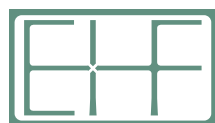




# **2018 ACA Marketplace Analysis in Texas: Key Highlights and Implications**



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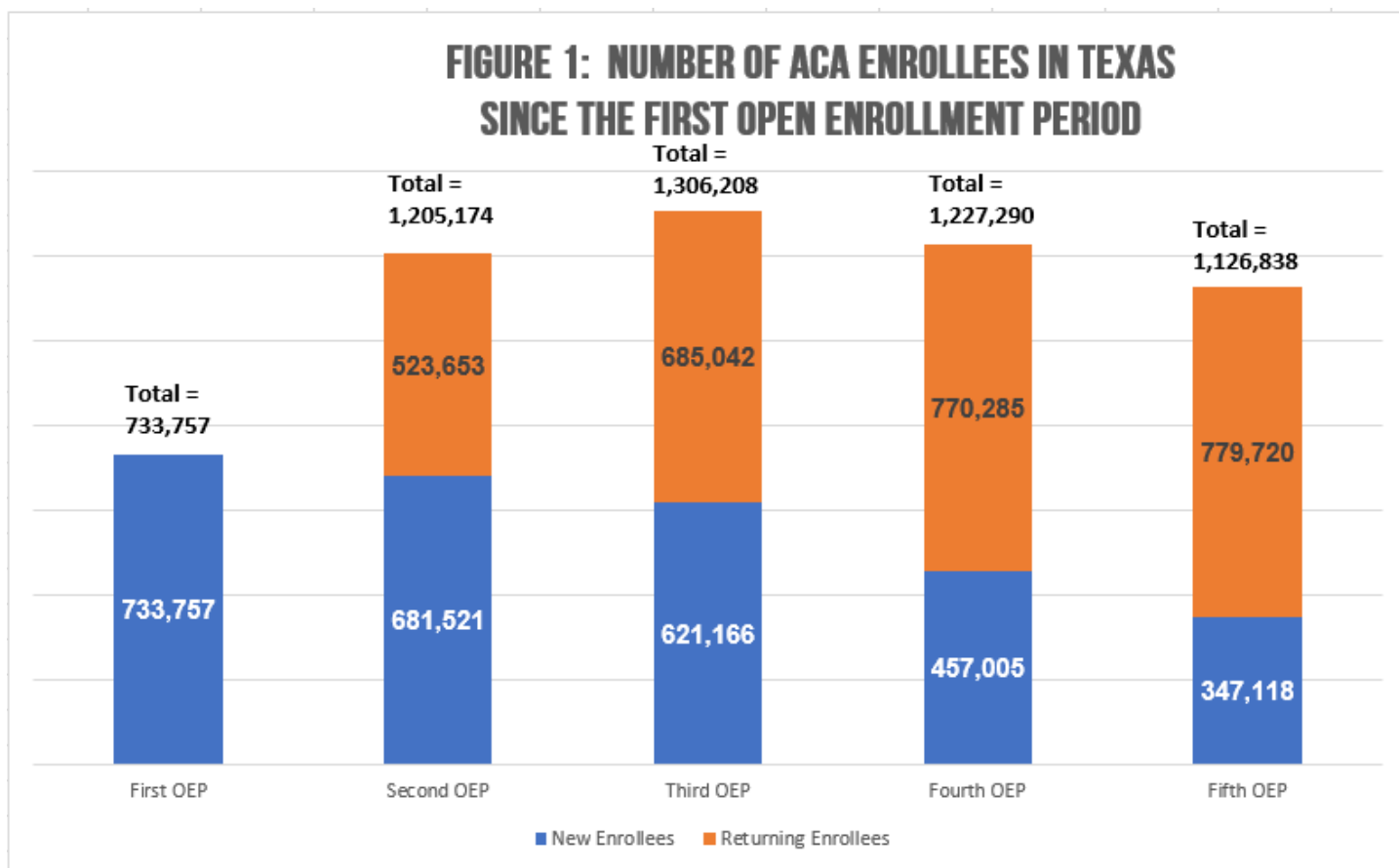
# **ANALYSIS OF THE 2018 AFFORDABLE CARE ACT (ACA) ENROLLMENT DATA FOR TEXAS: KEY HIGHLIGHTS AND IMPLICATIONS**

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Episcopal Health Foundation conducted an analysis of recently released ACA enrollment data for Texas from the [Centers from Medicare & Medicare Services](#) for the Health Insurance Marketplace's fifth open enrollment period (OEP). In this report, we examine the new enrollment data from the recent OEP, November 1, 2017 through December 15, 2017, and compare it to data from the first four OEPs. We also discuss the implications of the latest ACA enrollment data in Texas in the larger context of national healthcare reform.

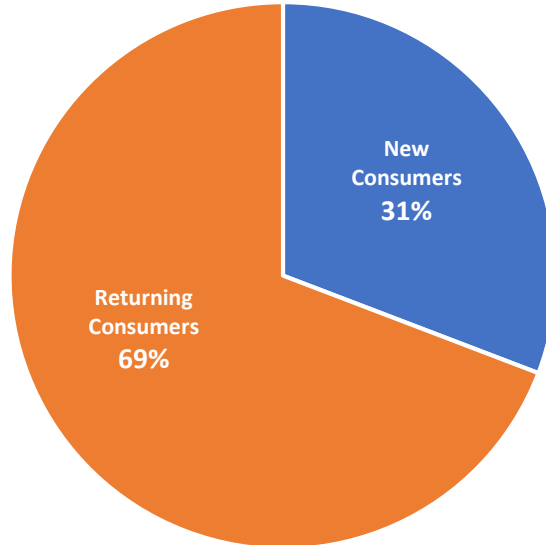
**Finding 1: Total enrollment during the fifth OEP was 1.1 million, down slightly from 1.2 million in the previous OEP.**

As figure 1 shows, there was a slight dip in the total number of enrollees in the fifth OEP while the number of returning enrollees has increased steadily throughout the open enrollment periods. Of the Texans who enrolled in coverage in the fifth OEP, 69% (779,720) were returning enrollees, which is higher than the number of returning enrollees in the fourth OEP (770,285). On the other hand, there is a decline in the number of new consumers in the fifth OEP (347,118) as compared to the fourth OEP (457,005). 55% of the enrollees were women and 87% lived in urban areas.



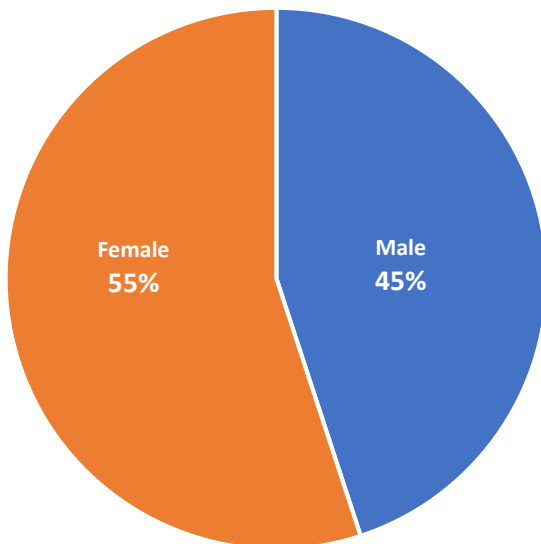
### Most enrollees were **returning consumers**

Percent of total number of ACA Marketplace consumers in Texas who were new consumers versus returning consumers, 2018



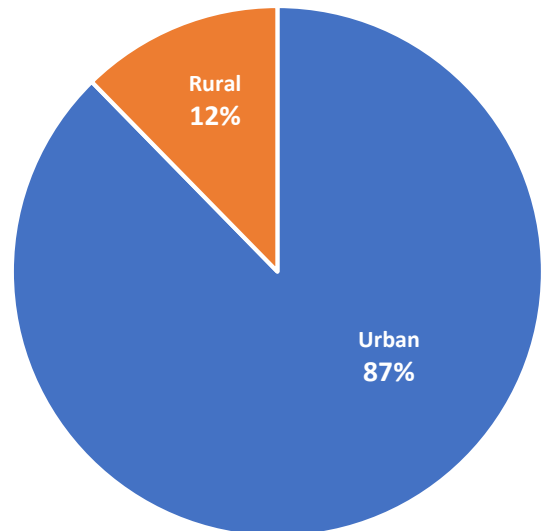
### Most enrollees were **women**

Total number of marketplace enrollees in Texas by gender, 2018



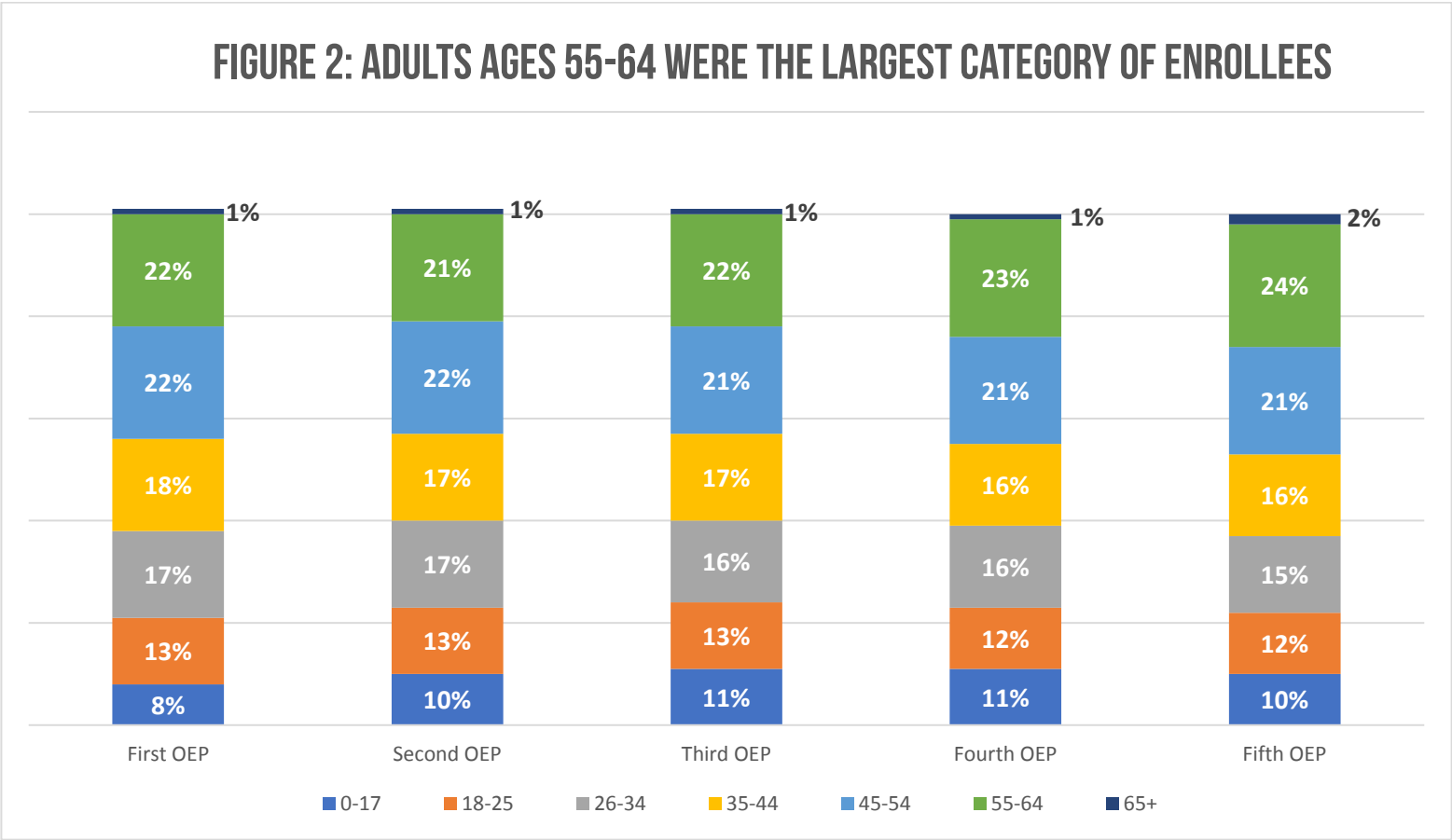
### Most enrollees lived in **urban areas**

Total number of marketplace enrollees in urban and rural areas in Texas 2018

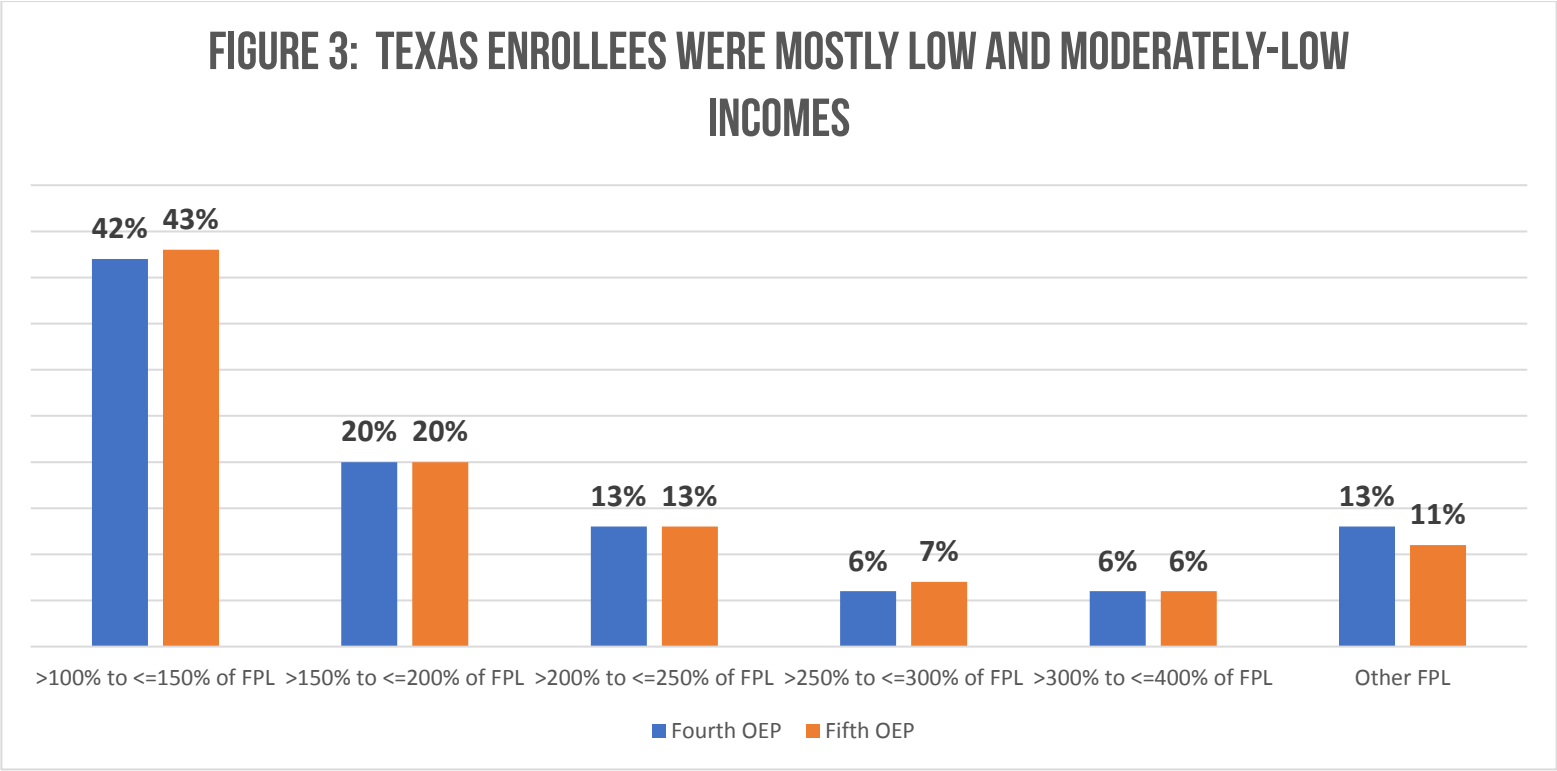


**Finding 2: Adults ages 55-64, low-income and moderately low-income individuals were among the key demographic groups of Texas enrollees**

As Figure 2 shows, the age distribution of ACA Enrollees has been consistent across all five OEPs. During the most recent OEP, adults ages 55-64 comprised 24% of all enrollees, followed by adults ages 45 to 54 at 21%.



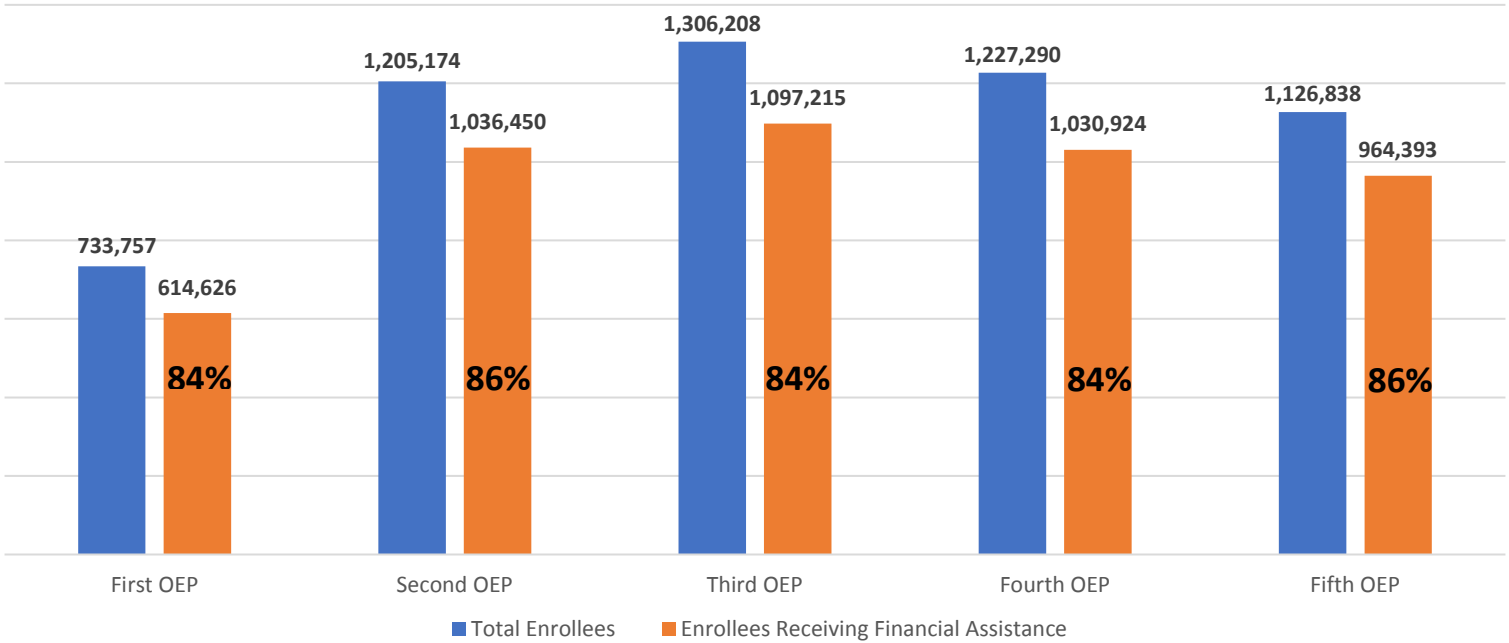
As Figure 3 shows, six in 10 ACA enrollees in Texas were low or moderately low income during the most recent OEP. This is consistent with 2017.



**Finding 3: More than 8 in 10 Texas enrollees received financial assistance. Federal tax credits have reduced the costs of premiums by 85%**

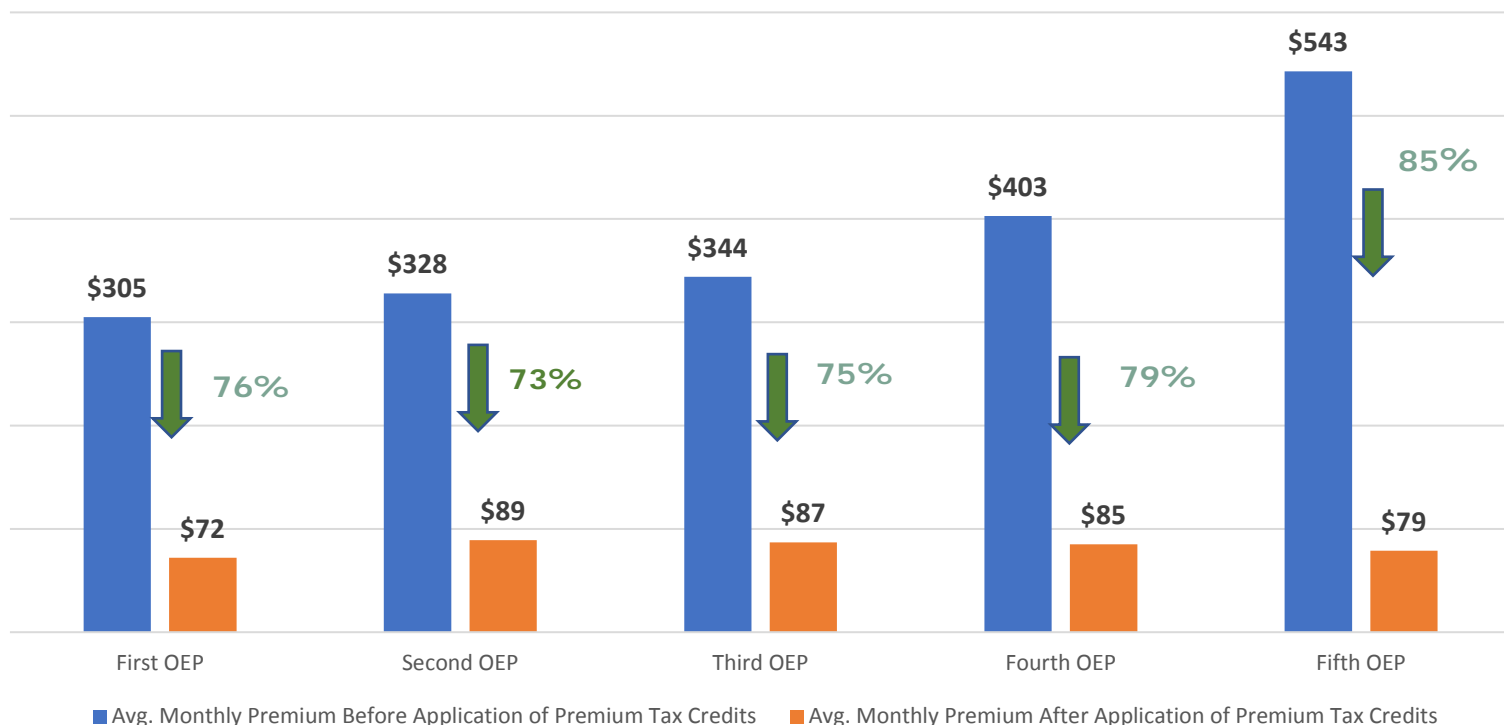
As Figure 4 shows, 964,393 Texas enrollees, or 86% of all Texas enrollees, received financial assistance in the form of premium tax credits during the most recent OEP. Again, this trend is consistent across all OEPs.

**FIGURE 4: NUMBER AND PERCENT OF TEXAN ENROLLEES WITH FINANCIAL ASSISTANCE ACROSS FIVE OPEN ENROLLMENT PERIODS**



On average, federal financial assistance provided Texas enrollees with a 78% reduction in monthly premiums across all five OEPs. As Figure 5 shows, average premium costs were \$543 per month in the fifth OEP as compared to \$403 per month in the fourth OEP. However, when you factor in the federal tax credits, the average cost of the premiums for enrollees who received tax credits in the fifth OEP dropped by 85% to \$79 per month, as compared to \$85 per month in the fourth OEP. The termination of cost sharing reduction (CSR) payments to insurers by Health and Human Services (HHS) caused participating health plans to increase premiums to adjust for their losses as projected by the [Congressional Budget Office](#). Since the size of tax credits are based on a formula directly linked to the cost of premiums (2<sup>nd</sup> lowest silver as base premium price, discounted to match FPL levels), the tax credits increased in response to increased premium costs during the fifth OEP.

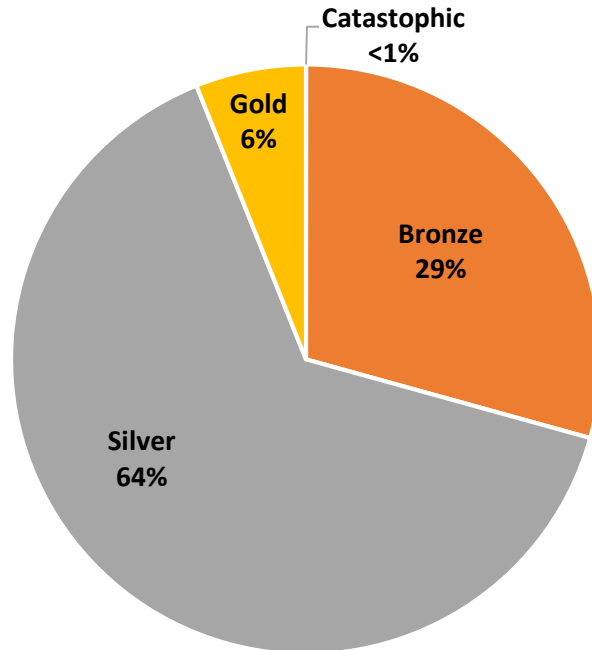
**FIGURE 5: ACA TAX CREDITS CUT PREMIUM COSTS TO TEXANS BY 85%**



Similar to previous years, 64% of ACA enrollees selected a silver plan while 29% of enrollees selected a bronze plan.



### Most Texas enrollees selected a Silver or Bronze plan



#### Discussion: What does this latest data tell us and where do we go from here?

To gain insights into the latest data, it is important to understand the larger environment that affected the ACA marketplace enrollment in Texas. As a recent [Kaiser Family Foundation poll found](#), most consumers were unaware of the shorter ACA enrollment period. This along with the ongoing uncertainty of federal healthcare reform discussions and several Congressional efforts to repeal and replace the ACA in 2017, created confusion about the ACA marketplaces.

Of the over 1.1 million Texans with low to moderate incomes enrolled in the ACA marketplace, 86% received federal tax credits to subsidize their premium costs under the ACA. This clearly demonstrates there is a great need for affordable health insurance coverage for low-income Texans. Further, as shown in Figure 1, the increasingly high rates of returning enrollees suggests that a majority of Texans who were enrolled in ACA healthcare coverage want to keep their coverage.

Our analysis also reveals that on average premiums within the ACA marketplace in Texas increased by 35% during the fifth OEP as compared to the fourth OEP. This was due in large part to the decision of HHS to terminate CSR payments to insurers, as anticipated by earlier analyses produced by the [Congressional Budget Office](#), [Kaiser Family Foundation](#) and [The Commonwealth Fund](#). Consistent with the findings from these reports, when the cost of premiums in the state increased, the size of the federal tax credits in the Texas marketplace increased at a similar level. Since the vast majority of Texas enrollees, as shown in Figure 5, received premium tax credits in the fifth OEP, they were largely shielded from any direct financial impact of premium increases.

Nevertheless, the 14% of Texas enrollees who did not receive premium tax credits (mostly due to their incomes being above the eligibility level) did experience the financial effects of the premium increases.

While Texas has reduced its uninsured rate from 22.1 percent in 2013, when the ACA individual market plans first became available, to 16.6 percent in 2016, it still maintains the highest uninsured rate in the nation, at 16.6% and has the highest number of uninsured residents at 4.7 million. As our analysis of Texas marketplace enrollment data reveals, low income Texans continue to enroll in the ACA marketplace despite health legislation uncertainty and shortened enrollment periods, and a majority of them were returning enrollees. As Congress continues to look for ways to reform the healthcare system, we urge policy makers at both federal and state levels to carefully consider alternatives to expand health insurance coverage for low-income Texans who need affordable coverage.