

The Value of Texas Medicaid

Texas Medicaid provides affordable, high-quality health insurance for almost 4 million of Texas' most vulnerable individuals—**including children, mothers, older Texans, and Texans with disabilities**.

Texas Medicaid connects people with the health care, doctors, and medications they need to get healthy and stay healthy. Across the board, Medicaid is strengthening local communities and ensuring a brighter future for Texas.

A Deeper Dive Into Texas Medicaid

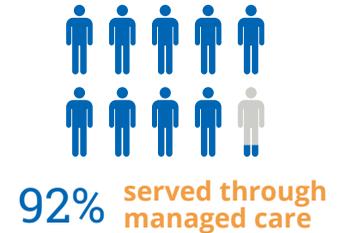
Texas Medicaid helps one in seven—or almost 4 million—Texans receive the care and support they need to get healthy, stay healthy, and live life to the fullest as members of their communities.

- **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



Medicaid and CHIP cover
44% of
all Texas children



Medicaid covers
53% of
all Texas births

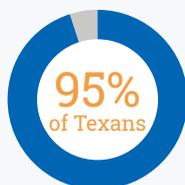


25% of
Texans on Medicare
depend on Medicaid for long-term care services

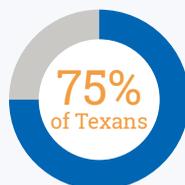


Medicaid covers
62% of
nursing home residents

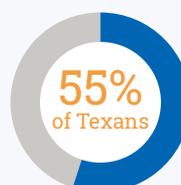
Texans Value Medicaid



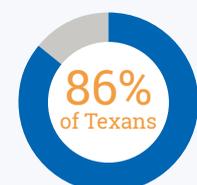
believe it is important to have a strong, sustainable Medicaid program



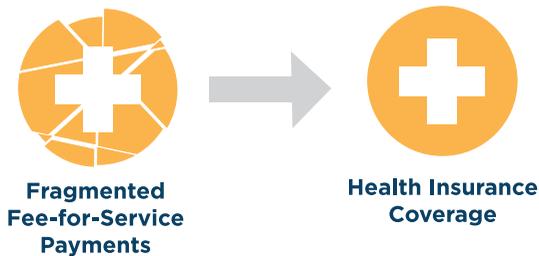
oppose cutting the Medicaid program



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



Over the past 20 years, Texas transformed Medicaid into a modern, patient-centered health insurance program that provides almost 4 million Texans with the coverage and care they need.

Today, Texas partners with private health insurers known as managed care plans to connect Texans with Medicaid coverage to high-quality health 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.

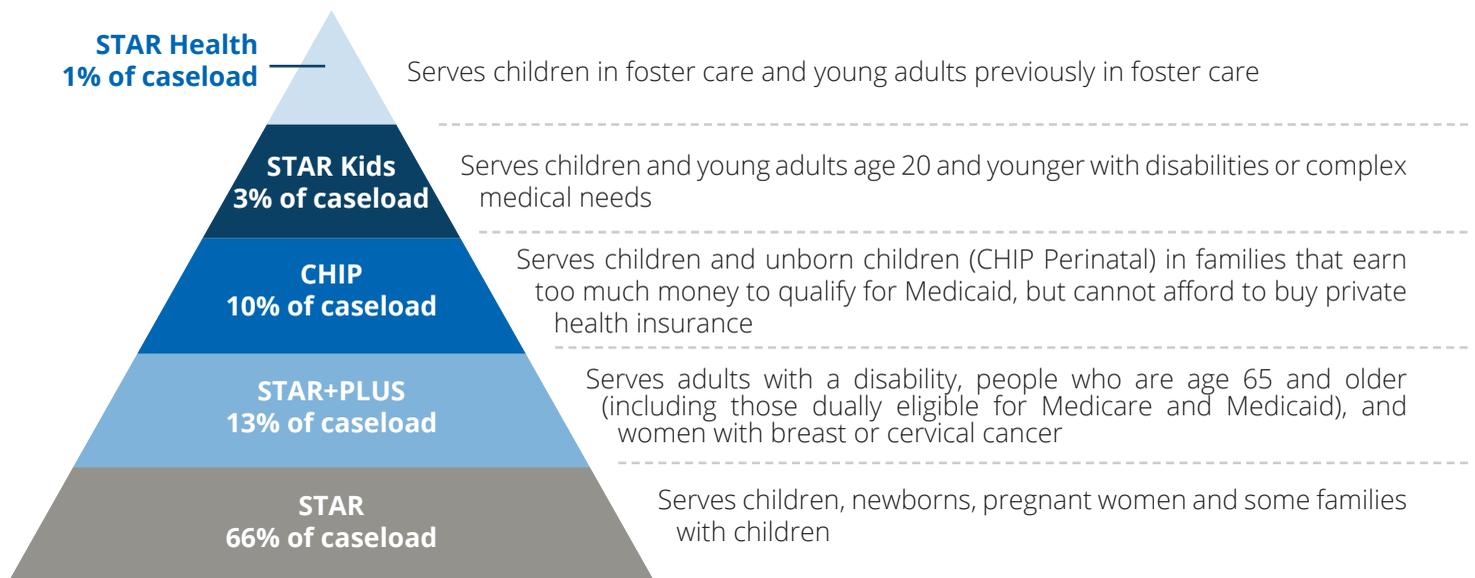
Medicaid health plans use that premium to cover medical expenses, coordinate complex health care, and help Texans with Medicaid coverage lead healthy, active lives and live independently in their own homes and communities.



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 care coordination 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 Texans' access to care 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 personalized care and support they need to get healthy, stay healthy, and live their lives to the fullest
- Provides one-on-one support to help families navigate every step of the complicated and overwhelming health care system
- Provides services that go beyond the walls of a doctor's office, including arranging transportation, coordinating meals, and navigating challenges at school and work

Today's Texas Medicaid Keeps Texans Healthy

The focus on prevention, wellness, and care coordination—**getting Texans the care they need to get healthy, stay health, and live in their communities**—has translated into better care and lower costs. **Millions of Texans, including children, pregnant moms, older Texans, and Texans with disabilities, have seen improved health outcomes**, and Texas taxpayers have saved more than \$5 billion since 2009.

As a Result of Medicaid Managed Care:



Prior to Medicaid managed care
– **less than 25%**



Prior to Medicaid managed care –
less than 15%

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%



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



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

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 care coordination to avoid costly hospital stays and ER visits.

As a result, **millions of Texans—including children, pregnant moms, older Texans, and Texans with disabilities—have seen improved outcomes**, and Texas taxpayers have saved more than \$5 billion.

As a Result of Managed Care:

More Than

\$5 Billion

of taxpayer money has been saved since 2009



Texas Drug Cost Growth Has Been Cut in Half

and is now **3x lower** than the national average



Texas Medicaid Caps Profits and Requires Profit Sharing Back to Taxpayers

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



Accountability to Taxpayers Has Increased

Medicaid performance and financing is transparent and available online



Sources: HHSC, Rider 61 Report: Evaluation of Medicaid & CHIP Managed Care, 08/18. Carruth & Associates Report sourced from HHSC Financial Services, 05/17. HHSC, Rider 60 Report: Prescription Drug Benefit Administration in Medicaid, 08/18.

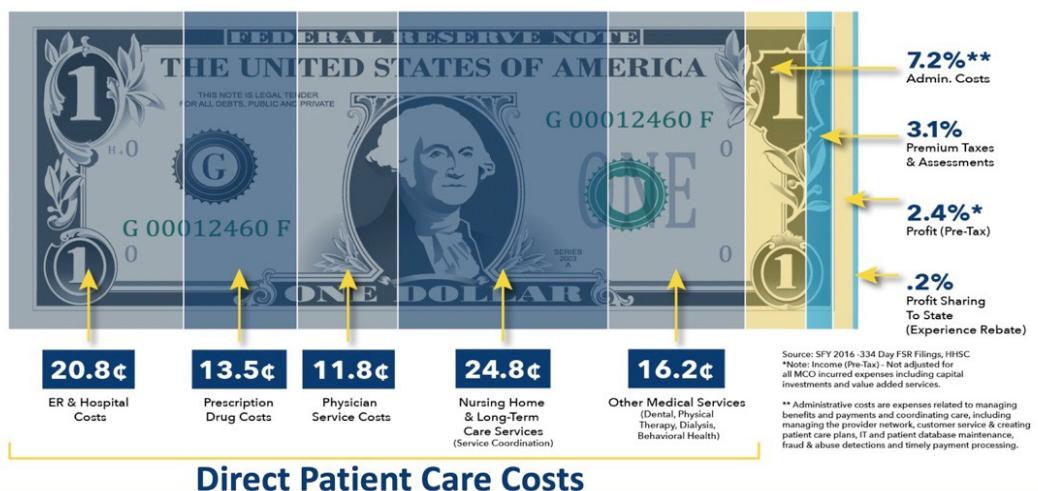
90% of Every Medicaid Dollar Is Invested Directly in Patient Care

Texas Medicaid Caps Administrative Spending

As a result, Texas Medicaid managed care administrative 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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