



Presentation to the House Appropriations Committee

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Affordable Care Act and Medicaid

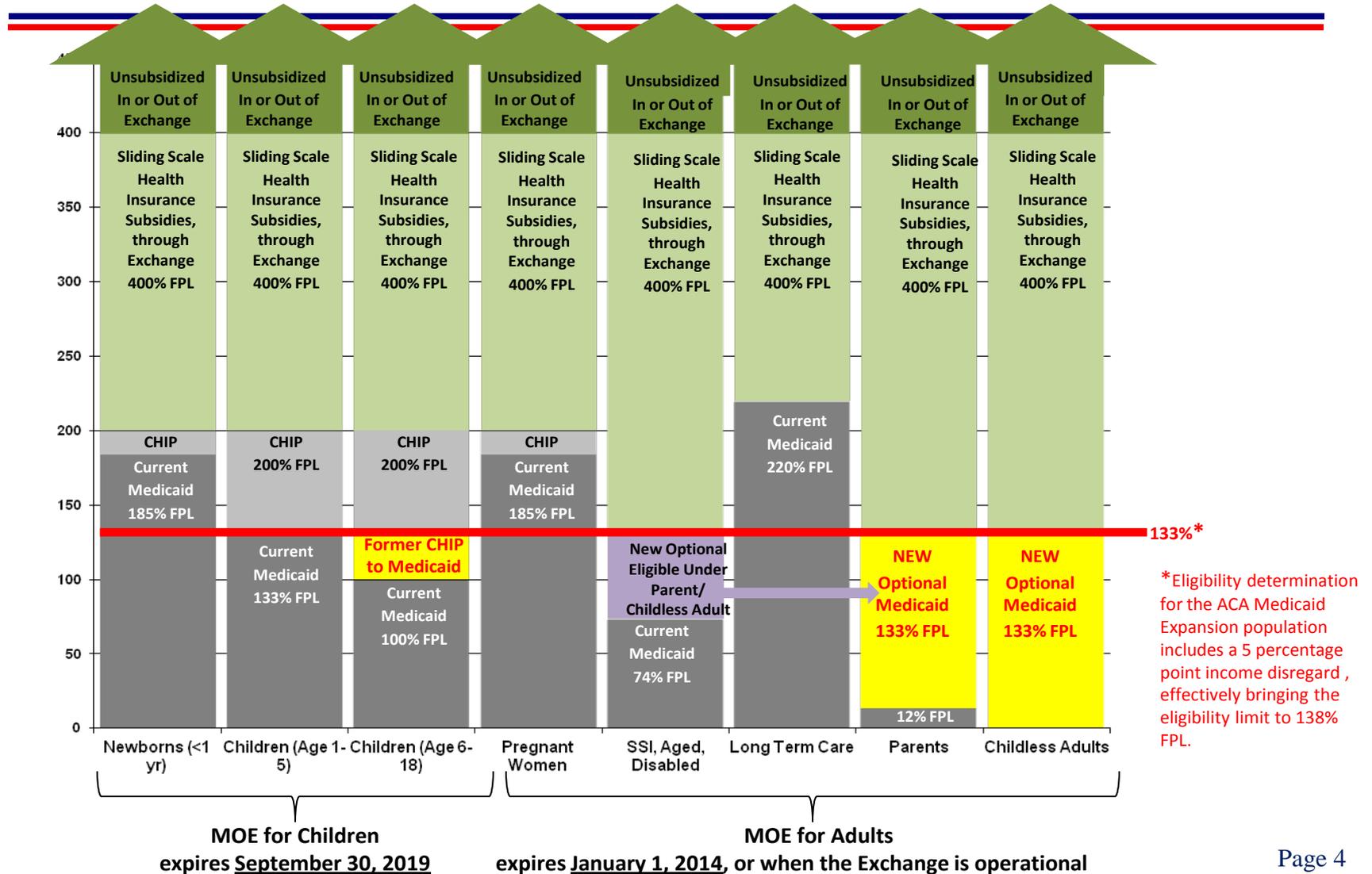
- Medicaid Expansion
 - The Supreme Court Decision on the Medicaid expansion up to 138* percent of the Federal Poverty Limit (FPL), effectively makes it optional for states to implement.
 - If a state decides not to participate in the Medicaid expansion, the state can continue receiving funds for its existing Medicaid program.
- Federal law requires that state Medicaid and CHIP programs establish an interface with the Exchange to coordinate eligibility determinations, and it also requires a single, streamlined application for Medicaid, CHIP and the Exchange.

*Eligibility determination for the ACA optional Medicaid expansion population includes a five percentage point income disregard, effectively bringing the eligibility limit to 138% FPL.

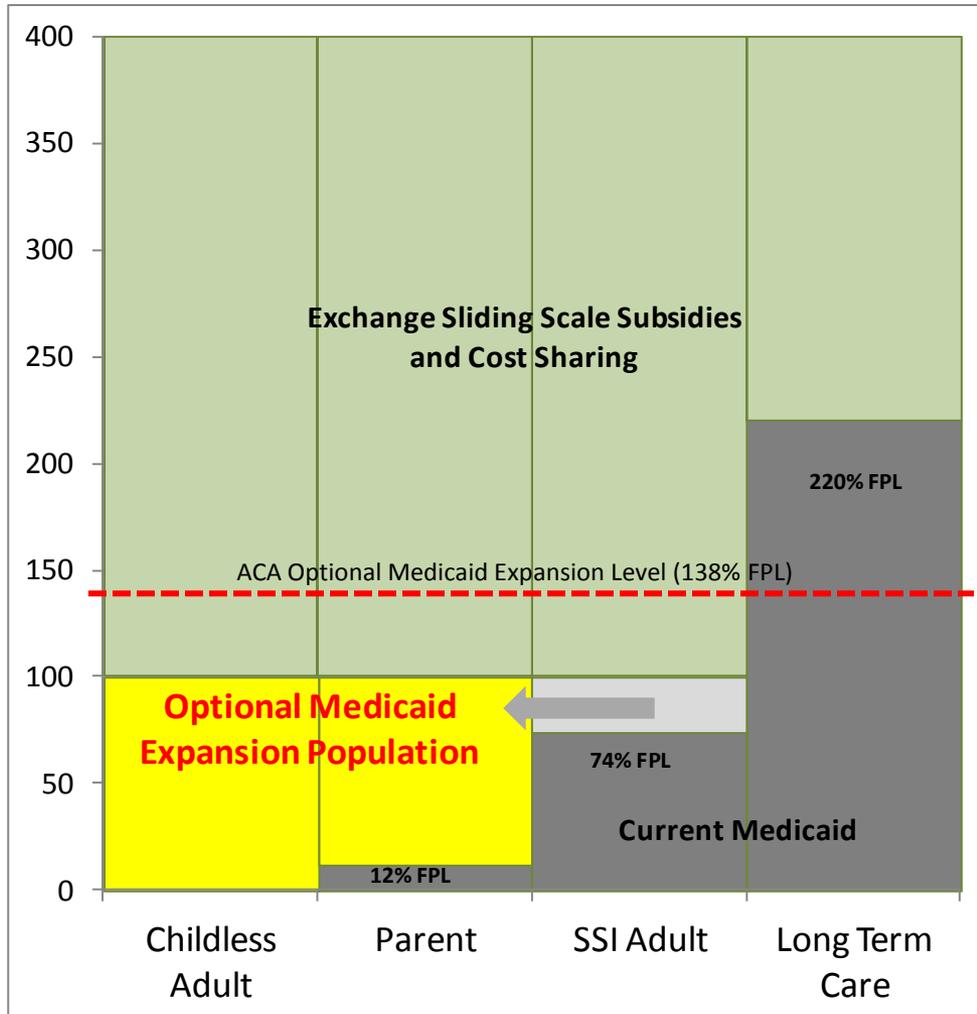
Recent Federal Guidance

- On December 10, 2012, U.S. Department of Health and Human Services (HHS) issued a letter to state Governors regarding various ACA provisions, including the Medicaid expansion. HHS clarified:
 - There is no deadline by which a state must notify the federal government of its intention regarding the Medicaid expansion.
 - Although states have flexibility to start or stop the expansion, enhanced federal match of 100 percent is only available in 2014 through 2016.
 - The law does not provide for a phased-in or partial (at a reduced FPL level) expansion.
 - CMS will not consider partial expansions for populations eligible for the 100 percent matching rate in 2014 through 2016.
 - HHSC has received verbal guidance from CMS that a county-based expansion is considered a partial expansion.
 - Further demonstration opportunities will become available beginning in 2017, when the 100 percent federal funding begins to decrease.
 - Demonstrations must ensure the same level of coverage, affordability, and comprehensiveness at no additional costs for the federal government.
 - States proposing a partial expansion would be subject to the state's regular federal match rate prior to 2017.

Texas Health Care Coverage – Post ACA Implementation



Optional Medicaid Expansion Population



Note: The ACA provides an option to expand Medicaid coverage for adults under age 65 up to 138% FPL.

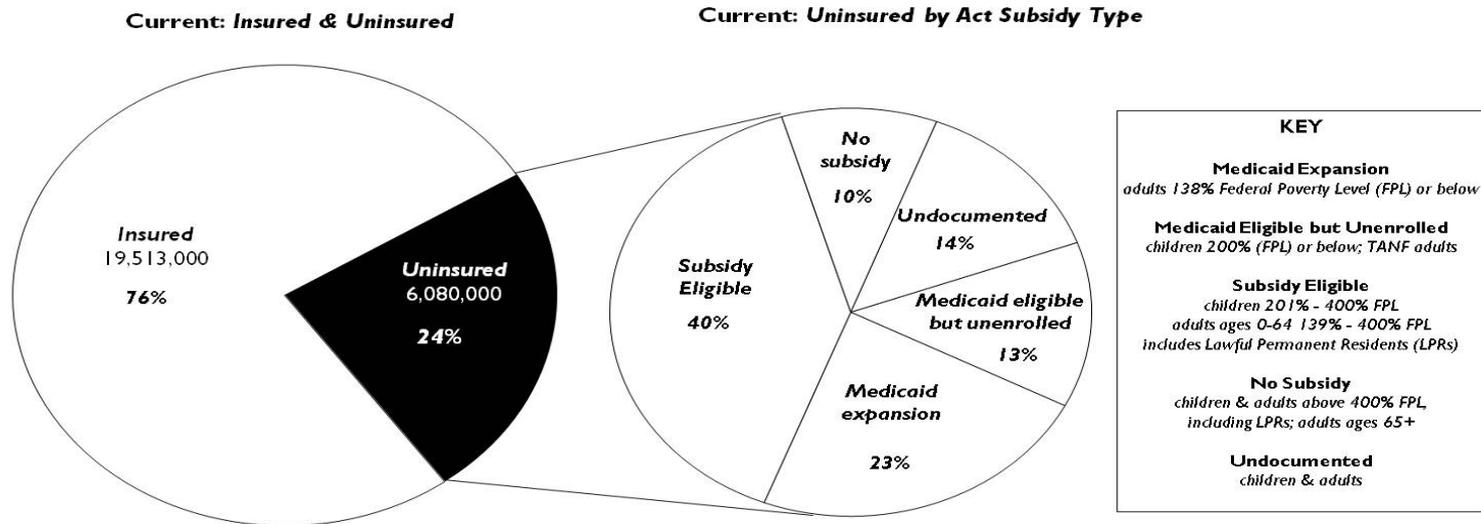
Individuals between 100-400% FPL will have access to subsidies through the Exchange, with the exception of lawfully present aliens with incomes up to 100% FPL.

Annual Income Levels

FPL Level	Individual	Family of 3
12%	\$1,340	\$2,291
74%	\$8,266	\$14,126
100%	\$11,170	\$19,090
133%	\$14,856	\$25,390
138%	\$15,415	\$26,344
400%	\$44,680	\$76,360

Current Insured Texas Population

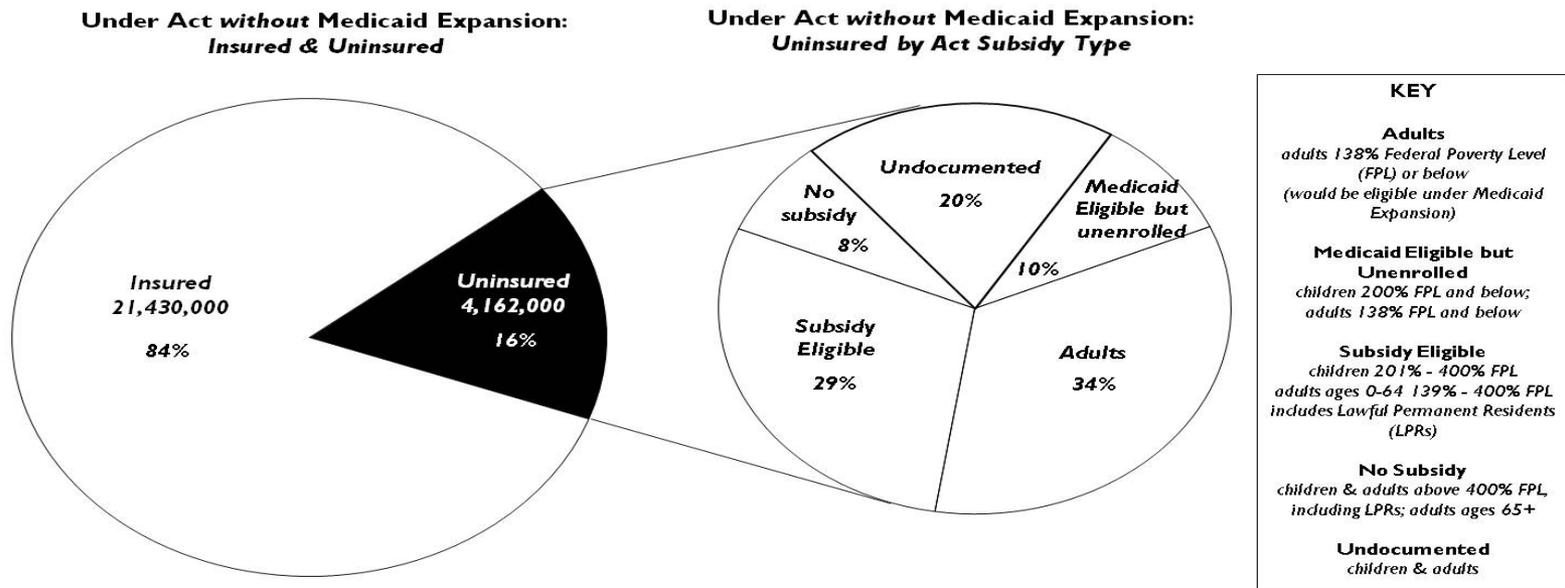
Figure 1: Texas Population — Current: Insured and Uninsured, by Affordable Care Act (ACA) Subsidy Type



Note: Due to rounding, percents may not total one hundred percent.
Source: U.S. Census Bureau. March 2012 Current Population Survey (CPS).
Prepared by: Texas Health and Human Services Commission, January, 2013

Population without Optional Medicaid Expansion

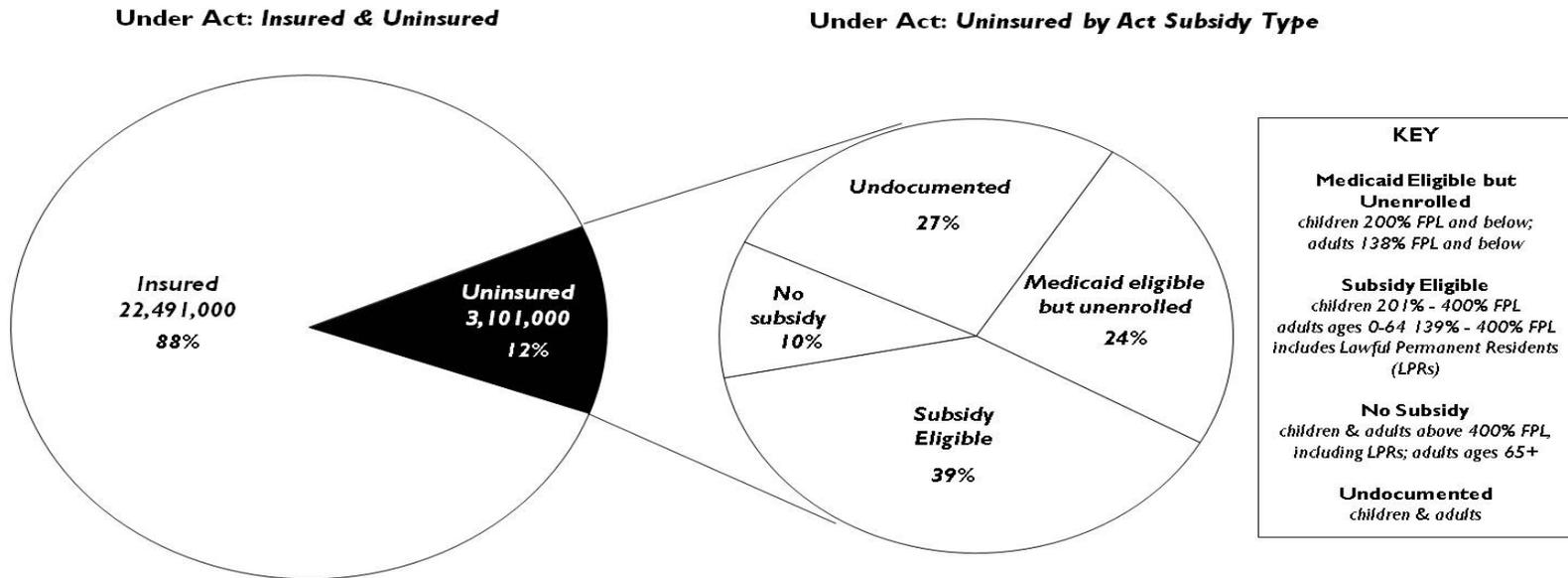
Figure 2: Texas Population — Under Act WITHOUT IMPLEMENTING MEDICAID EXPANSION:
Insured and Uninsured, by Affordable Care Act (ACA) Subsidy Type



*Note: Due to rounding, percents may not total one hundred percent.
Source: U.S. Census Bureau, March 2012 Current Population Survey (CPS).
Prepared by: Texas Health and Human Services Commission, January, 2013*

Population with Optional Medicaid Expansion

Figure 3: Texas Population — Under Act WITH FULL MEDICAID EXPANSION:
Insured and Uninsured, by Affordable Care Act (ACA) Subsidy Type



Note: Due to rounding, percents may not total one hundred percent.
Source: U.S. Census Bureau, March 2012 Current Population Survey (CPS)
Prepared by: Texas Health and Human Services Commission, January, 2013

Estimates of Insured and Uninsured Under the ACA

Estimated Insured and Uninsured Population Under ACA Implementation			
	Current State	w/o Expansion	Full Expansion
Insured	19,513,000	21,430,000	22,491,000
Uninsured	6,080,000	4,162,000	3,101,000
Uninsured Rate	24%	16%	12%
Uninsured by Category			
Undocumented	851,000	833,000	833,000
No Subsidy	608,000	319,000	319,000
Subsidy Eligible	2,432,000	1,206,000	1,206,000
Medicaid Eligible / Unenrolled	790,000	406,000	743,000
Expansion Adults	1,398,000	1,398,000	-
Percent of Uninsured by Category			
Undocumented	14%	20%	27%
No Subsidy	10%	8%	10%
Subsidy Eligible	40%	29%	39%
Medicaid Eligible / Unenrolled	13%	10%	24%
Expansion Adults	23%	34%	0%
US Census Bureau, March 2012, Current Population Survey			

Estimates of Medicaid Expansion Under the ACA

Level of Implementation	All Funds Cost (billions \$)		Federal Cost (billions \$)		General Revenue Cost (billions \$)	
	increment	total	increment	total	increment	total
Medicaid Expansion Adults (<133% FPL)	---	87.80	---	78.96	---	8.84
Medicaid Expansion Adults and Current Eligible but Unenrolled	17.69	105.49	11.68	90.64	6.01	14.85
with <i>Partial</i> Provider Rate Increase for Primary Care*	7.02	112.51	4.78	95.42	2.24	17.09
with <i>Full</i> Provider Rate Increase for Primary Care*	\$10.23	115.72	\$6.85	97.49	\$3.38	18.23

* Assumes provider rate increase applied in Medicaid will also apply to CHIP.

Sources: Estimates prepared by SDS based on forecasted Medicaid/CHIP costs, and uninsured estimates from the U.S. Census Bureau.

Partial rate increases include cost due to administration and physician extenders.

Full rate increases expand to all physicians and physician extenders for all primary care services.

***NOTE: These estimates are based on analyses conducted by HHSC in 2011-2012. Currently, as we get more information our estimates are being updated.**

Medicaid Expansion Caseload Estimates			
Year	Caseload	Year	Caseload
2014	340,976	2019	1,085,795
2015	776,403	2020	1,098,824
2016	1,047,626	2021	1,112,010
2017	1,060,198	2022	1,125,355
2018	1,072,920	2023	1,138,859