

Texas Enrollment in Affordable Care Act Health Insurance Marketplace Declines, But Local Efforts Make a Positive Impact

By Melissa McChesney

The Affordable Care Act Marketplace Significantly Increases Access to Health Coverage in Texas

The latest federal government data on Texans' coverage in the Affordable Care Act's health insurance Marketplace reflect a worrisome drop in the number with coverage for 2019. A primary goal of the Affordable Care Act (ACA or ObamaCare) was to improve access to comprehensive health insurance, using three main tools: expanding Medicaid coverage of low-income adults, covering young adults up to age 26 through their parent's health plan, and improving access to the individual insurance market through new Affordable Care Act Marketplaces.

In Texas, coverage in the individual health insurance market—as reformed by the Affordable Care Act—is the main reason uninsured rates have improved since 2013. In the individual market, Texans can shop around and buy health insurance directly from a health plan if they don't otherwise have coverage through their employer or a government program like Medicaid or Medicare. Early retirees, the self-employed, and people with moderate incomes (generally above the poverty line) who don't get offered insurance from their employer can buy individual market coverage and can't be denied or charged more for a pre-existing condition. About 1.7 million people purchased an individual plan for 2017, or about six percent of all Texans.

Critical to the increased coverage in Texas' individual market is the role played by the Affordable Care Act's Marketplace for individual coverage, where premium subsidies and reduced out-of-pocket costs are available for low-to-moderate income people. A little more than half of Texans with 2017 individual market coverage (852,000) received a subsidy through the Marketplace to help offset the cost of monthly premiums, and many of these also got discounted deductibles and co-payments. Individual market coverage can also be purchased directly from a health plan—outside of the Affordable Care Act Marketplace—but only for people who don't need federal subsidies to make their insurance affordable.

The Affordable Care Act Marketplace has become an essential part of our health insurance system, and a stable individual market is critical to that success. The Marketplace gave access to affordable comprehensive coverage to those without an employer or a government insurance program. Today, more Texans are covered and people have greater career flexibility because health care access isn't tied to their job. Workers can move more freely between jobs or even start their own business ventures without fear of going without health coverage.

Texas Marketplace Enrollment Declines, Uninsured Numbers Increase

Unfortunately, Texas enrollment for 2019 coverage in the Affordable Care Act Health Insurance Marketplace decreased for the second year in a row, with about 40,000 fewer people selecting a plan during open enrollment. This is a 3.5 percent drop in enrollment for 2019 plans compared to 2018, which is just slightly below the national average of a 3.8 percent decline. Considering the [active efforts by Congress and the Trump Administration](#) to undermine the Marketplace, this modest decrease was better than many expected. But any decline in coverage is especially bad news for Texas, where we have the nation's highest uninsured rate—and [it's getting worse](#).

New Federal Policies Discourage Enrollment

Much of the decrease is associated with actions and inactions by the federal administration that undermine the Affordable Care Act. For example, in 2017, the administration [slashed marketing dollars](#) used to advertise the Marketplace and other Affordable Care Act benefits by 90 percent, and none of those marketing dollars were reinstated in 2018. And, for the second year in a row, the administration drastically [cut grant funding to Navigator programs](#) that provide critically important local in-person enrollment assistance. Texas' [federal Navigator funds were cut](#) from \$9.2 million in 2016 to just \$1.4 million in 2018, an 85 percent reduction. At this point, the entire state of Texas has only two organizations receiving Navigator funds, one in the Houston/Gulf Coast area and one in the Rio Grande Valley. This huge decrease in federal dollars supporting marketing and outreach means far fewer Texans are made aware of the coverage options available to them, and in-person assistance with the enrollment process can be difficult to find.

Though Marketplace health coverage premiums did not drastically increase between 2018 and 2019, there was a large increase from 2017 to 2018 due to the administration's decision to [stop funding the "cost sharing reductions"](#) that reduce lower-income families' deductibles and co-payments. One result is that some premiums today are too high for moderate-income Texans whose incomes are just above the limits to be eligible for subsidies. In addition, the 2017 federal tax law repealed the "individual mandate," effective beginning in 2019. So, people deciding whether to sign up for 2019 coverage were not facing a tax penalty for not being covered. All of these factors taken together likely account for much of the overall decrease in enrollment.

Unfortunately, the obstacles to Affordable Care Act enrollment don't stop there. This year, the administration also changed rules for the sale of "[short-term](#)" health plans in a manner that increased premiums for comprehensive coverage sold in the Marketplace. Insurers are aggressively marketing this cheaper "junk" insurance, and some people are buying these plans instead of the more expensive full coverage (likely without a full understanding the limitations of the short-term plan). And finally, the Trump Administration's anti-immigrant rhetoric and policy proposals have caused a chilling effect, with fewer immigrants and their U.S. citizen family members enrolling in government health coverage programs or accepting Affordable Care Act Marketplace subsidies. Of greatest concern is the [proposal](#) that would change how immigration officials inside the United States decide who is likely to become a "public charge."

Given all of these impediments, the fact that the Affordable Care Act Marketplace hasn't seen even deeper decreases in enrollment only goes to show how important and valuable quality, affordable health care is to Texans.

What's Driving Texas' Regional Differences in Enrollment?

Hidden within Texas' statewide enrollment figures are substantial differences among Texas communities in different regions. The insurers offering coverage and the prices they charge vary across Texas regions, as do average incomes and other population characteristics including immigration status. Official Marketplace data from the Centers for Medicaid & Medicare Services' [2019 Exchange Open Enrollment Period Final Report](#) includes county-level enrollment numbers that allow insight into regional differences in enrollment trends. The table below shows Marketplace enrollment numbers for Texas' 10 most populous counties (sorted by percent change from 2018 to 2019).

**Affordable Care Act Marketplace Enrollment and Premium Changes,
Texas' Top 10 Population Counties, 2018 to 2019**

	2018 Enrollment	2019 Enrollment	Change in # of People Who Selected a Plan	Enrollment Percent Change 2018 - 2019	Monthly Premium Change 2018-2019*
Bexar County	73,621	65,590	-8,031	-10.9%	(\$6), -8%
Montgomery County	21,298	18,981	-2,317	-10.9%	\$6, 9%
Travis County	58,557	53,309	-5,248	-9.0%	(\$7), -8%
Dallas County	106,923	100,002	-6,921	-6.5%	(\$2), -3%
Williamson County	20,660	19,447	-1,213	-5.9%	(\$7), -8%
Cameron County	16,098	15,197	-901	-5.6%	\$6, 8%
Fort Bend County	50,700	49,605	-1,095	-2.2%	\$6, 9%
Harris County	229,493	226,991	-2,502	-1.1%	\$4, 6%
Denton County	26,997	26,752	-245	-0.9%	(\$31), -46%
Tarrant County	68,649	68,734	85	0.1%	(\$31), -46%

**The actual out-of-pocket cost increase/decrease for Texans, after applying a subsidy*

SOURCE: Kaiser Family Foundation [analysis](#) of premium data for the lowest cost silver-level plan after applying the subsidy from Healthcare.gov, based on a 40-year-old earning \$20,000/year.

As the table shows, Texas counties saw significant regional differences in enrollment. For example, Tarrant County had almost no change in enrollment, but Bexar County had an almost 11 percent decrease. Out-of-pocket cost is likely a factor for some of the difference, but doesn't explain everything. For example, Tarrant County residents who have relatively low incomes and qualify for large subsidies saw very large decreases in their premiums. This positive factor likely helped enrollment hold steady despite the fact that the North Texas Navigator organization, Community Council of Greater Dallas (CCGD), lost all program funding this year, making in-person enrollment help harder to reach. CCGD continues to provide some enrollment services but on a drastically reduced scale, and with no funding for marketing. In order to compare premium cost between years and across counties, we looked at the cost of the cheapest silver level plan for a 40-year-old earning \$20,000/year. The change in cost was different depending on the level of subsidy received and the metal level.

In contrast, Bexar County had a slight decrease in premiums for Marketplace enrollees with the lowest incomes but had one of the largest Texas enrollment drops. Bexar County also lost its federal Navigator entity funding for the Daughters of Charity of San Antonio (DOC), and DOC no longer provides any level of Affordable Care Act enrollment services. As these examples demonstrate, cost can have a significant impact on enrollment, but regional context and demographics must also be taken into account. Getting a full picture of enrollment for a given area would require a deep dive. Without taking on a comparative analysis of all Texas regions, let's focus on one region as a case study: the Gulf Coast.

A Tale of Two Counties: Local Efforts Make a Difference

Harris County and Montgomery County cover a large portion of the Houston metro area and border each other. Both counties had relatively large increases in premiums in 2019 compared to other large urban counties. Among the most populous Texas counties, Montgomery County also had the largest decrease in enrollment this year of almost 11 percent (tied with Bexar county). Harris County, on the other hand, only saw a one percent decrease in enrollment. **So, what are some of the best practices**

happening in Harris County that could've contributed to the county having far fewer enrollees drop coverage?

Harris County has several options for low-income people to receive premium assistance, above and beyond the assistance provided by the Affordable Care Act Marketplace. Most notably, Harris Health (the Harris County hospital district) provides premium assistance to anyone eligible for their "Gold Card" program. Most urban counties in Texas provide health services through a local hospital/health district program, although each county has its own branding: Houston has the "Gold Card" program, MAP in Austin, and CareLink for San Antonio. These programs don't provide insurance but instead offer health care to low-income residents at certain clinics and hospitals. After the Affordable Care Act was implemented many of these programs adjusted eligibility criteria so that people eligible for subsidies from the Affordable Care Act Marketplace would no longer be eligible for locally funded care, and must seek full federally funded health coverage from the Affordable Care Act. Those *not* eligible for Affordable Care Act subsidies remain eligible (mainly adults in the [Medicaid Coverage Gap](#) with incomes below the poverty line). This policy parallels long-standing requirements that residents eligible for Medicaid or CHIP must enroll in those federally funded programs, rather than drawing on limited pools of 100 percent local funds.

Harris Health made such changes to their Gold Card program, lowering the eligibility threshold from 200 percent of the Federal Poverty Level (FPL) to 150 percent. But in 2016, they took it one step further. In partnership with the local community-based non-profit health plan, Community Health Choice, Harris Health began offering premium assistance to those who were income eligible for the "Gold Card" *and* still eligible for premium assistance through the Marketplace (mostly people with incomes between 100 percent and 150 percent of the FPL, and a few lawfully present immigrants with incomes below the poverty line). Under this option people could choose to enroll in comprehensive insurance with a **zero-deductible plan** offered by Community Health Choice. Harris Health would then pay whatever remaining premium people owed after the Marketplace subsidies were applied. This meant that these Texans receive full Affordable Care Act insurance with no monthly premium and no deductible. **Harris Health also provides dedicated enrollment and post-enrollment assistance to all their members.** This option was marketed to all Gold Card enrollees in that income group, regardless of health status. In the first year, they enrolled about 3,700 residents and the enrollment has grown ever since with 16,000 people taking the option in 2019.

In addition, the Ryan White program in Houston also enrolls people eligible for that program (federally funded health care services provided to people living with HIV) into full Marketplace insurance. Through a partnership with Legacy Community Health (the largest community health center network in Houston) these Texans also receive targeted enrollment and post-enrollment assistance and many use Legacy as their source for primary care.

The availability of these premium assistance programs means that many of Harris County's lowest-income residents are shielded from premiums and out-of-pocket costs that while limited, can still discourage residents so near the poverty line from enrolling. Furthermore, they have **dedicated enrollment and post-enrollment assistance** which can help to ensure that residents re-enroll each year, and don't lose coverage mid-year over missed paperwork.

Houston's city government also plays an active role in advertising the availability of the Affordable Care Act to residents. The City of Houston Department of Health and Human Services (HHS) facilitates the regional enrollment coalition [Enroll Gulf Coast](#). The offices of Mayor Sylvester Turner and Commissioner Rodney Ellis have been actively involved in that coalition's efforts, providing telephone town halls and

supporting marketing efforts with billboards. Legacy Community Health secured radio sponsorship ads on popular local radio stations. The coalition also partners with local news stations to host phone banks in both English and Spanish. These efforts became even more crucial after the Trump administration cut Healthcare.gov's marketing budget by 90 percent in 2017.

Taking these factors into account—the availability of additional premium assistance on top of the Marketplace subsidies, the dedication and involvement of local government and community health centers in assistance and marketing, and a city-led enrollment coalition—suggests why Harris County saw a much smaller reduction in Affordable Care Act enrollment in 2019 compared to the bordering Montgomery County, even though both counties saw similar premium price increases.

While statistical verification of these hypotheses would require more in-depth research, stakeholders in other large Texas metropolitan counties (such as elected officials, hospital district leaders, and community health centers) may wish to adopt practices like these to bolster Affordable Care Act Marketplace enrollment, and avoid further declines in insurance coverage. During this period when the federal administration is unwilling to support access, affordability, or enrollment assistance at levels necessary for success, innovation must come from the ground up at the community level.

Best Practices Texas Can Build On

To recap, here are best practices based on Texas' experiences to date that localities should consider to improve Marketplace enrollment in their county or region:

- Partner with outreach and enrollment entities to provide sustained financial and administrative support for their efforts, including enrollment and post-enrollment assistance.
- Engage in myth-busting public education efforts to equip immigrants and their families with accurate information on how new immigration proposals affect use of health care, and with referrals to immigration law services that can help them make decisions based on their particular situations.
- Work with hospital districts and local non-profit health plans to explore the possibility of creating premium assistance programs for people using local indigent health programs. Promote the creation of no-deductible, low out-of-pocket cost health plans to increase affordable coverage.
- Work with the local office of the nationwide federally funded Ryan White AIDS/HIV program to explore a premium assistance program for Ryan White clients.

There are major gaps in access to affordable, comprehensive health coverage for Texans that will only be solved with the active engagement of Congress and the Texas Legislature. In the meantime, local community-based efforts to support marketing, outreach and enrollment in health care have proven successful in Texas. Working to spread these best practices could help slow or offset the enrollment decline trend in future years.

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