



**Health Reform Monitoring Survey -- Texas**

RICE UNIVERSITY'S  
BAKER INSTITUTE



EPISCOPAL HEALTH  
FOUNDATION

## Issue Brief #11: Effects of the Affordable Care Act on health insurance coverage in Texas as of March 2015

April 30, 2015

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The major insurance coverage expansion provisions of the Affordable Care Act—the Health Insurance Marketplace and Medicaid expansion—went into effect in January 2014. At that time, individuals in all 50 states were able to purchase health plans during two open enrollment periods, with subsidies for those with incomes between 100% and 400% of the federal poverty level. Individuals with incomes below 139% of the federal poverty level were able to enroll in Medicaid in the 31 states that opted to expand Medicaid. This issue brief focuses on the changes in health insurance coverage among Texans ages 18–64 as of March 2015, following the ACA's second open enrollment period.

Because Texas has had the highest percentage of uninsured residents among the 50 states for many years, the coverage provisions of the ACA were expected to play a significant role in providing coverage to the more than 4 million adults ages 18–64 who previously lacked health insurance. Based on the HRMS-Texas March 2015 survey, we find that the ACA has had a substantial positive impact on the rate of health insurance coverage among Texans. The rate of uninsured Texans ages 18–64 dropped by nearly one-third, from 24.6% in September 2013 to 16.9% in March 2015. The drop is almost entirely attributable to newly insured individuals who purchased their own plans. The reduction in the rate of uninsured individuals occurred across all age groups, including younger adults.

Despite this progress, Texas remains the state with the highest percentage of uninsured residents and, for the first time, Texas now has the largest number of uninsured residents. The percent of uninsured Texans with incomes above 138% of the federal poverty level dropped by 44.5% while those with the lowest income only dropped by 19.7%. As of March 2015, the lowest income Texans are almost four times more likely to be uninsured than higher income individuals. This coverage gap has grown since 2013 because the Marketplace enabled the higher income group to purchase health insurance with subsidies not available to lower income Texans. Unless Texas participates in an expanded Medicaid program or develops some other mechanism for covering the lowest income Texans, this is not likely to change.

### AT A GLANCE

*The percent of adult Texans without health insurance fell from 24.6% in September 2013 to 16.9% in March 2015*

*The decrease in the uninsured is almost entirely attributable to a rise in individually purchased health plans*

*Had Texas opted to expand Medicaid, the gains in coverage would have been more substantial*

## ABOUT THE SURVEY

The Health Reform Monitoring Survey (HRMS) is a quarterly survey of adults ages 18-64 that began in 2013. It is designed to provide timely information on implementation issues under the ACA and to document changes in health insurance coverage and related health outcomes. HRMS provides quarterly data on health insurance coverage, access, use of health care, health care affordability, and self-reported health status. The HRMS was developed by the Urban Institute, conducted by GfK, and jointly funded by the Robert Wood Johnson Foundation, the Ford Foundation, and the Urban Institute. Rice University's Baker Institute and The Episcopal Health Foundation are partnering to fund and report on key factors about Texans obtained from an expanded, representative sample of Texas residents (HRMS-Texas). The analyses and conclusions based on HRMS-Texas are those of the authors and do not represent the view of the Urban Institute, the Robert Wood Johnson Foundation or the Ford Foundation. Information about the sample demographics of the cohort is available in Issue Brief #1. This Issue Brief is a summary of data extracted from the HRMS Surveys in Texas administered between September 2013 and March 2015. We will continue to report on survey data through additional Issue Briefs and future surveys.

## CHANGES IN INSURANCE STATUS AND TYPES OF INSURANCE

The rate of uninsured Texans has dropped substantially since the opening of the ACA's Health Insurance Marketplace in late 2013. Figure 1 shows that from September 2013 to March 2015, Texas experienced an overall reduction in the rate of uninsured residents of 7.7 percentage points, from 24.6% to 16.9%, according to the March 2015 HRMS-Texas survey. This 31% decrease in the rate of uninsured is similar to the rate of change reported by the Urban Institute for other states that did not expand Medicaid (30% decrease), but lower than the rate of change for the US as a whole (43% decrease) and well below the rate of change for states that expanded Medicaid (53% decrease).

**Figure 1:**  
**Trends in Uninsurance Rates for Texas Adults Ages 18 to 64**

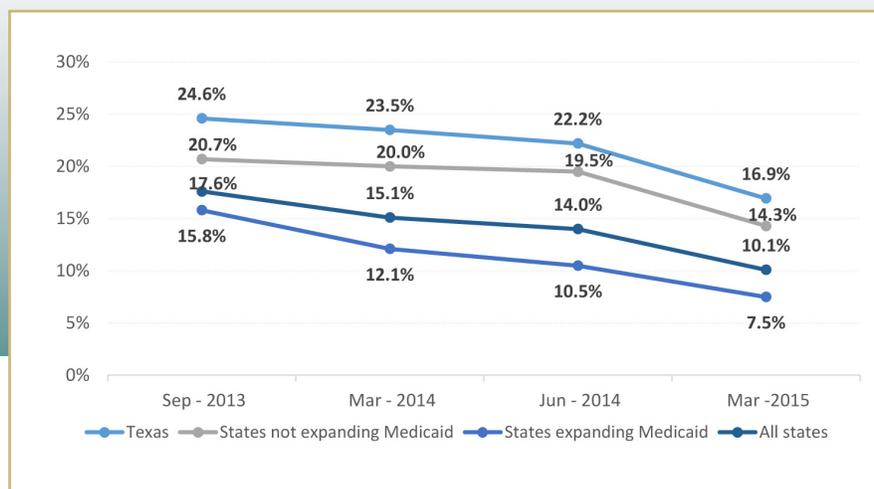
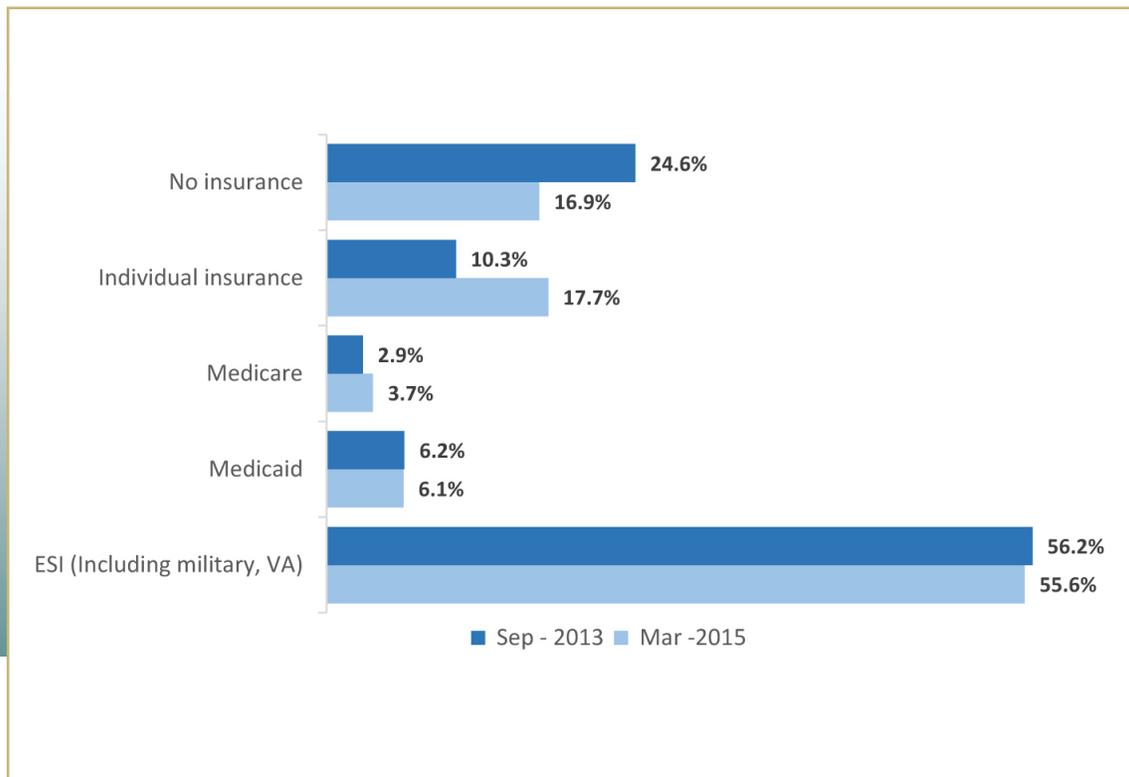


Figure 2 shows the change in coverage by type of insurance coverage from immediately before the opening of the Marketplace through the second open enrollment period. The data show that the decrease in the percent of uninsured Texans is almost entirely attributable to the increase in the percent of Texans covered by individually purchased plans. While the percent of individuals covered by public and employer sponsored insurance was relatively unchanged, the percent covered by individual plans rose by 7.4 percentage points, which accounts for almost all of the decrease of 7.7 percentage points in those with no insurance.

This is an important change in the individual market in Texas. Prior to the enactment of the ACA, the individual health insurance market had relatively little penetration in Texas. While the state has always had a large number of carriers offering dozens of different plans, individual plans were often unaffordable or unavailable to many. The coverage provisions of the ACA modified aspects of the individual market to address these problems for all Texans and, through the Marketplace, reduced the cost of insurance for low to moderate income families. Texans now enjoy a markedly more robust individual insurance market, as evidenced by the 72% increase in penetration.

**Figure 2: Net Changes in Insurance Coverage between September 2013 and March 2015, Texans Ages 18-64**



# CHANGES IN INSURANCE STATUS BY AGE AND INCOME LEVEL

Rates of uninsurance dropped for all age groups and income levels. Figure 3 shows the decrease by age group. The decrease across the board is promising, because of concern that younger people would not buy health insurance. Between September of 2013 and March of 2015, the rates of uninsurance dropped 19.4% for 18-44 year olds and 55% for 45-64 year olds. While the decline in the rate of uninsurance for the younger respondents is smaller than for the older group, this is a move in the right direction indicating that younger Texans want and are willing to pay for health insurance.

**Figure 3: Rate of Uninsured by Age Group, September 2013 to March 2015**

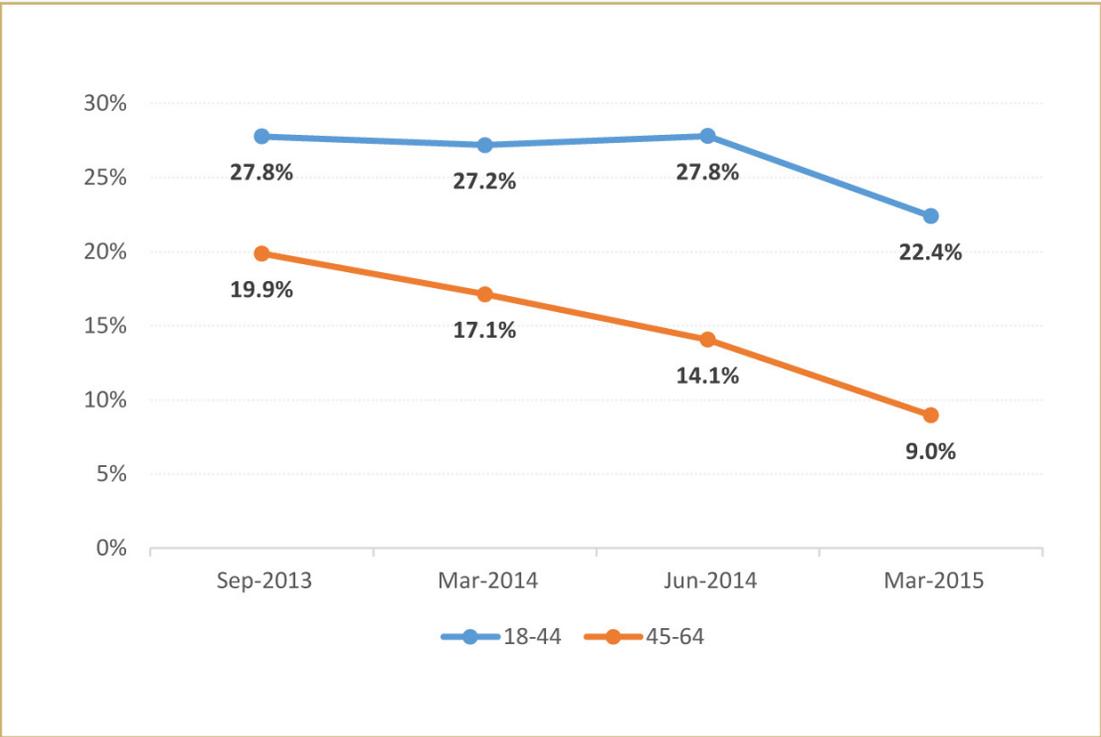
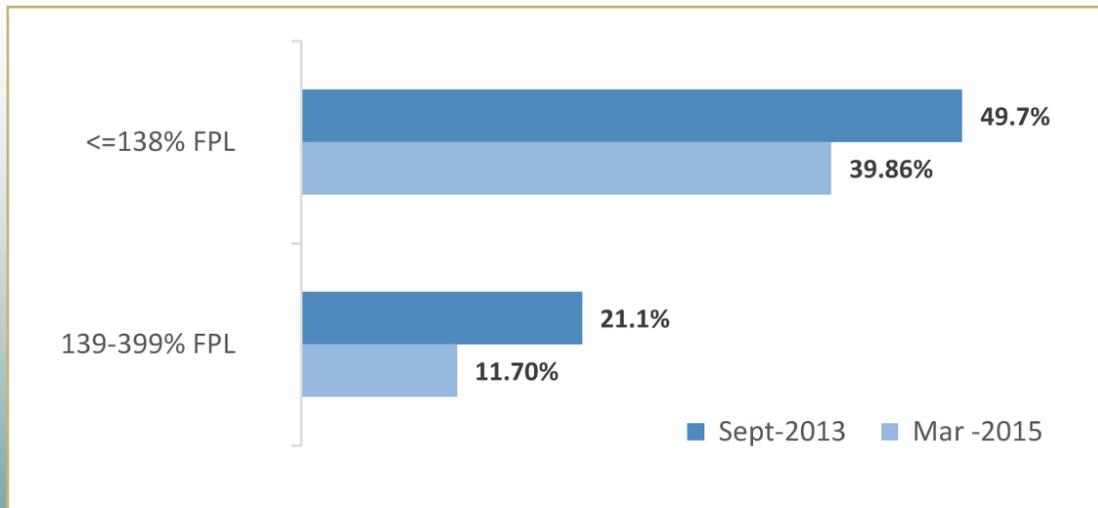


Figure 4 shows a decrease in rates of uninsured for all those below 400% of the federal poverty level. The percent of individuals with incomes between 139-399% of the federal poverty level decreased by 44.5%. The rate of uninsured decreased for those at or below 138% of the federal poverty level by 19.8%.

While both groups showed improved rates of coverage since the opening of the Marketplace, Texas' decision not to expand Medicaid leaves those at the lowest income levels with few coverage options. As our survey data show, those in the 100% to 400% income group purchased subsidized coverage through the Marketplace thereby substantially increasing their rates of coverage. The ACA was intended to provide coverage opportunities to the lowest income Americans through Medicaid expansion and without such, these Texans are likely to remain uninsured.

**Figure 4: Uninsured Rates by Federal Poverty Level**



## TEXAS AND THE HEALTH INSURANCE MARKETPLACE

A total of 83.1% of those surveyed in HRMS-Texas in March 2015 responded that they were covered by health insurance and 13.8% of insured respondents stated that they obtained insurance through the Marketplace. U.S. Census data indicate that there were 16.8 million adults in Texas ages 18-64 in 2014. Applying the survey response rates to this population indicates that approximately 1.9 million Texans enrolled in a plan through the Marketplace by March 2015. The US Department of Health and Human Services reported that 1.2 million Texans had enrolled in Marketplace plans as of February 15, 2015. Our survey was conducted throughout March and is likely to have captured new enrollments, which were expected to escalate as the open enrollment period drew to a close.

## LOOKING AHEAD

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In subsequent issue briefs, we will report on additional data from the March 2015 HRMS-Texas survey including additional characteristics of insured and uninsured Texans and the experience of Texans with the Marketplace and Marketplace plans.

## ABOUT THE AUTHORS

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## METHODOLOGY

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Each quarter's HRMS sample of nonelderly adults is drawn from active KnowledgePanel® members to be representative of the US population. In the first quarter of 2013, the HRMS provided an analysis sample of about 3,000 nonelderly (age 18–64) adults. After that, the HRMS sample was expanded to provide analysis samples of roughly 7,500 nonelderly adults, with oversamples added to better track low-income adults and adults in selected state groups based on (1) the potential for gains in insurance coverage in the state under the ACA (as estimated by the Urban Institute's microsimulation model) and (2) states of specific interest to the HRMS funders.

Although fresh samples are drawn each quarter, the same individuals may be selected for different rounds of the survey. Because each panel member has a unique identifier, it is possible to control for the overlap in samples across quarters.

For surveys based on Internet panels, the overall response rate incorporates the survey completion rate as well as the rates of panel recruitment and panel participation over time. The American Association for Public Opinion Research (AAPOR) cumulative response rate for the HRMS is the product of the panel household recruitment rate, the panel household profile rate, and the HRMS completion rate—roughly 5 percent each quarter.

While low, this response rate does not necessarily imply inaccurate estimates; a survey with a low response rate can still be representative of the sample population, although the risk of nonresponse bias is, of course, higher.

All tabulations from the HRMS are based on weighted estimates. The HRMS weights reflect the probability of sample selection from the KnowledgePanel® and post-stratification to the characteristics of nonelderly adults and children in the United States based on benchmarks from the Current Population Survey and the Pew Hispanic Center Survey. Because the KnowledgePanel® collects in-depth information on panel members, the post-stratification weights can be based on a rich set of measures, including gender, age, race/ethnicity, education, household income, homeownership, Internet access, primary language (English/Spanish), residence in a metropolitan area, and region. Given the many potential sources of bias in survey data in general, and in data from Internet-based surveys in particular, the survey weights for the HRMS likely reduce, but do not eliminate, potential biases.

The design effect for the Texas data in March 2015 is 2.184 and the MOE is +/- 3.7.  
The survey fielded from March 5-30.

Founded in 1993, the **JAMES A. BAKER III INSTITUTE FOR PUBLIC POLICY** has established itself as one of the premier nonpartisan public policy think tanks in the country. The institute ranks 11th among university-affiliated think tanks worldwide, 20th among U.S. think tanks and fifth among energy resource think tanks, according to a 2013 study by the University of Pennsylvania's Think Tanks and Civil Societies Program. As an integral part of Rice University, one of the nation's most distinguished institutions of higher education, the Baker Institute has a strong track record of achievement based on the work of its endowed fellows, Rice faculty scholars and staff. Located in Houston, Texas, the nation's fourth-largest city and the energy capital of the United States, as well as a dynamic international business and cultural center, the Baker Institute brings a unique perspective to some of the most important public policy challenges of our time.

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