HEALTH AND JUSTICE ADVOCACY NETWORK
MEDICAID EXPANSION 101

NOVEMBER 19TH, 2020
AGENDA

1. WHAT IS MEDICAID?
2. WHY IS MEDICAID EXPANSION IMPORTANT?
3. HOW DOES MEDICAID EXPANSION IMPACT ME?
4. WHAT’S NEXT FOR MEDICAID EXPANSION?
5. Q & A
Nearly **1 in 5** people in Texas is uninsured

- **Employer Sponsored**: 47.6%
- **Medicaid**: 15.9%
- **Medicare**: 10.9%
- **Individual**: 5.7%
- **Other Public**: 1.6%
- **Uninsured**: 18.4%

*Source: KFF estimates based on the American Community Survey 2008-2019, 1-Year Estimates*
WHAT IS MEDICAID?
Medicare vs. Medicaid
Similar Names, Different Programs

Who funds the program?
The Federal Government

Who manages the program?
The Federal Government

Who is eligible?
Americans 65 and older and permanently disabled Americans regardless of income

Who funds the program?
The Federal and State governments share the cost

Who manages the program?
Managed by state governments but with federal guidelines

Who is eligible?
Varies by state but mostly low-income populations in certain categories

Source: CMS, Medicare and Medicaid Basics
Historically, Medicaid only covered specific groups of low-income Americans.

Source: Modified version of graphic developed by Kaiser Family Foundation
Texas’ Medicaid eligibility excludes most adults

Texas Medicaid maximum income eligibility based on Federal Poverty Level (FPL)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pregnant Women and Infants</td>
<td>198%</td>
</tr>
<tr>
<td>Children Age 1 - 5</td>
<td>144%</td>
</tr>
<tr>
<td>Children Age 6 - 18</td>
<td>133%</td>
</tr>
<tr>
<td>SSI, Elderly, Disabled</td>
<td>74%</td>
</tr>
<tr>
<td>Parents</td>
<td>14%</td>
</tr>
<tr>
<td>Childless, non-disabled Adults</td>
<td></td>
</tr>
</tbody>
</table>

Generally not eligible for Medicaid regardless of income

This translates to less than $230 per month for a family of three

While income eligibility for pregnant women is relatively high, they lose coverage 60 days after childbirth

As a result, over 7 in 10 Texans enrolled in Medicaid are children.

Texans enrolled in Medicaid in August 2020: 4,318,573

Source: Texas Health and Human Services "Healthcare Statistics"
WHY IS MEDICAID EXPANSION IMPORTANT?
The Affordable Care Act (ACA) sought to close this gap in coverage by expanding Medicaid.

Medicaid Coverage Expansion

Expanded coverage to all U.S. citizens and lawful permanent residents with incomes below 133% of the poverty line.

EPISCOPAL HEALTH FOUNDATION
As of Nov. 2020, **Texas and 11 other states** have decided **not** to expand Medicaid coverage.

**Source:** Kaiser Family Foundation “Status of State Medicaid Expansion Decisions”
Coverage gap for adult Texans living in poverty

Public insurance eligibility levels in Texas with ACA

- Eligible for Medicaid or CHIP
- Eligible for ACA Subsides

- Pregnant Women & Infants
- Children ages 1-5
- Children ages 6-18
- SSI, Elderly, & Disabled
- Parents
- Childless, Non-Disabled Adults

Eligibility level if Texas expanded Medicaid

This coverage gap includes 1.2 million* Texans

Source: HealthCare.gov "Premium Tax Credit" | Texas Medicaid and CHIP Reference Guide
*Source: Laura Dague & Constance Hughes. "County-Level Projections of Medicaid Expansion’s Impact in Texas"
WHO IS IMPACTED BY NON-EXPANSION?

ROGER

- Single father in East Texas
- Furloughed in mid-March due to pandemic; laid off permanently in May and loses employer-sponsored health insurance
- As a result of job loss, receives $600 per week in unemployment benefits and qualifies for a special 60-day ACA Marketplace enrollment period
- Once unemployment benefits end, he will have an income below the poverty line, putting him in the coverage gap
WHO IS IMPACTED BY NON-EXPANSION?

JACKIE

Chronic asthmatic who lives in Dallas with teenage daughter and disabled mother

Before the pandemic, worked 35 hours/week at a day care center with no health benefits and an income below the poverty level

After being furloughed in March, receives unemployment benefits that double her income and qualifying her for subsidized ACA Marketplace health insurance

If she is called back from furlough, her income will drop, and she will be back in the coverage gap unless she finds a better-paying job elsewhere
WHO IS IMPACTED BY NON-EXPANSION?

ELIZABETH

- Widow and empty-nester residing in rural West Texas
- Works as a part-time home health aide
- Her low-paying job puts her income at 125% of the federal poverty level and can get subsidized ACA Marketplace health insurance
- Following her son’s move back home, neither Elizabeth nor her son qualify for subsidized ACA Marketplace insurance since their income falls below the poverty level
WHO IS IMPACTED BY NON-EXPANSION?

BRITTANY

- 28-year-old Houston resident and new mother
- Qualified for Medicaid for Pregnant Women while pregnant and for 60 days following birth of her child
- Suffered a postpartum heart attack a few weeks after delivery; her stent and medications were covered by Medicaid
- After her Medicaid benefits lapsed, she struggled to get her necessary medications; at five months postpartum, she collapsed outside her home and ultimately died
WHAT IS THE IMPACT OF MEDICAID EXPANSION?
Texas and non-expansion states have higher uninsured rates

Percent of adults ages 19-64 without health insurance coverage (2019)

Source: U.S. Census Bureau, "Health Insurance Coverage in the United States: 2019"
Impact of Medicaid Expansion on two neighboring communities: **New Mexico** and **Texas**

**Las Cruces, New Mexico**
Uninsured Rate
2010: **17.2%** | 2019: **7.1%**

**El Paso, Texas**
Uninsured Rate
2010: **27.8%** | 2019: **22.0%**

*Source: US Census Bureau, ACS 1-Year Estimates*
1,274,000

Estimated number of Texans who could potentially gain coverage if Texas expanded Medicaid

Source: Laura Dague & Constance Hughes. Texas A&M University. “County-Level Projections of Medicaid Expansion’s Impact in Texas”
What is the impact of Medicaid expansion on individuals who gain coverage?

**Insurance**
Medicaid expansion enables low-income adults to become insured.

**Access to Care**
People who are insured have access to more healthcare options, particularly preventive care, more than people who are uninsured.

**Affordability**
Expanding Medicaid has been associated with reductions in medical debt, out-of-pocket spending, and unmet need due to cost.

**Health Outcomes**
Studies show improved self-reported health following expansion and an association between expansion and certain positive health outcomes.

*Source: Kaiser Family Foundation. “The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review.”*
What is the impact of Medicaid expansion on my community?

**Economic Growth**
Studies show that Medicaid expansion is associated with state budget savings, revenue gains, and overall economic growth.

**Rural Hospital Closures**
Research has found fewer rural hospital closures in states where Medicaid is expanded; today, 80% of closures occur in non-expansion states.

**Hidden Health Tax**
Research shows the costs of uncompensated care are shifted to those who have insurance, ultimately resulting in higher insurance premiums for businesses and families.

**Property Tax Relief**
Expanding Medicaid would reduce the burden on county property taxpayers who currently cover the costs of indigent residents.

**Sources:** Commonwealth Fund. “The Impact of Medicaid Expansion on States’ Budgets.”
Families USA. “Hidden Health Tax: Americans Pay a Premium.”
Billy Hamilton Consulting. “Smart, Affordable & Fair: Why Texas Should Extend Medicaid to Low-Income Adults.”
What is the impact of Medicaid expansion on business?

Providers & Hospitals
Expanding Medicaid reduces uncompensated care and improves finances of hospitals.

Labor Market
A growing number of studies show an association between expansion and gains in employment as well as growth in the labor market.

Healthcare Jobs
Texas’ rapidly rising number of uninsured could result in the potential loss of 362,000 jobs within the state’s healthcare industry. Increasing health care coverage is inextricably intertwined with ensuring the viability of Texas’ healthcare system.

WHAT’S NEXT FOR MEDICAID EXPANSION?
At the **FEDERAL** level, a Biden administration might be expected to offer more **carrots and sticks** to states on **Medicaid expansion**.

At the **STATE** level, **bill pre-filing** confirms health coverage is on the legislative agenda, however, questions remain as to whether **full or partial expansion** will be under consideration.
Seven in 10 Texans today have a favorable opinion of the Medicaid program

Views on Medicaid by key demographic groups

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Very Favorable</th>
<th>Somewhat Favorable</th>
<th>Somewhat Unfavorable</th>
<th>Very Unfavorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>35%</td>
<td>36%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Democrat</td>
<td>46%</td>
<td>33%</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Independent</td>
<td>36%</td>
<td>35%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Republican</td>
<td>25%</td>
<td>40%</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>48%</td>
<td>30%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Black</td>
<td>41%</td>
<td>34%</td>
<td>6%</td>
<td>13%</td>
</tr>
<tr>
<td>White</td>
<td>24%</td>
<td>41%</td>
<td>17%</td>
<td>10%</td>
</tr>
<tr>
<td>&lt;138%</td>
<td>50%</td>
<td>27%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>138%-250%</td>
<td>37%</td>
<td>36%</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td>250% +</td>
<td>25%</td>
<td>44%</td>
<td>14%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Episcopal Health Foundation, 2019 Texas Health Policy Survey
While 64% of Texans support **expanding Medicaid**, key partisan differences exist

Views on Medicaid Expansion by Key Demographic Groups in Texas

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Democrats</th>
<th>Independents</th>
<th>Republicans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>64%</td>
<td>84%</td>
<td>68%</td>
<td>31%</td>
</tr>
<tr>
<td>Income &lt; 138%</td>
<td>77%</td>
<td>84%</td>
<td>66%</td>
<td>20%</td>
</tr>
<tr>
<td>138%-250%</td>
<td>66%</td>
<td>38%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>250%+</td>
<td>53%</td>
<td>38%</td>
<td>27%</td>
<td>42%</td>
</tr>
<tr>
<td>Black</td>
<td>87%</td>
<td>84%</td>
<td>71%</td>
<td>51%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>71%</td>
<td>68%</td>
<td>66%</td>
<td>27%</td>
</tr>
<tr>
<td>White</td>
<td>51%</td>
<td>38%</td>
<td>27%</td>
<td>42%</td>
</tr>
</tbody>
</table>

**Source:** Episcopal Health Foundation, [2019 Texas Health Policy Survey](https://www.episcopalhealthfoundation.org/health_policy_survey)
Expanding Medicaid is **too expensive**, even if Texas only pays 10% of the cost.

Low-income Texans **don’t need coverage** to be healthy or get care.

The uninsured **can get care when they need it** through the **safety net system** in Texas.

There **aren’t enough providers** to handle more Medicaid beneficiaries.

Expanding coverage **discourages work** and **encourages dependency**.
ANY QUESTIONS?