

# The ACA in Texas

*Past & Future*

October 2023

TEXAS **2036**





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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

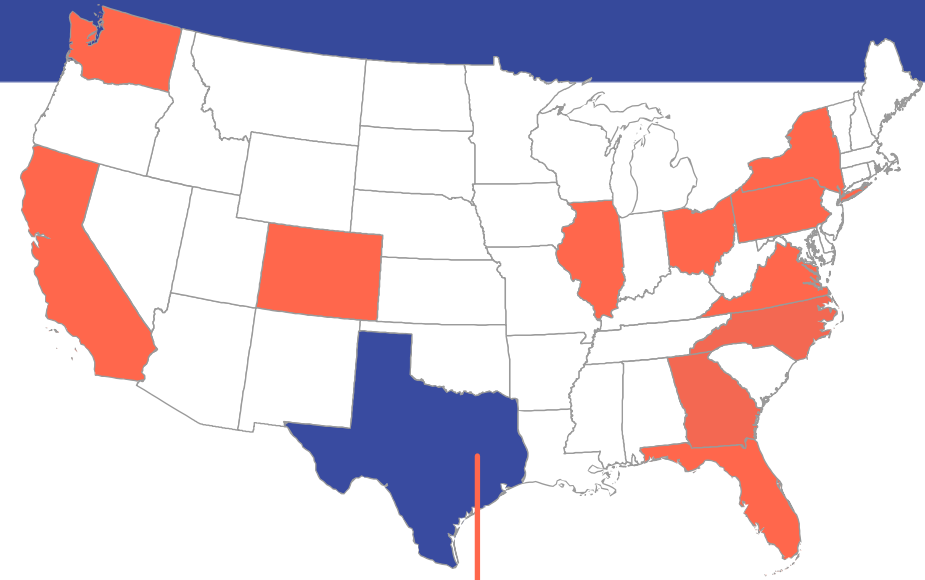
Peer states identified based on index including **15 factors** across 3 domains

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**



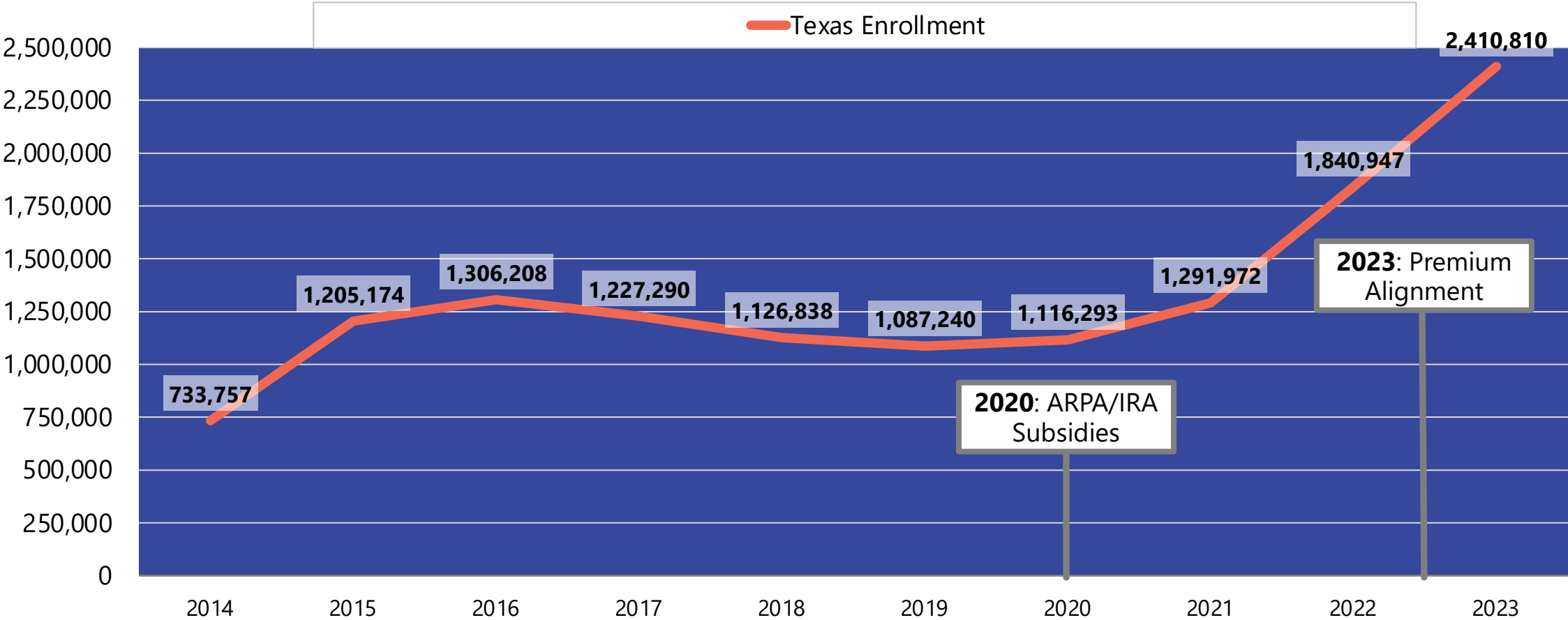
California  
Colorado  
Florida  
Georgia

Illinois  
New York  
North Carolina  
Ohio

Pennsylvania  
Virginia  
Washington

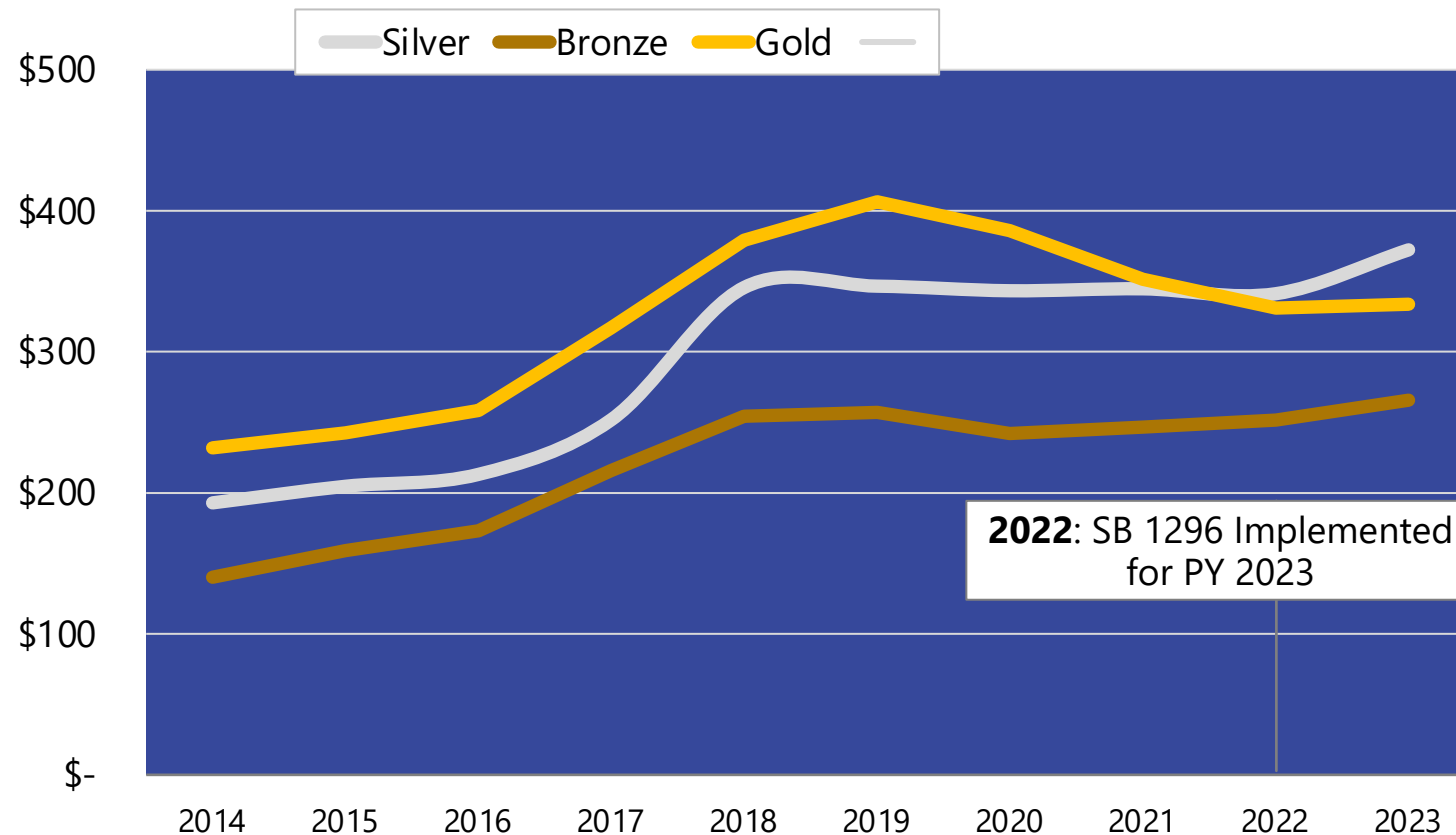
# Texas Enrollment Over Time

Number of Persons Selecting a Plan During Open Enrollment by Year



# Gross Premiums Over Time

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



## 2017:

- All Premiums Increase
- Silver Premiums Especially Increase

## 2020:

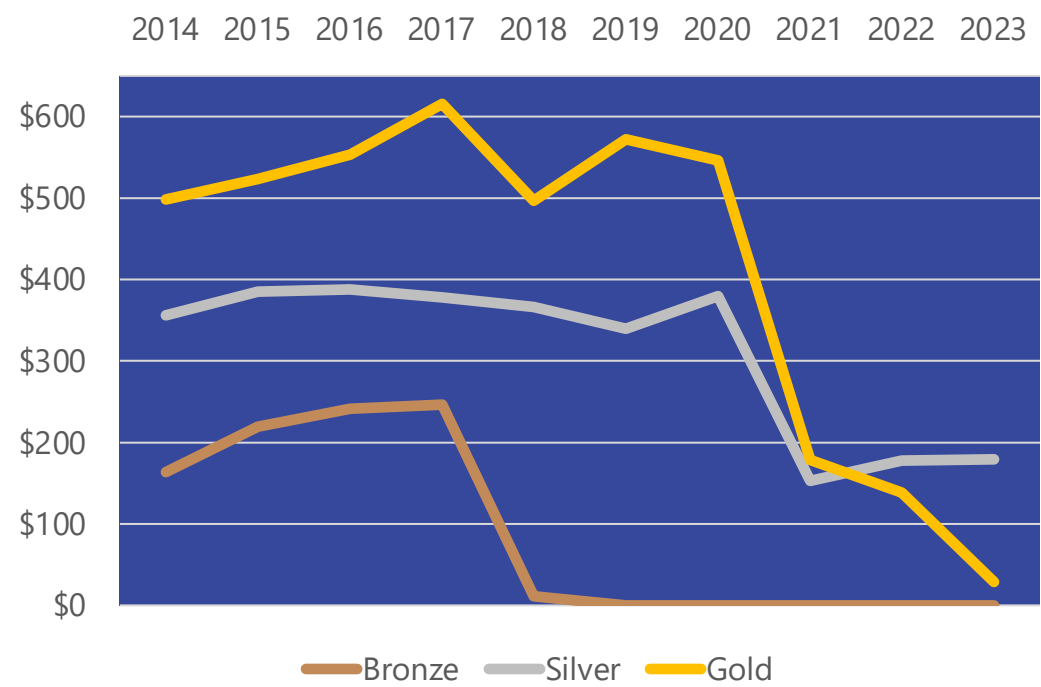
- ARPA/IRA Subsidies

## 2023:

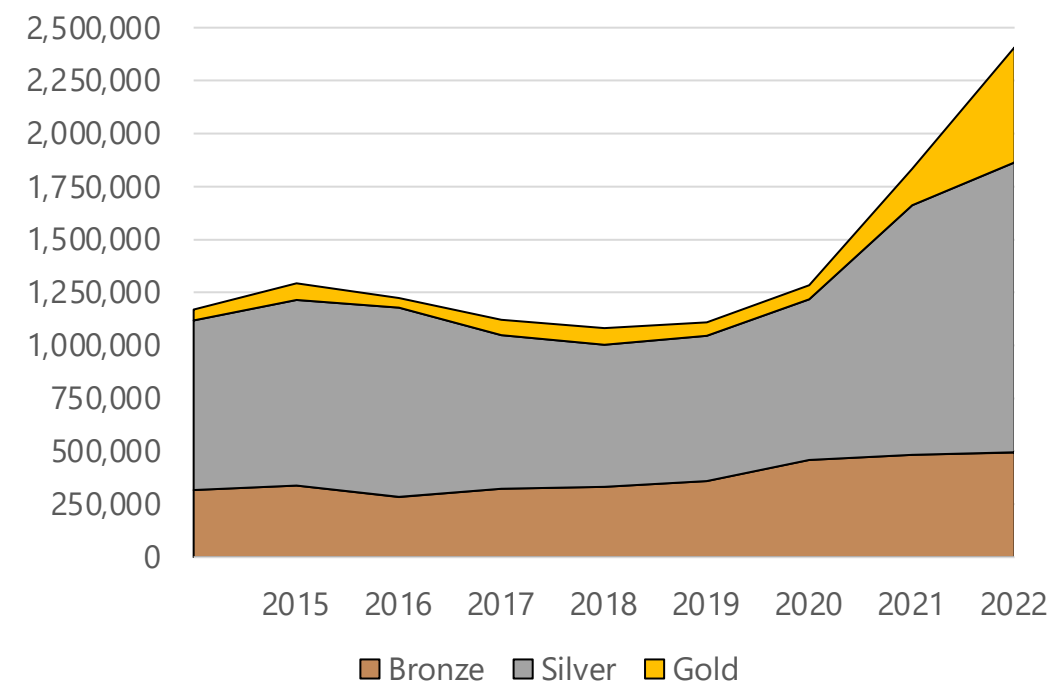
- Premium Alignment In Effect
- Gold Cheaper than Silver!

# Net Premiums & Enrollment

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

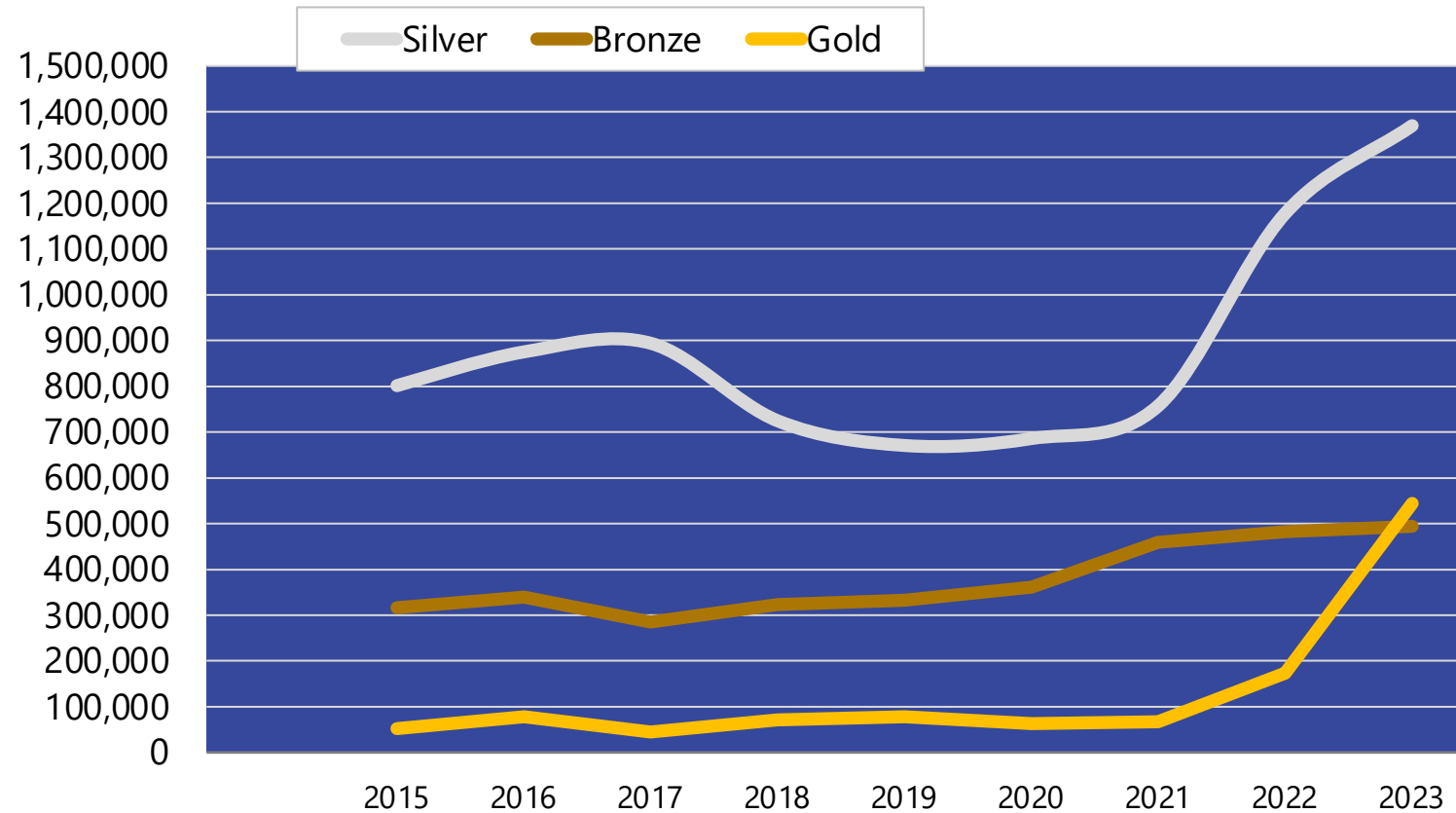


Texas Enrollment by Metal Level Over Time



# Premium Alignment Impact: Enrollment

Enrollment by Metal Level in Texas



## 2018:

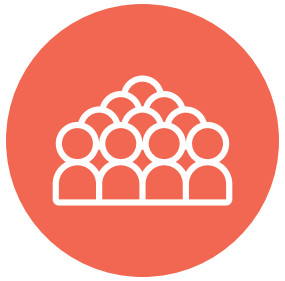
- Lots of Free Bronze

## 2020:

- ARPA / IRA Lowers Silver & Gold

## 2023:

- Gold Cheaper than Silver
- Lots of Free Gold



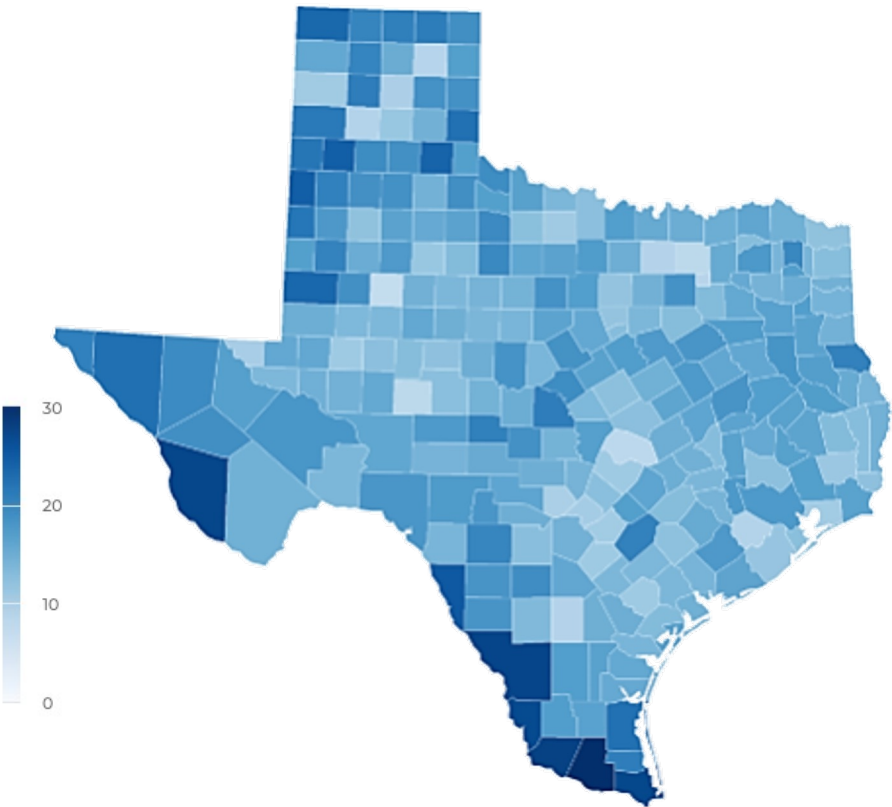
# Understanding the Population



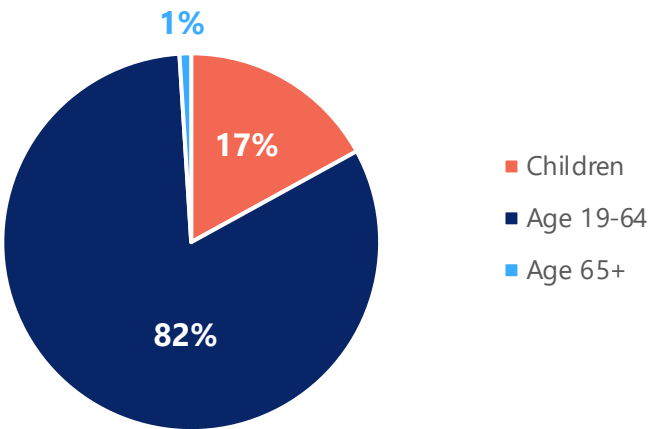
# State Figures

## Uninsured Adults in Texas, 2018

The percentage of adults in Texas ages 18-64 who are uninsured

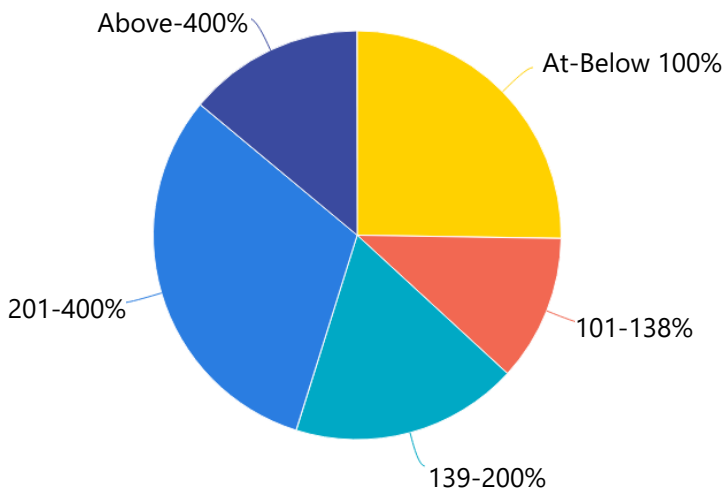


## Uninsured Population in Texas by Age, 2018

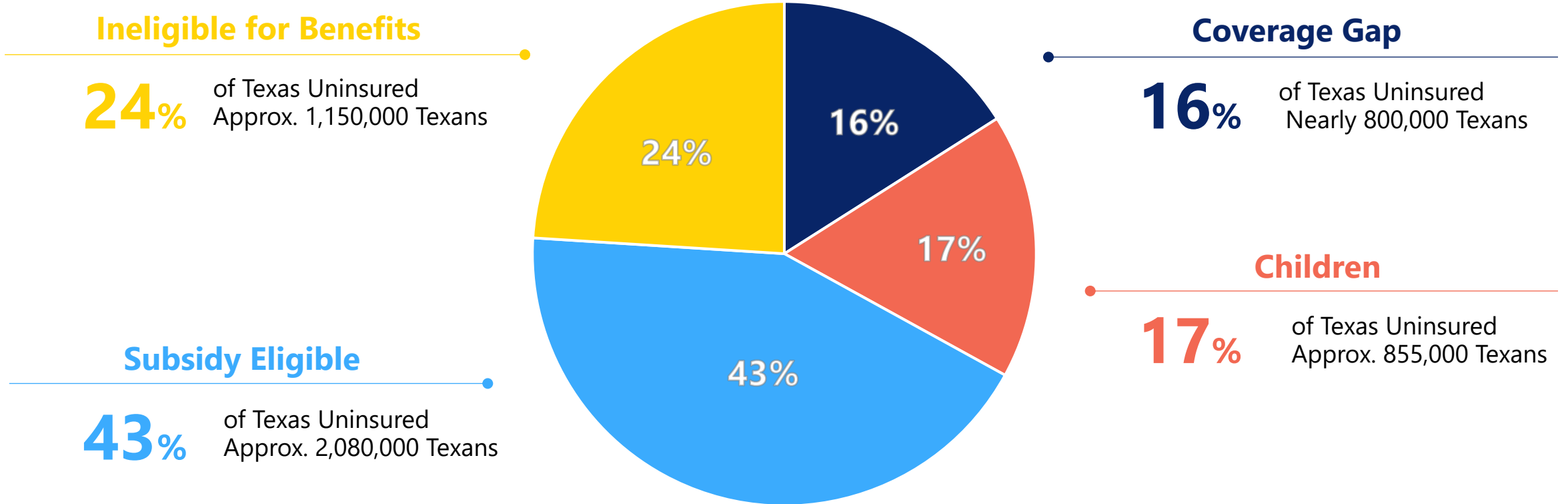


## Uninsured Population in Texas by Income Level, 2018

The federal poverty level (FPL) for a family of four in 2018 is \$25,100



# Texas 2036 Rough Estimates of Texas Uninsured Eligibility



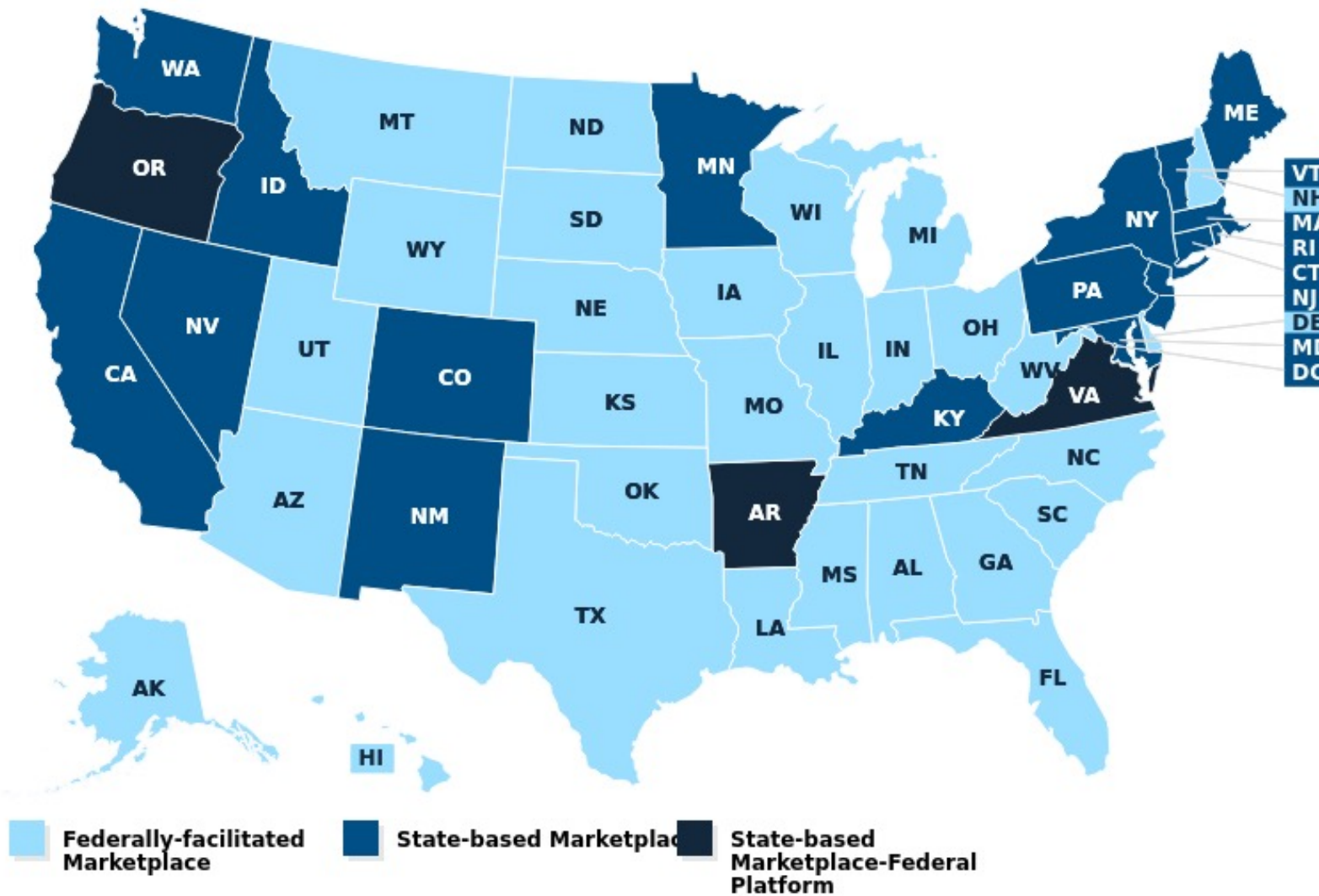


# On the Horizon

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



# State Exchanges



## Why State Exchanges?

- Potential Savings / Extra Money
- Greater Control
- Targeted Branding
- Improved Data Access

# Enrollment Platforms

# 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.



**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.

**Jargon is Disheartening**

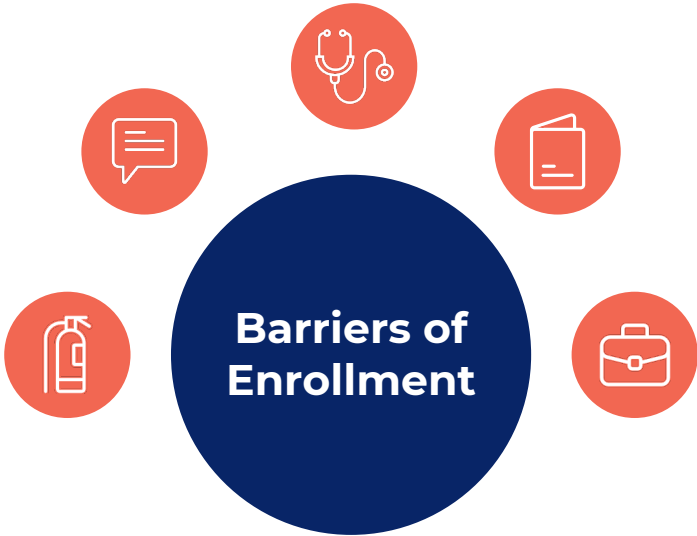
Medical and legal jargon is extremely exclusionary and confusing. Participants feel that they need to have a background in these fields in order to understand documents.

**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.



Group	2022	2023	Change
Federal (Total)	10,255,636	12,203,622	19.0%
Federal (Expanded Medicaid)	2,987,743	3,282,816	9.9%
Federal (No Expansion)	7,267,893	8,920,806	22.7%
State (All Expansion)	4,255,441	4,153,408	-2.4%

### Explanations?

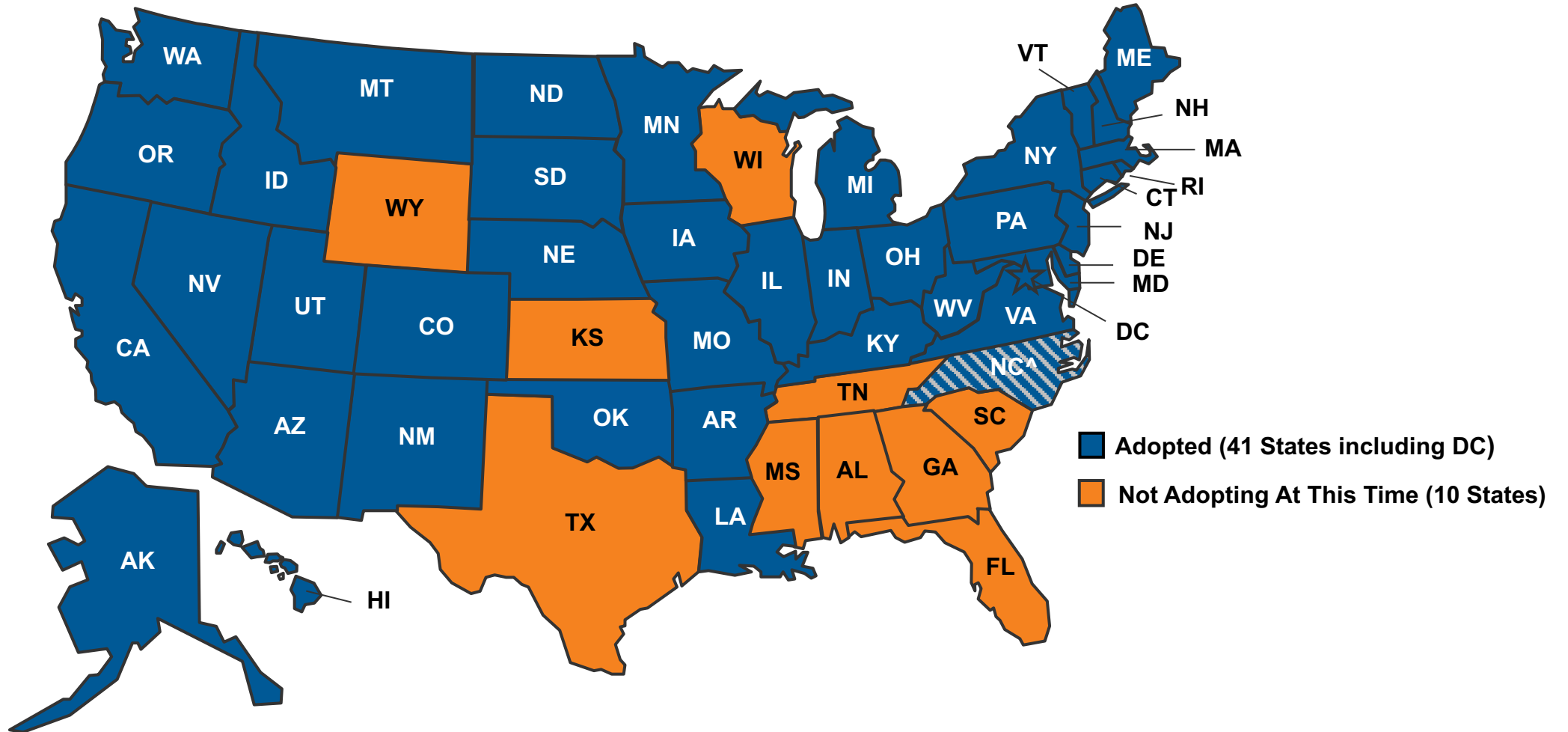
- Expansion
- Existing Population
- Health Sherpa
- Basic Health Plans

# Platform Enrollment Impacts?



# Medicaid Expansion

# Status of State Medicaid Expansion Decisions



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.

SOURCE: “Status of State Medicaid Expansion Decisions,” <https://www.kff.org/medicaid/issue-brief/status-of-state-medicaid-expansion-decisions-interactive-map/>

# KFF

# Eligibility & Enrollment Impacts

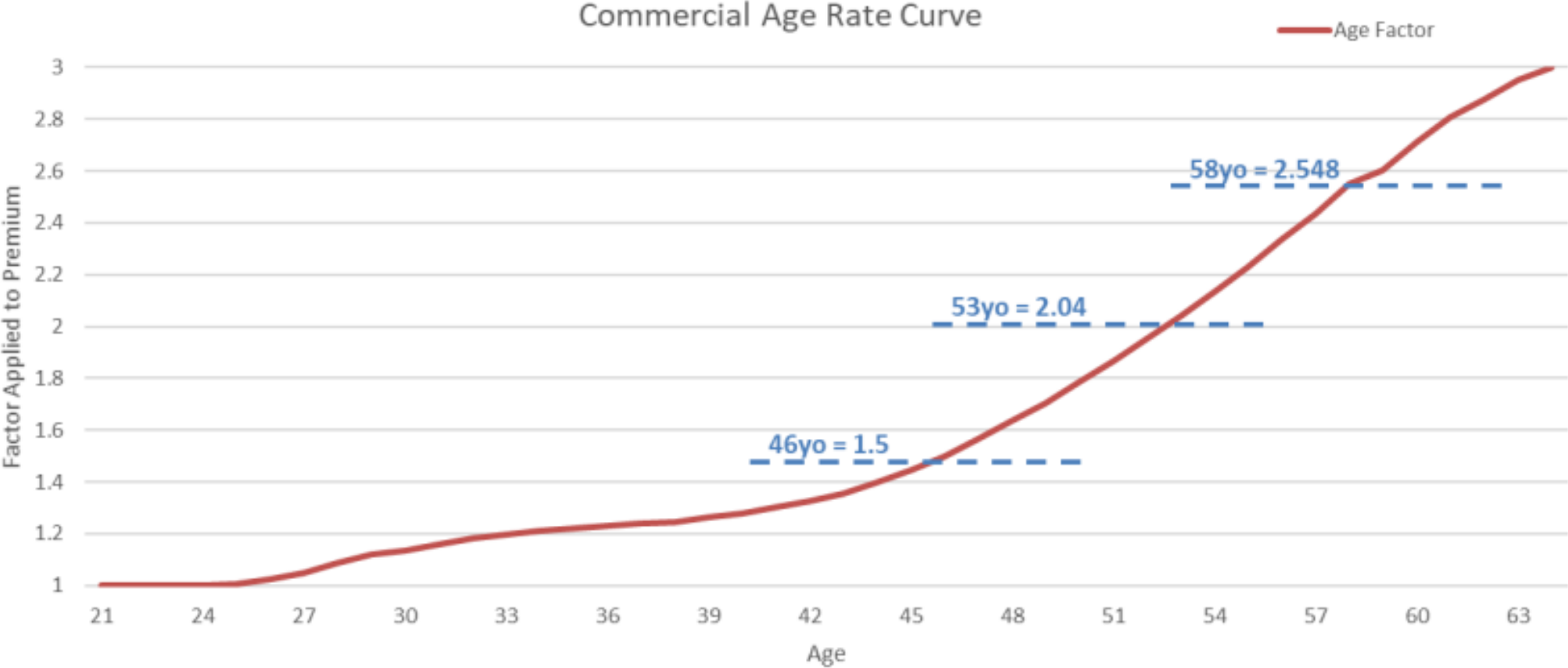
State	Total	100-138%	Percent
Alabama	256,456	95,606	37.3%
Florida	3,207,692	1,578,436	49.2%
Georgia	873,318	411,143	47.1%
Kansas	124,286	36,070	29.0%
Mississippi	183,478	101,359	55.2%
North Carolina	796,339	278,571	35.0%
South Carolina	380,938	133,520	35.1%
Tennessee	347,792	124,372	35.8%
<b>Texas</b>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

State	% of Silver 100-138
Alabama	43%
Florida	61%
Georgia	60%
Kansas	48%
Mississippi	59%
North Carolina	54%
South Carolina	57%
Tennessee	49%
<b>Texas</b>	<b>65%</b>
Wisconsin	31%
Wyoming	50%
<b>TOTAL</b>	<b>59%</b>



# Subsidy Adjustment & Age Equity

# Medical Expense: Older Enrollees Cost More



# Net Premiums: Older Enrollees Pay Less

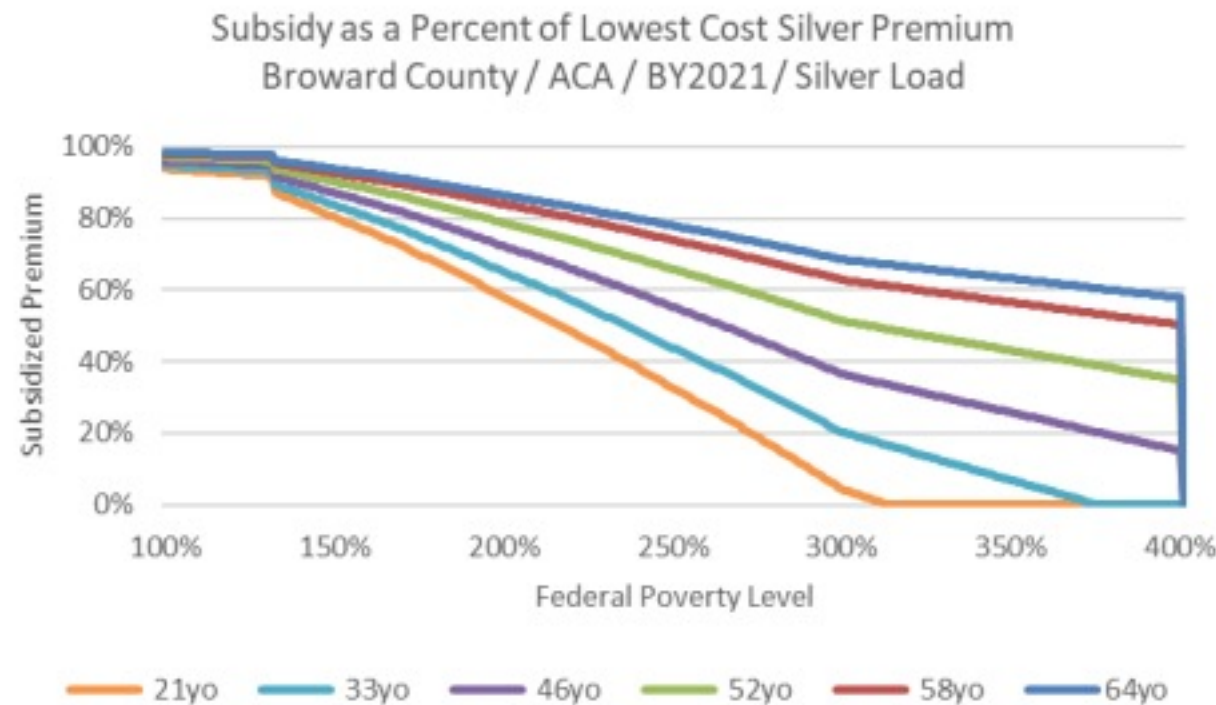
Average Net Monthly Premiums In Austin, Texas for a Single Adult in Bronze Plan: Selected Ages & Income

% FPL	Income in Dollars for a 1-person Household	27 - Bronze	45 - Bronze	63 - Bronze
<= 250%	\$36,450	\$0	\$0	\$0
300%	\$43,740	\$85	\$41	\$0
350%	\$51,030	\$169	\$124	\$0
400%	\$58,320	\$263	\$222	\$52

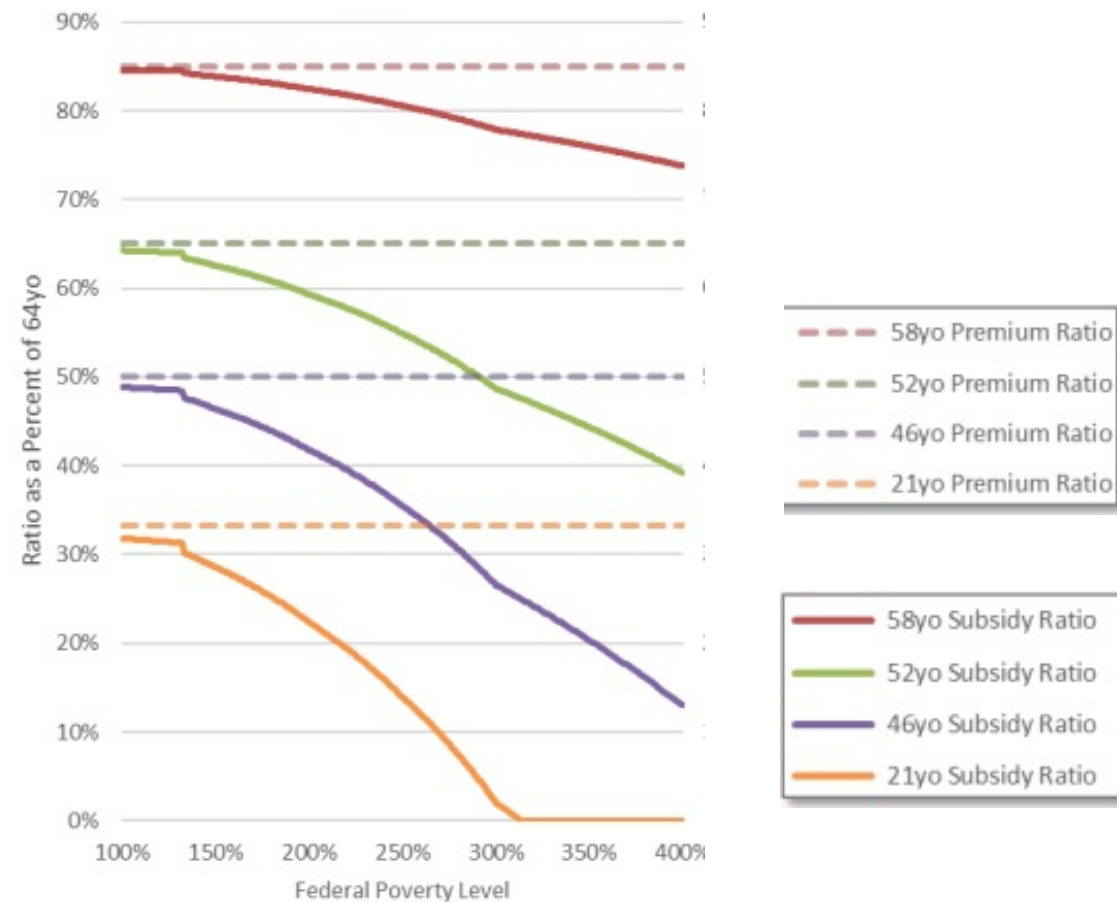
Source: KFF Health Insurance Marketplace Calculator <https://www.kff.org/interactive/subsidy-calculator/>

# 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!

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