The ACA in Texas

Past & Future

October 2023
ACA In Texas
Past & Future
October, 2023
Charles Miller, Senior Policy Advisor

charles.miller@texas2036.org

@CharlesTXPolicy
Data tells us Texas faces significant challenges, requiring state policy action now and into the future so that Texas is the best place to live and work.
Assessing Texas’ performance against competitors

Peer states identified based on index including 15 factors across 3 domains

Competing for Business
Competing for Talent
Similar Size

Together, Texas and its peers account for 58% of the total U.S. population and 62% of total U.S. GDP
Texas Enrollment Over Time

Number of Persons Selecting a Plan During Open Enrollment by Year

- 2014: 733,757
- 2015: 1,205,174
- 2016: 1,306,208
- 2017: 1,227,290
- 2018: 1,126,838
- 2019: 1,087,240
- 2020: 1,116,293
- 2021: 1,291,972
- 2022: 1,840,947
- 2023: 2,410,810

2020: ARPA/IRA Subsidies

2023: Premium Alignment
Gross Premiums Over Time

Average Lowest Cost Premium: 27 Year Old Texan by Metal Level

2017:
- All Premiums Increase
- Silver Premiums Especially Increase

2020:
- ARPA/IRA Subsidies

2023:
- Premium Alignment In Effect
- Gold Cheaper than Silver!

2022: SB 1296 Implemented for PY 2023
Net Premiums & Enrollment

Average Net Premium, Lowest Cost Plan by Metal: Texas Family of Four, 250% FPL

Texas Enrollment by Metal Level Over Time
Premium Alignment Impact: Enrollment

Enrollment by Metal Level in Texas

2018:
• Lots of Free Bronze

2020:
• ARPA / IRA Lowers Silver & Gold

2023:
• Gold Cheaper than Silver
• Lots of Free Gold
Understanding the Population
State Figures

Uninsured Adults in Texas, 2018
The percentage of adults in Texas ages 18-64 who are uninsured

![Map of Texas showing uninsured population by county.]

Uninsured Population in Texas by Age, 2018
- Children: 1%
- Age 19-64: 17%
- Age 65+: 82%

Uninsured Population in Texas by Income Level, 2018
- Below 100% FPL: 1%
- 101-138% FPL: 20%
- 139-200% FPL: 25%
- 201-400% FPL: 20%
- Above 400% FPL: 24%

The federal poverty level (FPL) for a family of four in 2018 is $25,100.
Texas 2036 Rough Estimates of Texas Uninsured Eligibility

- **Ineligible for Benefits**
  - 24% of Texas Uninsured
  - Approx. 1,150,000 Texans

- **Subsidy Eligible**
  - 43% of Texas Uninsured
  - Approx. 2,080,000 Texans

- **Coverage Gap**
  - 16% of Texas Uninsured
  - Nearly 800,000 Texans

- **Children**
  - 17% of Texas Uninsured
  - Approx. 855,000 Texans
On the Horizon

a. State-Based Exchanges
b. Medicaid Expansion
c. Subsidy Adjustment / Age Equity?
Enrollment Platforms

Why State Exchanges?

- Potential Savings / Extra Money
- Greater Control
- Targeted Branding
- Improved Data Access
What Challenges are State Exchanges Solving?

**Enrolling**

Enrolling proves to be the most overwhelming part of the insurance process. The website, insurance vendors, contract language, and the sheer number of plans available are discouraging to those who feel they don't have enough knowledge on the industry to be successful.

**Program Reputations**

**Eligibility**

**Enrolling**

**Paying**

---

**Jargon is Disheartening**

Medical and legal jargon is extremely exclusionary and confusing. Participants feel that they need to have a background in these fields in order to understand documents.

---

**Scam Calls, Texts, and Voicemails**

If interest is indicated, they are bombarded by phone calls and text messages from providers trying to "get their business," which instills distrust and unease in the system.

---

**Where to Start?**

Once they find their way to the Healthcare.gov website, they are overwhelmed by the amount of information required to apply. They are terrified of filling out something wrong and being denied.

---

**Too Many Options**

There are too many plan options to choose from, and they don't have enough information to make an educated decision (what's included, what doctors can I go to, how much will I need to pay out of pocket?). They worry the plans might have some loophole or fine print that will come back to bite them.

---

**Employment and Insurance**

Employment status affects motivation and opportunity to sign up for insurance. Many participants would prefer to enroll through an employer, but roadblocks like disabilities, caregiving duties, and felony records result in a frustrating cycle of failure.
<table>
<thead>
<tr>
<th>Group</th>
<th>2022</th>
<th>2023</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal (Total)</td>
<td>10,255,636</td>
<td>12,203,622</td>
<td><strong>19.0%</strong></td>
</tr>
<tr>
<td>Federal (Expanded Medicaid)</td>
<td>2,987,743</td>
<td>3,282,816</td>
<td><strong>9.9%</strong></td>
</tr>
<tr>
<td>Federal (No Expansion)</td>
<td>7,267,893</td>
<td>8,920,806</td>
<td><strong>22.7%</strong></td>
</tr>
<tr>
<td>State (All Expansion)</td>
<td>4,255,441</td>
<td>4,153,408</td>
<td><strong>-2.4%</strong></td>
</tr>
</tbody>
</table>

Explanations?

- Expansion
- Existing Population
- Health Sherpa
- Basic Health Plans

Platform Enrollment Impacts?
Medicaid Expansion
NOTES: Current status for each state is based on KFF tracking and analysis of state activity. *Expansion is adopted but not yet implemented in NC. See link below for additional state-specific notes.

## Eligibility & Enrollment Impacts

<table>
<thead>
<tr>
<th>State</th>
<th>Total</th>
<th>100-138%</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>256,456</td>
<td>95,606</td>
<td>37.3%</td>
</tr>
<tr>
<td>Florida</td>
<td>3,207,692</td>
<td>1,578,436</td>
<td>49.2%</td>
</tr>
<tr>
<td>Georgia</td>
<td>873,318</td>
<td>411,143</td>
<td>47.1%</td>
</tr>
<tr>
<td>Kansas</td>
<td>124,286</td>
<td>36,070</td>
<td>29.0%</td>
</tr>
<tr>
<td>Mississippi</td>
<td>183,478</td>
<td>101,359</td>
<td>55.2%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>796,339</td>
<td>278,571</td>
<td>35.0%</td>
</tr>
<tr>
<td>South Carolina</td>
<td>380,938</td>
<td>133,520</td>
<td>35.1%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>347,792</td>
<td>124,372</td>
<td>35.8%</td>
</tr>
<tr>
<td>Texas</td>
<td>2,407,808</td>
<td>1,124,044</td>
<td>46.7%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>217,936</td>
<td>27,883</td>
<td>12.8%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>38,565</td>
<td>5,130</td>
<td>13.3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8,834,608</td>
<td>3,916,134</td>
<td>44.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State</th>
<th>% of Silver 100-138</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>43%</td>
</tr>
<tr>
<td>Florida</td>
<td>61%</td>
</tr>
<tr>
<td>Georgia</td>
<td>60%</td>
</tr>
<tr>
<td>Kansas</td>
<td>48%</td>
</tr>
<tr>
<td>Mississippi</td>
<td>59%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>54%</td>
</tr>
<tr>
<td>South Carolina</td>
<td>57%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>49%</td>
</tr>
<tr>
<td>Texas</td>
<td>65%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>31%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>50%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>59%</td>
</tr>
</tbody>
</table>
Subsidy Adjustment & Age Equity
Medical Expense: Older Enrollees Cost More

Commercial Age Rate Curve

Age Factor

Factor Applied to Premium

Age

21 24 27 30 33 36 39 42 45 48 51 54 57 60 63

58yo = 2.548
53yo = 2.04
46yo = 1.5
## Net Premiums: Older Enrollees Pay Less

### Average Net Monthly Premiums In Austin, Texas for a Single Adult in Bronze Plan: Selected Ages & Income

<table>
<thead>
<tr>
<th>% FPL</th>
<th>Income in Dollars for a 1-person Household</th>
<th>27 - Bronze</th>
<th>45 - Bronze</th>
<th>63 - Bronze</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= 250%</td>
<td>$36,450</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>300%</td>
<td>$43,740</td>
<td>$85</td>
<td>$41</td>
<td>$0</td>
</tr>
<tr>
<td>350%</td>
<td>$51,030</td>
<td>$169</td>
<td>$124</td>
<td>$0</td>
</tr>
<tr>
<td>400%</td>
<td>$58,320</td>
<td>$263</td>
<td>$222</td>
<td>$52</td>
</tr>
</tbody>
</table>

Source: KFF Health Insurance Marketplace Calculator [https://www.kff.org/interactive/subsidy-calculator/](https://www.kff.org/interactive/subsidy-calculator/)
Older Enrollees Are Subsidized More

Premium Burden By Income: Selected Ages

Premium & Subsidy Ratios: Selected Ages

Source: Analysis Performed by Gabriel McGlamery, Florida Blue
Potential Fixes?

1. Change the Premium Age Curve
   State or Federal

2. Change the Subsidy Allocation
   State (Likely Requires 1332 Waiver) or Federal

3. Your Idea Here!!!
Thank You!