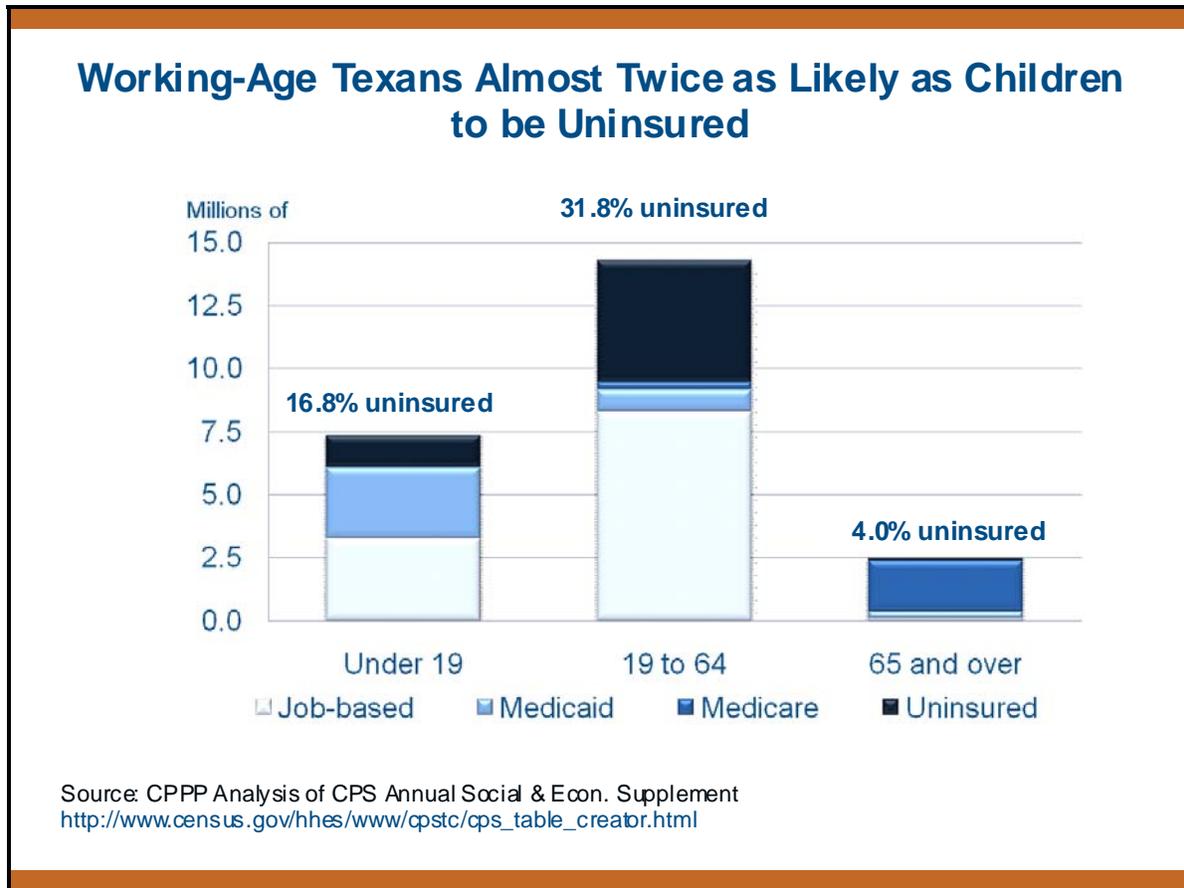


TESTIMONY: Health Reform under the Affordable Care Act and Texas



Health Reform Implementation

With 24.6 percent of Texans of all ages uninsured in 2010, Texas stands to gain more in terms of newly covered citizens and federal financial support for new coverage under the federal *Affordable Care Act of 2010* (ACA, the federal health reform law).

Where Texas Stands

- In 2010, Texas remained the state with the highest uninsured rate in the nation at 24.6 percent. The total number of uninsured Texans is 6.2 million people, roughly 250,000 fewer than in 2009.
- Texas' working-age adults are *nearly twice as likely* as children to be uninsured.
- Uninsured Texas children dropped in the last two years, even though children *lost* coverage through their parents' jobs. Medicaid and CHIP more than made up for the loss in job-based coverage.

Early Texas Health Reform Gains

Several ACA provisions are in effect and helping Texans access and keep their health care right now:

- The **Pre-existing Condition Insurance Plan** provides good coverage for people with pre-existing conditions who have been uninsured for six months or longer. (Over 4,000 Texans and just under 49,000 nationwide were covered by PCIP as of December.)
- **Young adults** can stay on their parent's policy until their 26th birthday, already covering 2.5 million Americans 19-25.
- More than 120 of Texas' largest employers—e.g., AT&T, American Airlines, Southwest Airlines, and Texas Instruments—have received over \$425 million in federal support to make early retiree health coverage affordable.
- Insurers **cannot deny coverage to a child** based on the child's pre-existing condition.
- **The Consumer Health Assistance Program (CHAP) at the Texas Department of Insurance** has helped thousands of Texans looking for health coverage or needing help with health plan denials.
- **Small Employer tax credits** of up to 35 percent of a small employer's cost of coverage are available.
- Year-to-year **health premium hikes** now are subject to state and federal review to make sure they are reasonable.
- Health Plans must **spend 80 to 85 cents of every premium dollar on health care**. Employers and individuals will get rebates starting in summer of 2012.
- Over 1.4 million Texans in **Medicare got a check-up or preventive services** with no deductible or co-pay.
- Over 103,000 Texans in Medicare got **discounts worth \$58.6 million on brand-name drugs in the Medicare Part D coverage gap** (the "donut hole") from January to August 2011, an average savings of \$565 per person.
- **Medicare Advantage and Part D drug plans' prices dropped** for the second year in a row.

What Health Reform Will Bring Texas in 2014

Large-scale coverage solutions under the ACA are set to launch in January 2014:

- **Uninsured US citizens with incomes less than 4 times the poverty level (\$88,400 for family of four) will be able to buy private insurance through a new health insurance exchange**, with sliding-scale help with premiums and out-of-pocket costs, and with no state budget dollars required.
- **Insurers will not be able to deny coverage to any individual or small business**—nor charge them more based on health history, pre-existing conditions, group size, or kind of work they do. **Small employers with 50 or fewer full-time workers will not have to provide coverage, and will not be subject to any penalties.**
- **Medicaid will cover U.S.-citizen adults up to 133 percent of the federal poverty level** (\$29,726/year for a family of four). Parents of kids on Texas Medicaid and other poor adults will qualify for coverage for the first time in 2014.

The Center for Public Policies (CPPP) is a nonpartisan, nonprofit 501(c)(3) policy institute established in 1985 and committed to improving public policies to better the economic and social conditions of low- and moderate-income Texans. Improving access to health care for Texans has been at the core of our mission and activities since our founding.