

The Value of Texas Medicaid

Texas Medicaid is more than just health care — it is an investment in the future of Texas. It goes beyond the doctor’s office and into our schools, our workplaces and our communities.

Medicaid is safety net health insurance that is there for the Texans that need it most, including Texas children, mothers, grandparents and people with disabilities. It helps provide for everything from routine checkups and heart surgeries to home health and at-home nursing care.

A Deeper Dive Into Texas Medicaid

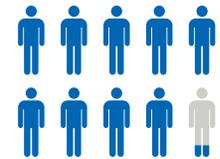
Texas Medicaid helps one in seven—or more than 4 million—Texans receive the care and support they need to get healthy, stay healthy and live life to the fullest as members of their communities.

- **2.9 million** low-income children
- **140,000** low-income pregnant moms
- **140,000** low-income parents of children on Medicaid
- **800,000** older Texans and Texans with disabilities
- **31,000** children in foster care
- **50,000** veterans

Who is Texas Medicaid?



Medicaid covers **17% of all** Texans



92% served through managed care



Medicaid and CHIP cover **44% of all Texas children**



Medicaid covers **53% of all Texas births**

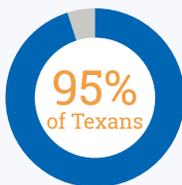


25% of Texans on Medicare depend on Medicaid for long-term care services

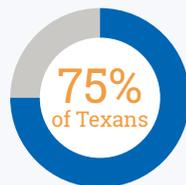


Medicaid covers **62% of nursing home residents**

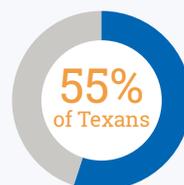
Texans Value Medicaid



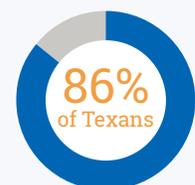
believe it is important to have a strong, sustainable Medicaid program



oppose cutting the Medicaid program



on Medicaid say they would have “very little” or “no” access to health care without it



on Medicaid are satisfied with their health care services



**Fragmented
Fee-for-Service
Payments**



**Health Insurance
Coverage**

Over the past 20 years, Texas transformed an outdated Medicaid system that provided fragmented care into a modern, patient-centered health insurance program that provides more than 4 million Texans with the coverage and care they need.

Today, Texas partners with private health insurers known as managed care plans. They administer Medicaid and CHIP and cover the costs associated with delivering care.

How Does Medicaid Managed Care Work?

Managed care plans make Texans healthier and save taxpayers money by prioritizing preventive care and coordinating health care for Texans on Medicaid and CHIP.

Managed care works just like insurance. Every month, Texas pays a health care premium to the Medicaid health plans for each person they cover. In turn, the health plans accept all financial risk for providing needed services to their members.

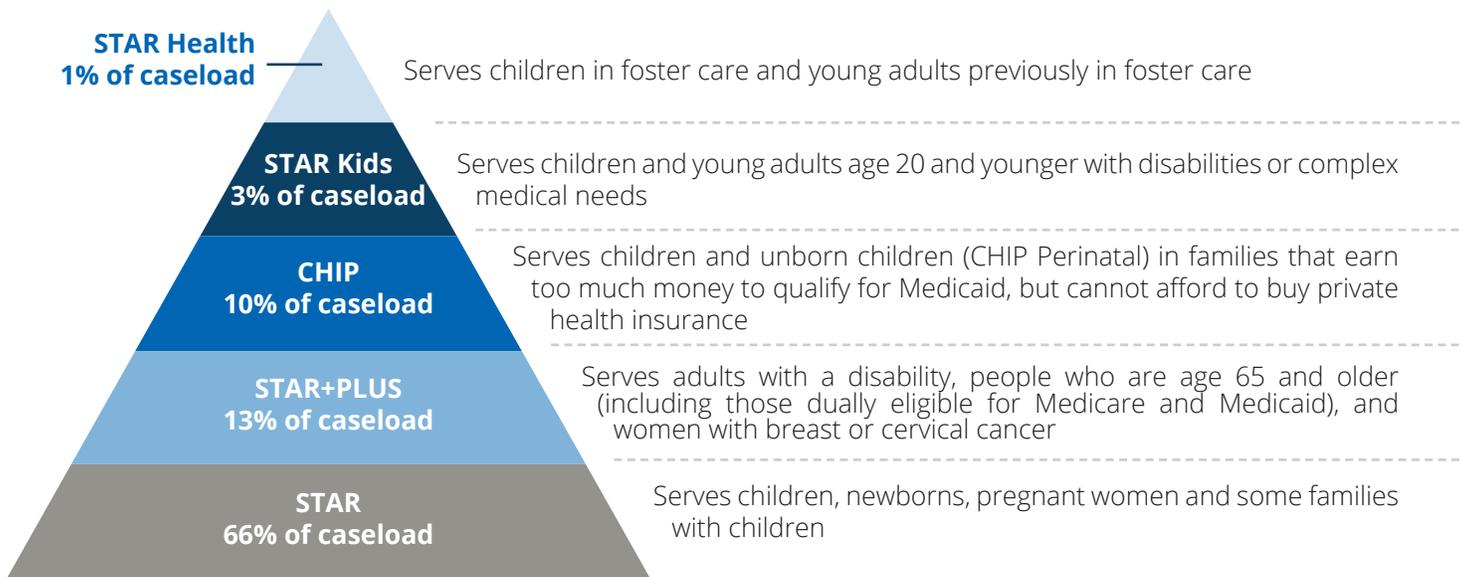
The managed care program incentivizes health plans, providers and doctors to keep Texans on Medicaid healthier and encourage them to access preventive care and live healthier lives.



Medicaid managed care is a critical program in Texas that has both saved taxpayers money and improved health outcomes."

- Gov. Greg Abbott

Managed Health Insurance Coverage in Texas



STAR and CHIP

Pays for doctor visits, hospital stays and prescription drugs for children, newborns, pregnant women and some parents with children on Medicaid

STAR+PLUS

Pays for the same services as STAR, but also pays for long-term care services like home health care and nursing home stays for older Texans and Texans with disabilities

STAR Health

Provides specially-tailored health care and support for children in the Texas foster care and kinship care programs

STAR Kids

Pays for the same services as STAR, but also covers long-term care and coordination for children with disabilities and children with complex medical needs

Medicaid Managed Care is Healthier for Texas

Medicaid managed care plans hire the best doctors, negotiate the most affordable prices, and focus on prevention and wellness to help their members get healthy, stay healthy and live their lives to the fullest while saving taxpayer money for the state.

Today's Texas Medicaid provides more than health coverage. It also:

- Improves access to care for Texans by emphasizing the role of primary care doctors
- Promotes preventive care like vaccinations and routine primary care visits to keep Texans healthy and happy
- Reduces costly hospitalizations and unnecessary emergency room visits
- Connects Texans to the compassionate one-on-one support and personalized care coordination they need to get healthy, stay healthy and live their lives to the fullest
- Provides services that go beyond the walls of a doctor's office, including arranging transportation, coordinating meals, and navigating challenges with school and work

Today's Texas Medicaid Keeps Texans Healthy

As a result of Texas' transition to Medicaid managed care, millions of Texans—including children and pregnant moms—have seen improved outcomes and increased access to preventive and timely care. Medicaid plans have also improved care coordination for Texans with complex medical needs, reducing hospital stays and ER visits. The focus on prevention, wellness and care coordination—getting Texans the care they need to get healthy, stay healthy and live in their communities—has translated into lower costs for Texas taxpayers. Texas has saved between \$5.3 and \$13.9 billion through the use of Medicaid managed care since 2009. Today's Texas Medicaid keeps Texans healthy, improves lives and saves taxpayer money.

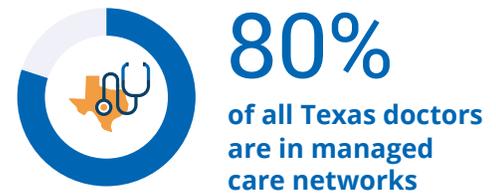


Prior to Medicaid managed care –
less than 25%

Source: UT School of Public Health, Texas Medicaid Performance Study - 2016 Final Report, 08/16.



Prior to Medicaid managed care –
less than 15%



Source: Texas Medical Board/HHSC. Information obtained under the Texas Public Information Act. 2018.

Reduced hospital stays and ER visits by keeping Texas families healthy and out of the hospital



Managed Care significantly reduced hospital stays for expensive chronic diseases by 35%

Source: HHSC, 2011 - 2016 Analysis of HEDIS



Helps more older Texans and Texans with disabilities live independently in their own homes
reducing the need for nursing home stays



More than 95% of Texans on Medicaid have access to a family doctor near their home

Source: HHSC, Report on Medicaid Managed Care Provider Network Adequacy, 12/18.



Reduced ER visits in STAR Kids by 6% in the past year

Managed Care reduced preventable ER visits for children with disabilities and complex medical needs

Source: HHSC, Rider 61 Report: Evaluation of Medicaid & CHIP Managed Care, 08/18

Medicaid Managed Care is Smarter for Texas

As health care becomes more expensive in Texas and across the country, Texas Medicaid health plans have the important duty of keeping costs low for the state of Texas. Medicaid health plans are meeting that challenge head on, hiring the best doctors, negotiating the most affordable prices, and focusing on prevention and wellness to avoid costly hospital stays and ER visits. The results have been greater budget certainty, a commitment to accountability that taxpayers can rely on and remarkably flat cost growth despite a rapidly-growing population. Texas managed care is smart for Texas and Texas taxpayers.

Today's Texas Medicaid Saves Taxpayer Money by Keeping Texans Healthy

Accountable to Taxpayers

Medicaid performance and financing is transparent and available online



Saves Money

Managed care saved TX **\$5.3B - \$13.9B** since 2009



Affordable Coverage

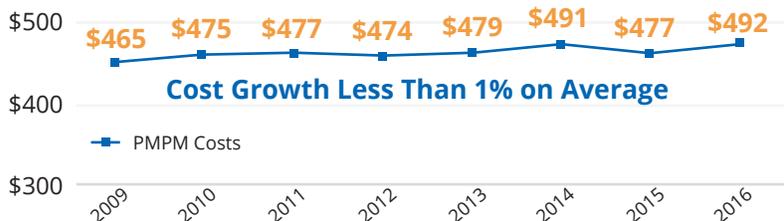
TX Medicaid cost growth is less than **1% per year** compared to **4% nationally**

Texas Medicaid Caps Profits and Requires Profit Sharing Back to Taxpayers

\$1B+ saved or shared with Texas since 2009



Texas Medicaid Acute and Long-Term PMPM Costs: FY09-FY16



Sources: HHSC, Rider 61 Report: Evaluation of Medicaid & CHIP Managed Care, 08/18. Carruth & Associates Report sourced from HHSC Financial Services, 05/17.

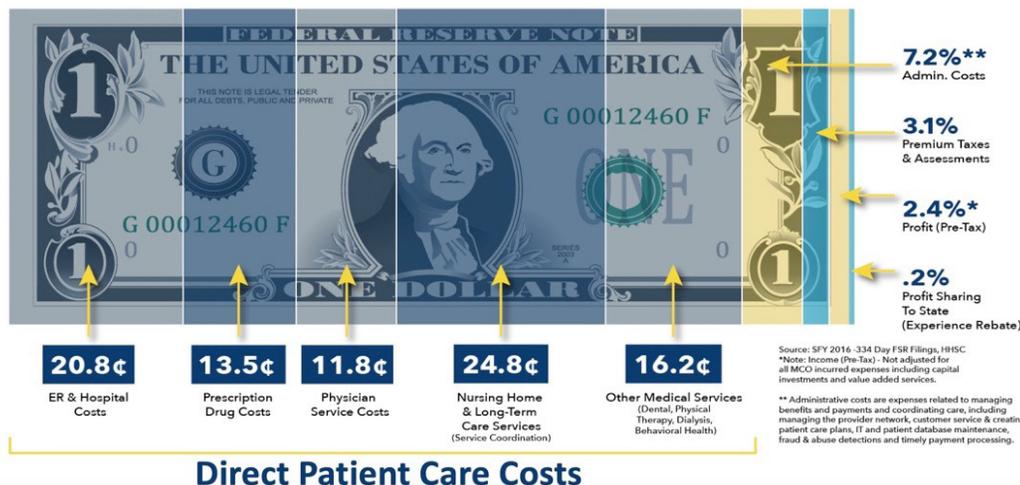
90% of Every Medicaid Dollar is Invested Directly in Patient Care

Texas Medicaid Caps Administrative Spending

As a result, Texas Medicaid managed care admin costs are some of the **lowest nationally**



90% of every dollar is invested in direct care



Source: HHSC, SFY 2016 - 334 Day FSR Filings.

TEXAS ASSOCIATION OF HEALTH PLANS

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This is legislative advertising paid for by the Texas Association of Health Plans (TAHP)

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