



Federal Health Insurance Reform: Overview of Requirements and Impact on Texas

Texas Economic and Demographic Association
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Overview

- Overview of health insurance reforms within the PPACA
- Impact of federal reforms on Texas consumers
- Status of health reform implementation in Texas



PPACA Provisions Related to Benefits and Coverage

- Prohibition on pre-existing conditions (children under 19, 9.23.10; everyone, 1.1.14)
- Guaranteed issue market in 2014 with no health-based underwriting
- Prohibition on rescissions, except in cases of fraud; standardized rules for appeals and external review processes
- Increased access to network providers (e.g. ob-gyn, pediatricians, ER) without referrals or pre-approval



PPACA Provisions Related to Benefits and Coverage

- Coverage of preventive services with no cost sharing
- Development of essential benefits to be covered by all health plans
- Individual responsibility requirement
- Large employer responsibility requirement
- Expansion of Medicaid eligibility



PPACA Provisions Related to Costs

- States to review premium rates more vigorously
- Issuers must meet an 80% medical loss ratio in the individual and small group markets; 85% for large group; or, pay rebates to consumers
- Prohibition on lifetime limits and restriction and phased in prohibition on annual limits
- Advanced premium tax credits and cost sharing reductions for 100% to 400% of FPL

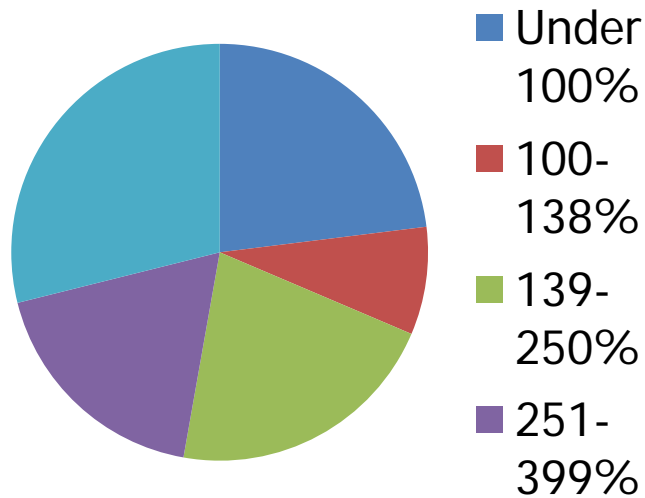


PPACA Provisions Related to the Marketplace

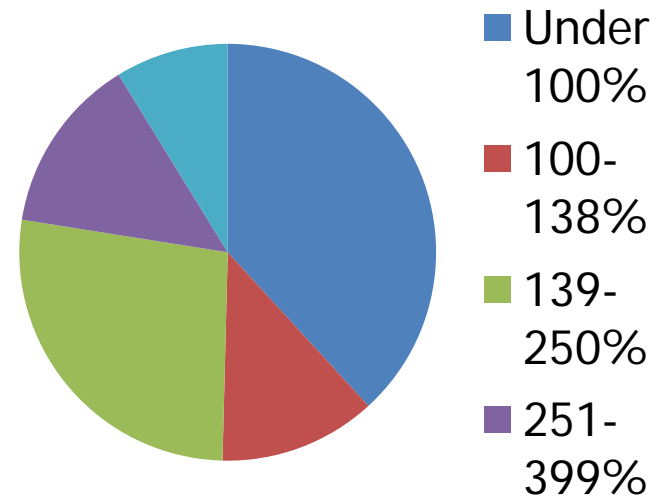
- By 3.23.12, standardized summary of benefits and coverage, cost examples
- Establishment of State Health Insurance Exchanges by 1.1.14
- Actuarial value standards
- Risk pooling across plans within the individual and small group markets

Distribution of Population by Federal Poverty Level

Distribution of Texans by Percent of FPL



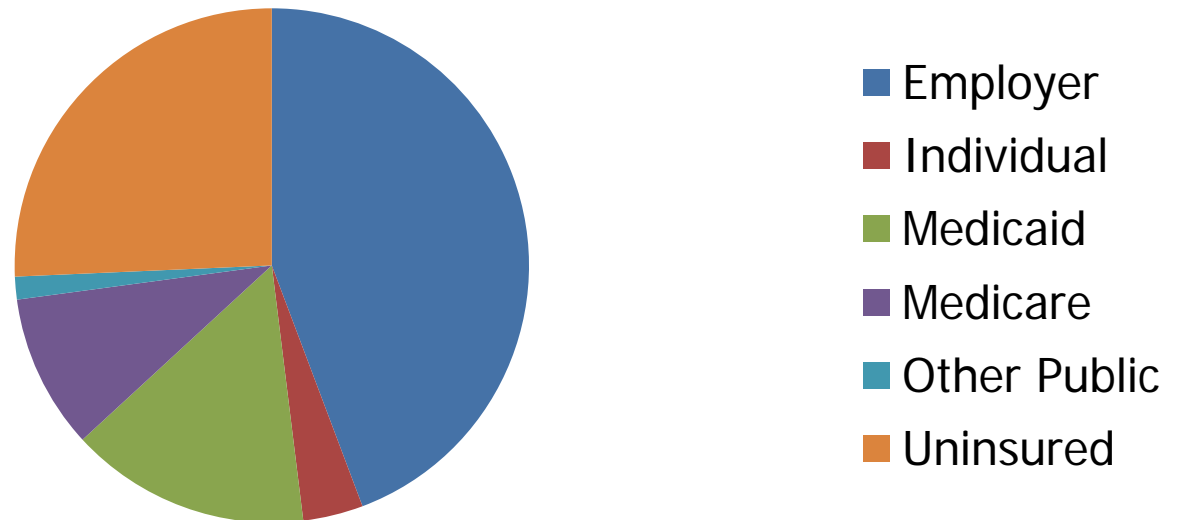
Nonelderly Uninsured Texans by FPL



Source: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2009 and 2010 Current Population Survey

Where Texans Get Coverage

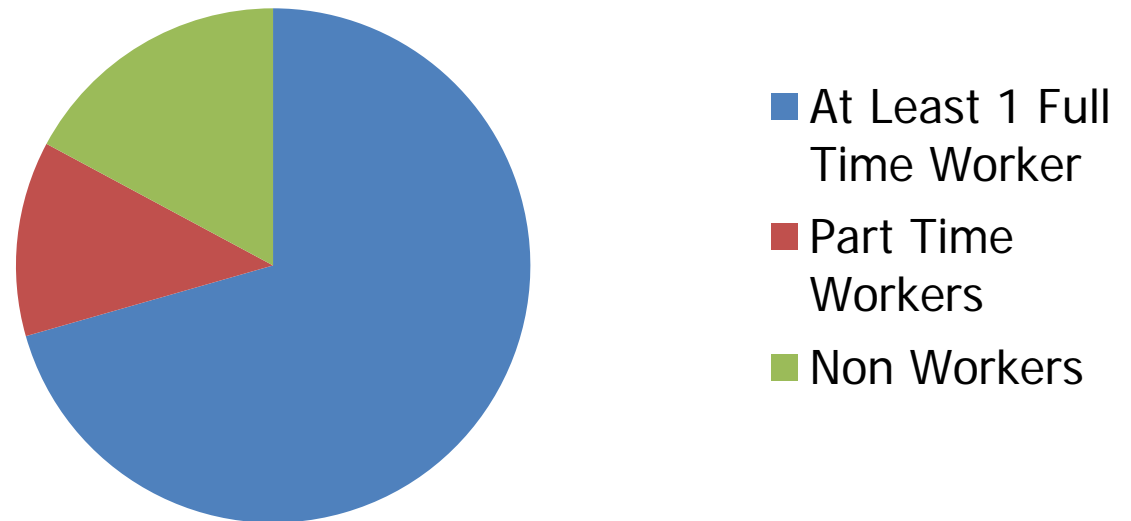
Texans' Source of Health Insurance Coverage



Source: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2009 and 2010 Current Population Survey

Who are the Uninsured?

Family Work Status of the Nonelderly Uninsured



Source: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2009 and 2010 Current Population Survey



Implementation in Texas

- HHSC is working to prepare for Medicaid expansion and update eligibility systems
- TDI has broadened rate review, expanded consumer outreach and assistance and is working to prevent market disruptions
- TDI has requested a transitional adjustment to the MLR requirement for the individual market
- TDI has contracted with Milliman for market projections in 2014 - 2016



Questions?

Texas Department of Insurance