

Defending the Current Medicaid Program in Texas

- 1. The current Texas Medicaid program does not serve working-age adults, with a few small exceptions.** For an adult to qualify for Medicaid in Texas today, you must have children, and earn less than \$320 a month for a family of three. Childless adults do not qualify. Ninety-six percent of the state's Medicaid beneficiaries are children (75%), seniors, pregnant women, and people with disabilities.
- 2. Who is on it?** The current Texas Medicaid program serves indigent children, pregnant women (coverage ends 2 months after delivery), and elderly and fully disabled adults below the poverty line.
- 3. Cost per beneficiary is stable and lower than Medicare or private insurance.** Medicaid costs are lower than private insurance. It works well for the children, pregnant women, seniors, and Texans with disabilities who rely on the program. It's true that it's a large program, but that's because health care is expensive in this country and we live in a high-poverty state. See "Medicaid in Other States" document for more information.
- 4. Growth in cost is due to case load growth, not cost growth.** Cost growth in Texas' Medicaid program is due to increased enrollment among already eligible populations (i.e., children). Cost per beneficiary is low, stable, and (when adjusted for population growth and inflation) actually lower today than it was 15 years ago.ⁱ
- 5. Texas Medicaid spending in context: a good Texas economy but lots of low-income/no insurance jobs.** While the Texas economy has added many jobs in recent years, the majority of these jobs pay low wages and do not offer insurance. This created a boom in the number of uninsured Texans, and increased the amount of uncompensated care our hospitals have to spend. This is an unsustainable pattern for our hospitals, and for local taxpayers' property taxes, which go to pay down uncompensated care.
- 6. Inflation:** Texas' per-client spending on Medicaid is lower than in 2002, when adjusted for population growth and inflation.ⁱⁱ
- 7. Not enough Medicaid providers:** If there's a shortage of Medicaid providers, it's because this Legislature isn't adequately funding reimbursement rates. Let's fix that. The correlation is clear. When the ACA increased Medicaid primary care provider reimbursement rates to Medicare rates in recent years, we saw an increase in providers taking Medicaid patients.ⁱⁱⁱ When the rates dropped back down to prior levels, providers dropped off the rolls.
- 8. All Funds vs. General Revenue.** Spending reports and estimates that use "AF" (state and federal funding combined) rather than "GR" (state funding only) to calculate how much money we are spending on Medicaid are misleading. Any AF estimate includes federal matching rates (approximately 60% for Medicaid). If we want to talk about how much the state of Texas is

spending, we should look at GR. Medicaid is the biggest source of federal funds in every state's budget, and K-12 public education is still the number one expenditure of GR "state" dollars in Texas.

9. **Medicaid does not cover undocumented.** Expansion would not cover undocumented immigrants. Expansion would not cover undocumented residents. We are not asking for that.
10. **Medicaid is broken?** One could argue the Texas Legislature is broken. When all of the below have asked for the Legislature to fix our uninsured problem, one could argue that the Legislature is broken.
 - a. 63% of voters want a Medicaid Expansion,^{iv}
 - b. 26 Chambers of Commerce ask for a Medicaid Expansion,^v
 - c. Catholic and Protestant leaders have asked for a Medicaid Expansion,^{vi}
 - d. The Legislature has had the votes, House and Senate, needed for a Medicaid Expansion (as in 2013), and only retreated from acting because of the Governor's veto threat,^{vii}
 - e. Hospitals are desperate for a Medicaid Expansion because the current hospital funding model is becoming increasingly unsustainable without the addition of federal Medicaid expansion dollars,^{viii}
 - f. County Judges ask for a Medicaid Expansion to reduce local tax pressure,^{ix}
 - g. The Texas Association of City and County Health Officials ask for a Medicaid Expansion.^x
11. **You want to cut Medicaid? Who exactly do you want to cut services for:**
 - a. Children.
 - b. Pregnant women.
 - c. Elderly and below poverty line.
 - d. Fully disabled and below poverty line.

ⁱ <http://www.houstonchronicle.com/business/medical/article/Texas-uninsured-rate-falls-to-16-8-national-7542199.php?t=62360a2adb438d9cbb&cmpid=twitter-premium>

ⁱⁱ <http://bettertexasblog.org/2015/03/texas-medicaid-spending-in-context/>

ⁱⁱⁱ <https://www.texastribune.org/2015/02/19/fix-medicaid-doctors-say-it-must-pay-out-more/>

^{iv} http://www.houstonchronicle.com/news/article/Study-Texans-favor-Medicaid-expansion-7693966.php?t=4f31830e8e&cmpid=twitter-premium&utm_source=newsletter&utm_medium=email&utm_content=reported&utm_campaign=February%20Newsletter

^v <http://texaswellandhealthy.org/wp-content/uploads/2014/10/Closing-the-Coverage-Gap-Supporters-List.pdf>

^{vi} <http://www.npr.org/sections/health-shots/2015/05/29/410520561/texas-politicians-and-businesses-feud-over-medicaid-expansion>

^{vii} <http://www.dallasnews.com/news/politics/headlines/20130304-rick-perry-bars-way-to-possible-texas-deal-with-feds-on-medicaid-expansion.ece>

^{viii} <https://www.houstonpublicmedia.org/articles/news/2014/11/11/54175/texas-hospitals-want-legislators-to-tackle-uninsured-expand-health-care/>

^{ix} <http://texaswellandhealthy.org/wp-content/uploads/2014/08/Joint-County-Judge-Letter-on-Health-Coverage-Expansion.pdf>

^x <http://txchildren.org/Images/Interior/twah%20coverage%20gap%20supporter%20list.pdf>