



# **Estimates of the Impact of the Affordable Care Act on Texas and Texas Counties**

**A Study Prepared for  
Methodist Healthcare Ministries  
of South Texas, Inc.**

Michael E. Cline, Ph.D.  
Steve H. Murdock, Ph.D.  
Hobby Center for the Study of Texas  
Rice University

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# Purpose

- Estimate the potential impacts of the ACA for Texas and Texas counties.
  - Changes in the healthcare uninsured (or insured) due to changes in public policies



# Major Provisions of the Affordable Care Act

- Health Benefits Exchange
- Insurance Mandates and Penalties
- Medicaid Expansion
- Young Adult Coverage
- Tax credits for small businesses and nonprofits
- Insurance Reforms

See Companion Report: *Impact of the Patient Protection and Affordable Care Act on Various Population Groups in Texas* by David Warner and Lauren Jahnke, 2010.

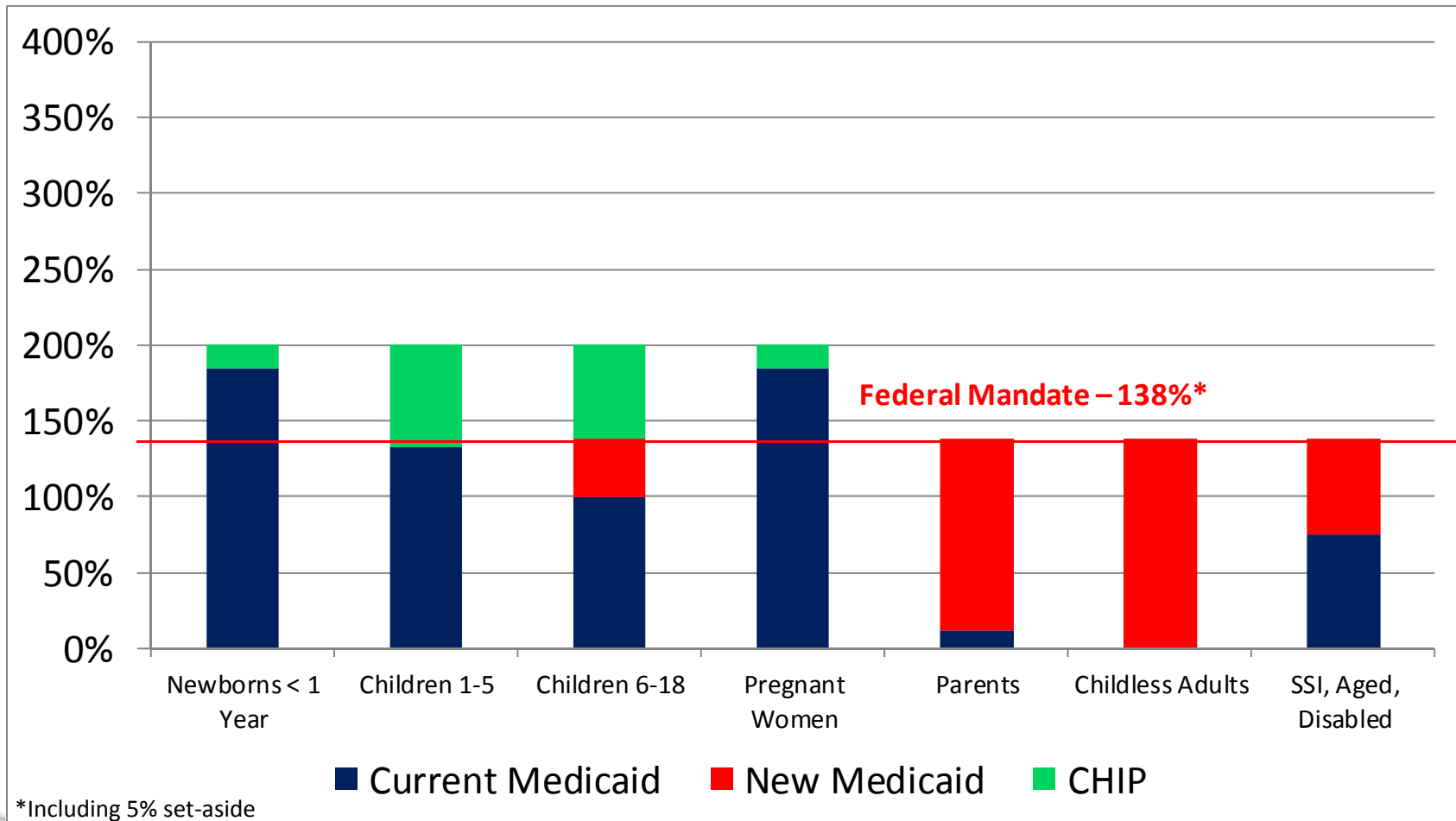


# Persons Impacted Significantly from the Provisions of the Affordable Care Act

- Nonelderly Adults in households with incomes  $\leq 138\%$  of Federal Poverty Level (FPL)
  - Medicaid Expansion
  - Subsidies in Health Benefits Exchange
- Persons in families with income from 139% to 400% of Federal Poverty Level.
  - Subsidies in Health Benefits Exchange



# Public Insurance Eligibility Levels in Texas Prior to and After Full Implementation of the ACA



# Primary Impact Groups

## 1. Estimate Impact Groups by Race/Ethnicity & Age:

- NH White, NH Black & Others, Hispanic
- 0-18, 19-64, 65+

### – Impact Groups:

- Undocumented immigrants
- Recently immigrated legal permanent residents
- Adults employed in government
- Adults and children living within various levels above and below the official Federal Poverty Level(FPL).

## 2. Apply health insurance rates to impact groups:

- Current (Estimated from ACS PUMS 2008/2009 or other sources)
- Limited, Moderate, Enhanced Policy Scenarios



# Policy Scenarios

- **Limited:**
  - Some increase in enrollment in public and private health insurance
  - Limited implementation of Medicaid Expansion
  - Limited implementation of Health Benefit Exchange
- **Moderate:**
  - Middle of two extreme scenarios
  - Consistent with other projections  
(Texas Health & Human Services, Congressional Budget Office, RAND, Robert Wood Johnson)
- **Enhanced:**
  - Full Implementation of Medicaid Expansion
  - Fully Developed Health Benefits Exchange Program
  - Incentives, Penalties, and Mandates will encourage most to enroll



# Groups Minimally Impacted by ACA

- **Elderly (65+)**
  - Currently 98% Insured
  - No Change in Policies
- **Undocumented**
  - Not eligible for public health insurance
  - Estimate 40% (nationally) covered by private health insurance
- **Recent Legal Permanent Residents**
  - Not eligible for most forms of public insurance





# Groups Minimally Impacted from ACA

- **Adults employed in government**
  - Group most likely to have health insurance
  - Currently 91% Insured
- **Adults and Children > 400% of FPL**
  - Not eligible for public insurance or subsidized coverage in exchange
  - Currently 94% of Children and 89% of Adults insured



# Changes in Health Insurance Coverage for Groups Impacted Significantly from ACA and for the Total Population Under Each Policy Scenario

Impact Group	Current Insured	Additional Insured			Remaining Uninsured (Enhanced)
		Limited	Moderate	Enhanced	
Children ≤ 200% FPL	2,780,439	219,509	292,678	292,678	73,169
Children 201-400% FPL	1,672,016	79,620	99,524	99,525	39,810
Adults ≤ 138% FPL	1,213,455	581,447	353,924	328,644	50,561
Adults 139% - 200% FPL	693,578	136,239	198,165	185,780	24,771
Adults 201-400% of FPL	2,401,727	236,790	338,271	338,272	67,654
<b>Total Population</b>	<b>19,280,223</b>	<b>1,394,609</b>	<b>1,560,893</b>	<b>1,444,741</b>	<b>1,465,095</b>

Current insurance rates derived from the 2008 and 2009 American Community Survey Public Use Microdata Sample and 2010 U.S. Census.



# Percent of the Population with Health Insurance Coverage for Groups Impacted Significantly from ACA and for the Total Population by Policy Scenario

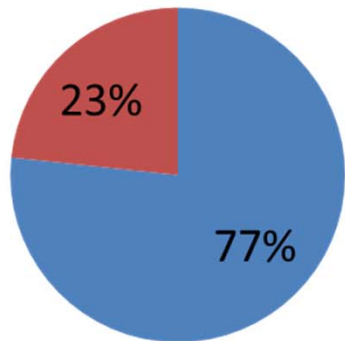
Impact Group	Current Insured	Scenarios		
		Limited	Moderate	Enhanced
Children <= 200% FPL	76	82	90	98
Children 201-400% FPL	84	88	93	98
Adults ≤ 138% FPL	48	71	85	98
Adults 139% - 200% FPL	56	67	83	98
Adults 201-400% of FPL	71	78	88	98
<b>Total Population</b>	<b>77</b>	<b>82</b>	<b>88</b>	<b>94</b>

Current insurance rates derived from the 2008 and 2009 American Community Survey Public Use Microdata Sample and 2010 U.S. Census.

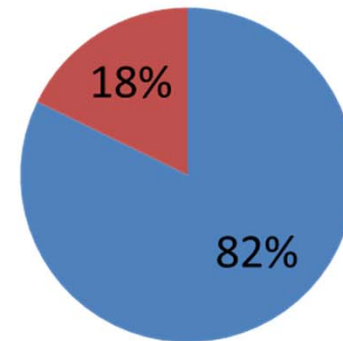


# Statewide Impacts

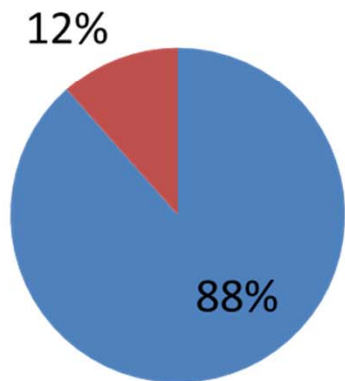
**Current**



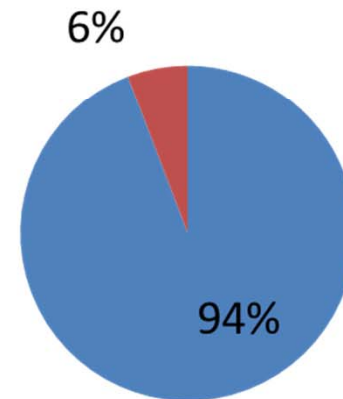
**Limited**



**Moderate**



**Enhanced**



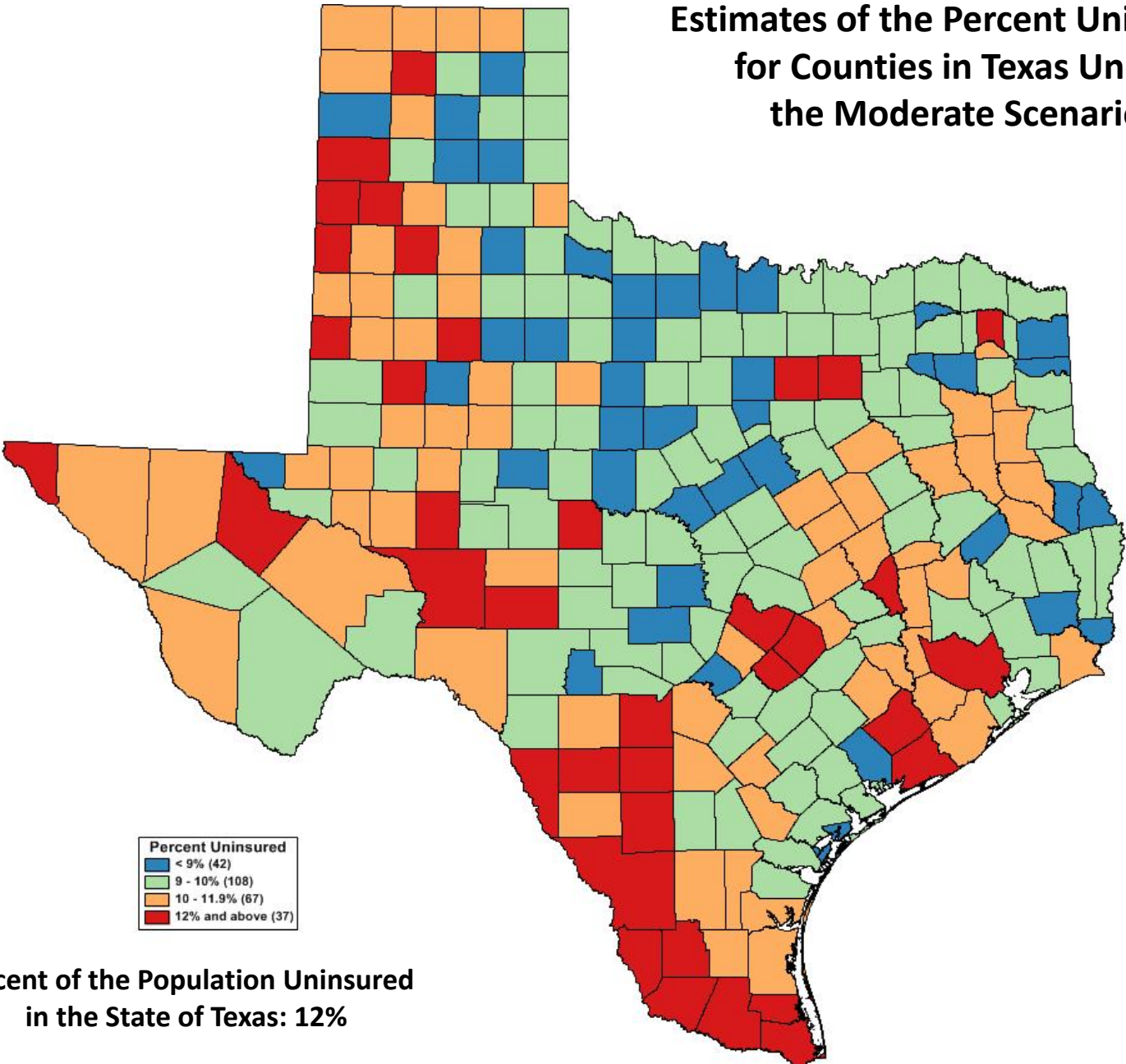
## Average Percent Uninsured for Counties by County Type Assuming Differential Impacts of the ACA on Selected Groups and Three Different Policy Scenarios

	Current	Limited	Moderate	Enhanced
Rural	22.7	16.5	10.0	3.9
Suburban	21.1	15.6	9.5	3.9
Central City	23.7	17.6	11.0	4.9
State Average	22.5	16.4	10.0	4.0
SW Texas <sup>1</sup>	23.2	17.0	10.5	4.4

<sup>1</sup>Counties within the Southwest Texas Annual Conference of the United Methodist Church



# Estimates of the Percent Uninsured for Counties in Texas Under the Moderate Scenario



Percent of the Population Uninsured in the State of Texas: 12%



# Medicaid Expansion

- **Adults  $\leq$  138% of FPL**
  - 2.5 Million “Eligible” in 2010
    - Estimates exclude:
      - Undocumented and recent legal immigrants
      - Government workers
  - Estimated 1.2 Million with Public/Private Health Insurance in 2010
  - Estimated Impacts of this Population:
    - Limited: Add 581,000 to insured population
    - Moderate: Add 935,000 to insured population
    - Enhanced: Add 1.3 million to insured population

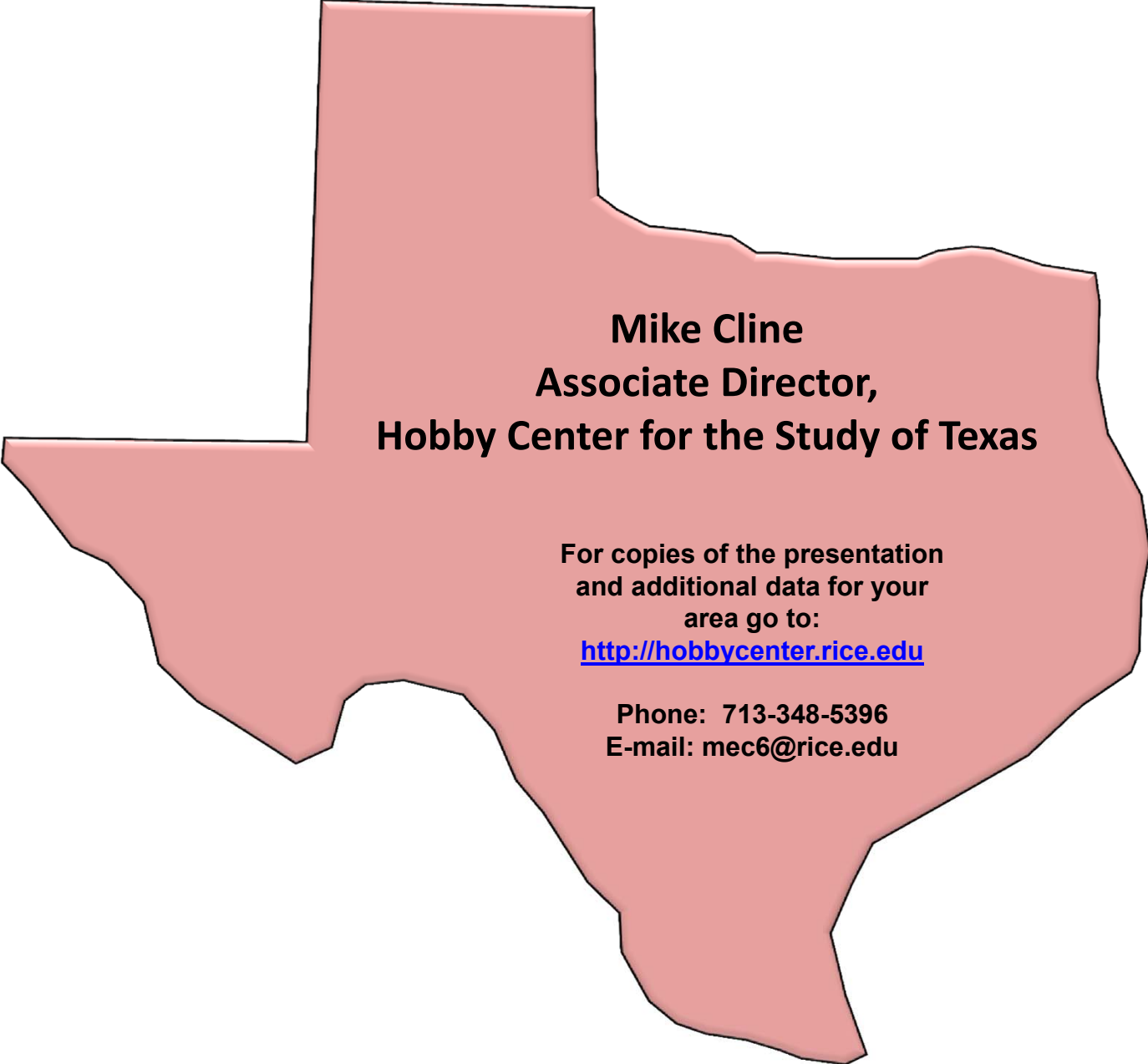


# Limitations

- General limitations relative to forecasting a future with a new policy paradigm
- Policy assumptions relative to status of law when project began
  - Project began during legislative deliberations and ended after ACA passage ***but prior to Supreme Court Decisions of June 28, 2012***
- Variability in local rates of insurance not introduced (except for accounting for differences in underlying population groups)
- Limitation on estimating immigration status (i.e. legal status)







**Mike Cline  
Associate Director,  
Hobby Center for the Study of Texas**

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and additional data for your  
area go to:

<http://hobbycenter.rice.edu>

Phone: 713-348-5396  
E-mail: [mec6@rice.edu](mailto:mec6@rice.edu)

