum: abortion or divorce. I chose divorce, and he has never been present in her life or paid child support. I've worked hard since my daughter's birth to improve our situation and I just have one more semester of college left. However, I have had some health challenges and lost my ability to work full time while simultaneously attending school. Our financial situation has been very difficult and made worse by the fact I don't have access to health care for the very condition that forced me out of the full-time workforce in the first place.”
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