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

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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

Source: Congressional Budget Office
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

<table>
<thead>
<tr>
<th>Bill Description</th>
<th>Medicaid Cuts</th>
<th>Marketplace Cuts</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHCA (House, passed 5/4/17)</td>
<td>$834</td>
<td>$665</td>
</tr>
<tr>
<td>BCRA (Senate 7/20/17)</td>
<td>$756</td>
<td>$427</td>
</tr>
<tr>
<td>Repeal w/o replace (ORRA, Senate 7/19/17)</td>
<td>$842</td>
<td>$679</td>
</tr>
</tbody>
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Source: Congressional Budget Office
Medicaid Cuts are NOT limited to Medicaid expansion:

42% of Senate BCRA cuts 2020-2029 are due to Per Capita Cap

[Graph showing Estimated Change in Federal Medicaid Spending under the BCRA, 2020-2029 (in billions)]


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

Annual BCRA Cut in Federal Funds Dwarfs Painful Rate Therapy All Funds Cuts

$1.5 Billion
Average Annual Federal Funds Cut in BCRA

2015 Rate Therapy Cut, $171 Million
All Funds Cut (1 year)

Seven Year Total, $10.5B Cut

Cut to Texas Medicaid under BCRA
2020 - 2026 in billions

BCRA cuts to TX Medicaid

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)

Average annual deductible for benchmark Silver plan, single coverage, 2017

Under current law

- Up to $18K/yr: $255
- Up to $24K/yr: $809
- Up to $30K/yr: $2,904
- Over $30K/yr: $3,609

Under BCRA, all incomes:
- $6,105

Deductible climbs to $13,000 in 2026 (CB0)

Source: Kaiser Family Foundation analysis, https://twitter.com/larry_levitt/status/8786055553705943040
Texas Marketplace Insurer Participation, 2017

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

Source: Kaiser Family Foundation
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).
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.

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