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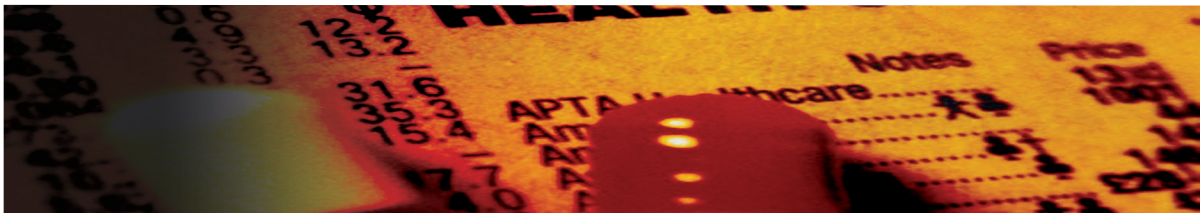
Issue 1



MARCH 2017

IN THIS ISSUE

The paper "Gain in Insurance Coverage and Residual Uninsurance Under the Affordable Care Act: Texas, 2013–2016," co-authored by Vivian Ho, Ph.D., Elena Marks, J.D., M.P.H., and Stephen Pickett first appeared in the American Journal of Public Health online in November 2016. Ho is the James A. Baker III Chair in Health Economics and director of the Baker Institute Center for Health and Biosciences. Marks is the president and CEO of the Episcopal Health Foundation and a nonresident fellow in health policy at the Baker Institute. Pickett is a Ph.D. candidate in economics at Rice University.

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RICE UNIVERSITY'S BAKER INSTITUTE FOR PUBLIC POLICY

HEALTH POLICY research
Rice University's Baker Institute for Public Policy-Baylor College of Medicine
Joint Program in Health Policy Research

Will the currently proposed reforms to the Affordable Care Act raise the proportion of Texans without health insurance coverage?

"Most likely," say Vivian Ho, director of the Baker Institute Center for Health and Biosciences, and Elena Marks, nonresident fellow in health policy. "Our analyses suggest that 1 million additional Texans gained coverage since the major provisions of the Affordable Care Act were implemented in 2014. The current proposal to replace the ACA removes substantial federal assistance from those subgroups that benefited most from the law, and the alternatives do little to help other groups gain coverage."

Ho and Marks have tracked insurance coverage in Texas since late 2013 using the Healthcare Reform Monitoring Survey – Texas, which surveys 1,500 Texans ages 18–64 twice a year on their health coverage, sociodemographic characteristics and ability to access medical care. Between September 2013 and March 2016, they found that the number of insured in Texas increased by nearly 6 percentage points, from 74.7 percent to 80.6 percent.

The subgroups with the largest increases in coverage (9 percentage points or more) were persons aged 50–64, Hispanics, people in fair or poor health and those with a high school diploma as their highest education level. Older persons and those in fair or poor health are more likely to have preexisting conditions, which could have led to unaffordably high premiums or coverage denial by private insurers prior to the ACA. Adults with no more than a high school diploma have lower incomes and likely benefited from ACA tax credits, which reduced how much they paid for coverage.

Residents earning between 138 percent and 399 percent of the federal poverty level ($33,534 to $97,200 for a four-person household in 2016) were the only income class that experienced a statistically significant increase in coverage (9.1 percentage points). These individuals received a tax credit to buy insurance, with the subsidy decreasing as household income rose. But fewer than 65 percent of those earning less than 138 percent of the FPL are insured, because this group did not qualify for tax credits. The ACA's authors assumed that the lowest income uninsured would obtain coverage through an expansion of Medicaid in all states.

House Republicans have introduced an alternative to the ACA. The proposal decouples subsides from income and instead creates tax credits that increase only with age. The proposed tax credits are substantially lower than the subsidies low-income persons currently receive. Therefore, the reform will make health insurance unaffordable for hundreds of thousands of Texans who gained coverage under the ACA. Some middle-income households will benefit, but estimates indicate that these gains will be small compared to the large potential coverage losses.

Nearly 1 million Texans have gained access to health care thanks to the ACA. Improved worker productivity from better health care, as well as an influx of federal funds to the state's health system, boosted our economy at a time when Texas was suffering from declining oil prices. Losing these benefits would diminish Texas' long-term prosperity.

HEALTH POLICY research presents a summary of findings on current health policy issues. It is provided by Vivian Ho, Ph.D., James A. Baker III Institute Chair in Health Economics and director of the Center for Health and Biosciences at Rice University's Baker Institute for Public Policy, in collaboration with Laura Petersen, M.D., MPH, chief of the Section of Health Services Research in the Department of Medicine at Baylor College of Medicine.

This publication aims to make research results accessible to regional and national health policymakers. The views expressed herein are those of the study authors and do not necessarily represent those of the Baker Institute or of Baylor College of Medicine.

The Baker Institute and Baylor College of Medicine's Section of Health Services Research work with scholars from across Rice University and Baylor College of Medicine to address issues of health care — access, financing, organization, delivery and outcomes. Special emphasis is given to issues of health care quality and cost.

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