



NEWS RELEASE

FOR IMMEDIATE RELEASE
January 28, 2021

NEW ONLINE TOOL SHOWS 500+ POLICY COMBINATION SCENARIOS TO MAKE HEALTH COVERAGE AVAILABLE TO MORE TEXANS

www.texas2036.org/health-coverage-explorer

AUSTIN, TEXAS – The cost of health coverage in Texas is higher than the national average and has risen more than 4% per year between 2010 and 2019. Nearly 5 million Texans do not have health insurance today. Without action by the Texas legislature this session, the state’s massive population of uninsured men, women and children will continue to grow, despite a likely rebound in the economy.

Texas 2036’s Health Coverage Policy Explorer is a new online tool that allows Texans to explore the costs and benefits of more than 500 possible policy scenarios that Texas legislators could adopt to make health insurance available to more Texans who do not have it today.

Texas 2036 created this public tool to reintroduce objective facts into the conversation about health coverage. As for takeaways, the three biggest are:

- Developing a Texas plan that qualifies for the 90% enhanced federal match is crucial to increasing coverage at a minimal impact to the state budget.
- There are low-risk and low-cost options available for Texas to make private insurance coverage more affordable by increasing federal subsidies.
- While there are a number of different options for Texas to reduce the number of uninsured Texans, none of those methods (not even all of them in combination) is a silver bullet that will solve the larger problem of access to affordable health care.

The Explorer gauges policy effects on Texas’ uninsured population of nearly 5 million people, which equates roughly to the combined population of the cities of Houston, Dallas and San Antonio.

“As we have built out this tool, we’ve seen that Texas has available a number of different policies that have yet to be explored to make health insurance available to more Texans,” said Tom Luce, founder and chairman of Texas 2036. “It’s clear our health system in Texas is broken – unaffordable for many and focused on waiting to treat the sick in emergency

rooms instead of prevention and early treatment of disease. Texas policy makers can have confidence in taking action, and this Explorer puts a powerful spotlight on their options.”

While increased insurance coverage does not guarantee improved health outcomes, insured families are better positioned to seek care when they need it and are protected from potentially ruinous medical debt.

“We believe the health care debate in Texas would be very different if all sides put a laser-focus on the objective we should all share. This interactive online tool helps create that focus,” said Margaret Spellings, president and CEO of Texas 2036, a data-driven nonprofit organization that supports efforts to plan for the state’s future, through its bicentennial in 15 years and beyond. “We hope this publicly available tool — built by a team of seasoned policy, budget and health coverage experts — can create the civic demand and support for the right policy solutions for our state and the nearly five million Texans without insurance today.”

Many Texans do not understand how unattainable health coverage is for low-income Texans today, particularly given the rising costs of coverage. Texas Medicaid income eligibility thresholds are surprisingly low. For able-bodied parents or caretakers, the maximum income to remain eligible is set at just 14% of the Federal Poverty Level, which is \$3,500 annually for a family of four. Able-bodied adults without dependents are not eligible at all.

In addition, federal subsidies on the Affordable Care Act Marketplace are not available to individuals with incomes below 100% of the Federal Poverty level. Compounding this problem, the Marketplace’s misaligned incentives and poor structure have made its private insurance plans unaffordable and undesirable for far too many Texans, including many who qualify for subsidies.

The Health Coverage Policy Explorer is unique in that it comprehensively models coverage and state budget impacts for a number of individual and combined policy proposals that Texas legislators could adopt to increase access to health insurance in Texas. Options include:

- Increasing income eligibility thresholds for Medicaid to different populations of Texans, including a partial expansion to 100% and a full expansion to 138% of the Federal Poverty Level;
- Increasing the duration of coverage for specific vulnerable populations such as low-income post-partum women;
- Improving the Affordable Care Act Individual Marketplace by moving control of it from the federal government to the state government and/or conducting a focused rate review process to increase the amount of federal subsidies coming to Texas, thereby making Marketplace plans more affordable; and
- Negotiating innovative Affordable Care Act Individual Marketplace reforms, such as optimizing how federal subsidies are allocated, through the 1332 Innovation Waivers.

| HEALTH COVERAGE POLICY OPTIONS | | | | |
|--|--|--|---|---|
| Combine options from different sets, or only explore one | SET | | | |
| | 1 | MEDICAID EXPANSION | <input type="checkbox"/> Full Expansion to 138% of FPL <input type="checkbox"/> Partial Expansion to 100% of FPL (Federal 1115 Waiver) <input type="checkbox"/> Targeted Population Expansion (Federal 1115 Waiver) | *Choose no more than one option from Sets 1 and 2 |
| | 2 | MEDICAID PROGRAM IMPROVEMENTS | <input type="checkbox"/> Indiana Plan (Federal 1115 Waiver): Coming Soon | |
| | 3 | ACA MARKETPLACE – STATE IMPROVEMENTS | <input type="checkbox"/> Focused Rate Review <input type="checkbox"/> State-Based Exchange | **No choice restrictions from Set 3 |
| 4 | ACA MARKETPLACE – FEDERAL 1332 WAIVERS | <input type="checkbox"/> Reinsurance Pool: Condition-Based <input type="checkbox"/> Reinsurance Pool: Claims-Based <input type="checkbox"/> Subsidy Optimization | ***Choose no more than one from Set 4 | |

Note: FPL stands for federal poverty level, used to determine Medicaid and ACA Subsidy eligibility.

The Health Coverage Policy Explorer allows users to compare different coverage and funding levels around each of these policy ideas to show how various scenarios would affect both the state budget and the number of people with health coverage.

| Sample Policy Combinations | Newly Insured | Net State Cost/Savings | Cost/Savings Per Person | Remaining Uninsured |
|---|---------------|------------------------|-------------------------|---------------------|
| Full Medicaid Expansion | 723K | \$1.3M | \$1.80 | 4.82M |
| Partial Medicaid Expansion | 502K | \$760M | \$1,515.30 | 5.04M |
| Targeted Medicaid Expansion | 140K | \$120M | \$856.70 | 5.4M |
| Focused Rate Review + State Exchange | 275K | \$85.4M | \$311.80 | 5.27M |
| Reinsurance Pool – Condition-Based (5% premium reduction) | 8.92K | \$27.3M | \$3,063.10 | 5.54M |
| Full Medicaid + Rate Review | 973K | \$1.62M | \$1.70 | 4.57M |
| Full Medicaid + Rate Review + State Exchange | 1.01M | \$42.5M | \$41.90 | 4.53M |
| Full Medicaid + Rate Review + State Exchange + Subsidy Optimization | 1.04M | \$43.0M | \$41.50 | 4.51M |

COSTS SAVINGS

The Health Coverage Policy Explorer also compellingly shows that doing nothing is simply not an option. If the state does not take action, then 5.5 million Texans will be without coverage in 2025.

“Simply keeping the status quo is unacceptable as the ninth largest economy in the world. Texas voters have clearly indicated they want the Legislature to act this Session on putting in place cost-effective policy solutions that can make health insurance available to more Texans,” A.J. Rodriguez, executive vice president for Texas 2036 said. “Texas, and Texans, must do better,” he added. “With shared goals, shared facts, and good-faith collaboration, we will.”

To explore the dashboard, visit www.texas2036.org/health-coverage-explorer.

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About Texas 2036:

Texas 2036 is a nonprofit organization building long-term, data-driven strategies to secure Texas' prosperity through our state's bicentennial and beyond. We offer non-partisan ideas and modern solutions that are grounded in research and data on issues that matter most to all Texans. For more information, visit www.texas2036.org.

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