

Texas Community Health Centers

Protect the Safety Net and Save Money

By Closing the Coverage Gap



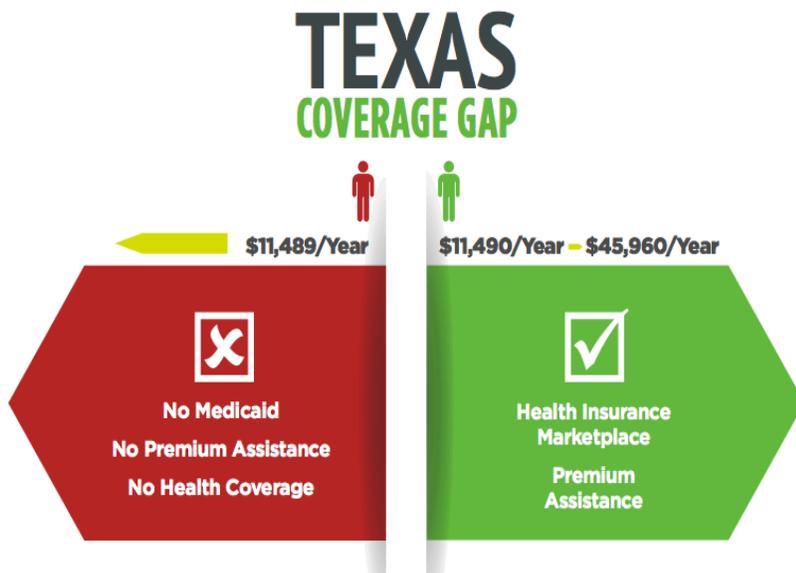
ISSUE: Closing the Texas Coverage Gap

Find a Texas solution to close the health care coverage gap.

The Coverage Gap

Uninsured, low-income workers making between 100 and 400 percent of poverty can now receive subsidies to help purchase affordable health coverage in the Health Insurance Marketplace. However, because of Texas' decision to turn down federal funds to expand health coverage under the Affordable Care Act (ACA), uninsured Texans earning less than poverty wages are left without affordable coverage

options. More than a million of the state's poorest adults have been left in this coverage gap, relying on safety net providers like community health centers to provide access to primary care services. When safety net services aren't available, or if services beyond primary care are needed, lack of health coverage and access leads to delay of care and use of emergency rooms for routine care, increasing costs in the health care system in the long term.



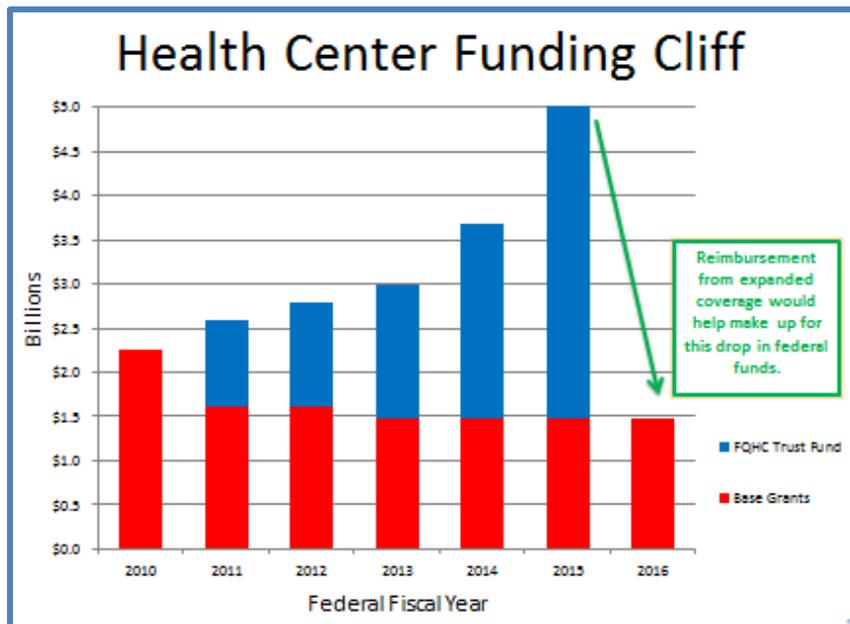
Texas Pays Anyway

Texas taxpayers are already picking up the tab for health care for low-income Texans, but we are paying for it **three times**: through federal taxes we pay regardless of coverage expansion, sales taxes that fund state indigent health care programs and property taxes that pay for hospital uncompensated care and county indigent care programs. This patchwork of coverage is wasteful, inefficient and expensive. Alternately, under a coverage expansion federal taxes would not pay less than **90 percent** of the cost of care for the coverage gap population, freeing up state and local resources for other purposes. Texans are paying these federal taxes anyway, but they are being redistributed instead of coming back to Texas. This loss of federal funds equals a **\$16 billion** loss for Texas taxpayers between 2014 and 2016, or almost **\$10 million per day in 2014**.

Impact on the Existing Safety Net

Texas' decision not to accept federal funds to expand health coverage not only leaves our most vulnerable populations without access to coverage, it also threatens important safety net providers.

Community health centers, also known as federally qualified health centers (FQHCs), provided high-quality, low-cost primary and preventive care to **over a million** low-income Texans last year. In 2010,



Congress created a temporary health center trust fund to help health centers expand sites and services to cover the newly insured under health care reform. The trust fund expires in October 2015 because Congress assumed that health centers would begin to receive more revenue through Medicaid and Marketplace patients, and would be treating fewer uninsured patients. However, since Texas didn't expand coverage under health

reform, **most health center patients remain uninsured** today because their income is too low to qualify for assistance in the Marketplace. Without a solution, health centers will receive about a **70 percent cut** in their federal funds in 2015 when the trust fund expires. This would take federal health center funding levels back to where they were in 1999, placing the existing safety net in Texas at risk. Health centers may have to reduce the number of uninsured patients they treat, close satellite clinics and lay off staff. However, if Texas finds a solution to accepting federal funds to close the coverage gap, many very low-income health center patients would have access to coverage at little cost to the state, bringing in additional revenues to health centers to offset federal cuts and expand access to care in Texas.

Principles for Texas Solution

A Texas solution for expanding health coverage should include certain principles to ensure a program is designed that puts the interests of both patients and taxpayers first. The federal government has shown that compromise is attainable through negotiations with other states. States can request that the federal government waive certain requirements based on specific state priorities. A Texas solution must be carefully crafted in a way that assures access to cost-saving primary and preventive care for the target population, must have a statewide rollout, must cover the entire coverage gap population, and must encourage the use of primary and preventive care through a targeted approach to cost-sharing. Under a managed care or private insurance model, a Texas solution should also include components to ensure network adequacy and the inclusion of safety net providers in networks.

A majority of states have already solved this problem. Texas must find a solution to accept federal funds to provide health coverage to our low-income residents that **saves money** in the health care system, **eases local tax burdens**, ensures **Texas taxpayer dollars are funneled back into the Texas economy**, eases burdens on **the existing safety net** and **promotes a stronger, healthier Texas**.