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State Planning Grant **Overview**

January 2002

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Texas Insurance Population Characteristics

Calendar Year 2000 Estimates

Total Texas Population	20,851,820 Source: U.S. Census Bureau
Uninsured Citizens	4,486,050 Source: U.S. Census Bureau
Medicaid Enrollees	1,810,000 Source: HHSC Quarterly Caseload Report: Medicaid Monthly Average Enrollment
Medicare Enrollees	2,223,175 Source: Centers for Medicaid and Medicare (CMS)
CHIP Enrollees as of December 2000	183,550 Source: Texas Health and Human Services Commission, Research Department
HMO Commercial Fully-Insured Members (Excludes Medicare, Medicaid & CHIP Members)	2,986,580 Source: TDI HMO Financial Report – 2000
Fully-Insured Indemnity Insurance (Includes Group and Individual Plans)	4,080,886 Source: TDI 2000 Group Health Insurance Survey and U.S. Census Bureau
Self-Insured Employer Groups (Includes HMO and Indemnity Plans)	5,081,579 Source: No source for self-insured data; estimate calculated based on known data from sources above

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Texas Uninsured Rate Compared to U.S.

Year	U.S. Uninsured Population	U.S. Uninsured Rate	Texas Uninsured Population	Texas Uninsured Rate
2000*	38,715,600	14.0%	4,406,688	21.4%
1999*	39,194,441	14.3%	4,409,680	22.0%
1998	44,294,109	16.3%	4,886,525	24.5%
1997	43,324,134	16.1%	4,838,995	24.5%
1996	41,619,552	15.6%	4,674,591	24.3%
1995	40,704,356	15.4%	4,607,225	24.5%

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As CalPERS, California's public employees system, considers raising premiums by 15% to 18%, USA

Today reports that the potential hike is "an ominous sign for employers nationally."

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- Kaiser Daily Health Policy Report
March 22, 2001

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Health insurance premiums are expected to surge at double-digit rates again next year, a sign that rising medical inflation isn't just a temporary blip but the beginning of a new era that will force employers and workers to make tough and costly choices.

The surging health care costs come as businesses also are wrestling with a slowing economy, falling corporate profit and a rising number of layoffs.

- USA Today
August 27, 2001





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Medical insurance premiums leapt an average of 11 percent in North Texas this year, according to data obtained Thursday from two employer surveys, and companies are bracing for an even bigger bite in 2002.

- Dallas Morning News
September 7, 2001





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Thousands of people are in danger of losing their health insurance in the aftermath of the terrorist attack on the World Trade Center, according to consumer advocates and health care agencies.

- The New York Times
October 2, 2001





The...double-digit rate increases for health insurance premiums would likely last into 2005. Adding to those increases, there will be higher health care costs due to Sept. 11, especially in the Northeast.

“I got my \$600 tax rebate; now I’m going to spend it for my health insurance...”

- The New York Times
October 16, 2001





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The picture for health insurance costs keeps getting uglier – for employers and consumers alike.

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“We’re going to be looking at a period of about four years of double-digit inflation.”

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- The Wall Street Journal
December 10, 2001





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Despite the efforts of managed-care companies to control costs, US health care spending rose 7 percent in 2000, the fastest increase in more than a decade.

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- Boston Globe
January 8, 2002

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Colorado's 27,000 state employees will face an average 176% increase in health insurance costs next year "on top of double-digit price increases that they swallowed in 2001," the Denver Post reports.

- Kaiser Daily Health Policy Report
October 1, 2001





HRSA State Planning Grant Program

- Authorized by Congress to provide states with resources to:
 - conduct in-depth analysis and related activities
 - use data to determine the options for providing access to insurance coverage for the uninsured
- Preference given to states with lower rates of uninsured unless the applicant shows a potential for a significant decrease in its uninsured population

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Criteria for Grant Study Designs

- Collect and analyze data that describes the characteristics of the uninsured and that assists in the design of approaches to expand insurance coverage
- Must demonstrate commitment by the Governor, Executive Branch, and stakeholders to studying the possibilities for expanding health insurance

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Criteria for Grant Study Designs (cont.)

- Develop options that would provide the uninsured with access to insurance
- Options should be based on current federal law, although recommendations for changes may be included in report
- Prepare a report to the U.S. Secretary of Health and Human Services describing the project activities

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TDI Grant Application Process

- TDI was appointed by Governor Bush as the lead agency in May 2000
- Submitted Grant application in July 2000
- Notified of Grant award in January 2001
- Grant activities began March 1, 2001
- Deadline for completion is March 30, 2002

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Major Components of Grant Study

- Survey of Small Employers
- Phone survey of uninsured Texans above 200% of FPL
- Focus Group sessions with small employers and uninsured in 16 towns
- Insurer/HMO survey
- Review of other states' activities and published research
- Development of policy options
- Actuarial analysis and cost estimates
- Conference

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Questions Needing to be Answered:

- Who are the uninsured?
- Why are they uninsured?
- Do these individuals want insurance?
- What are they looking for in an insurance plan?
- How much are they able to afford?
- What options will meet their needs, and how do we pay for it?

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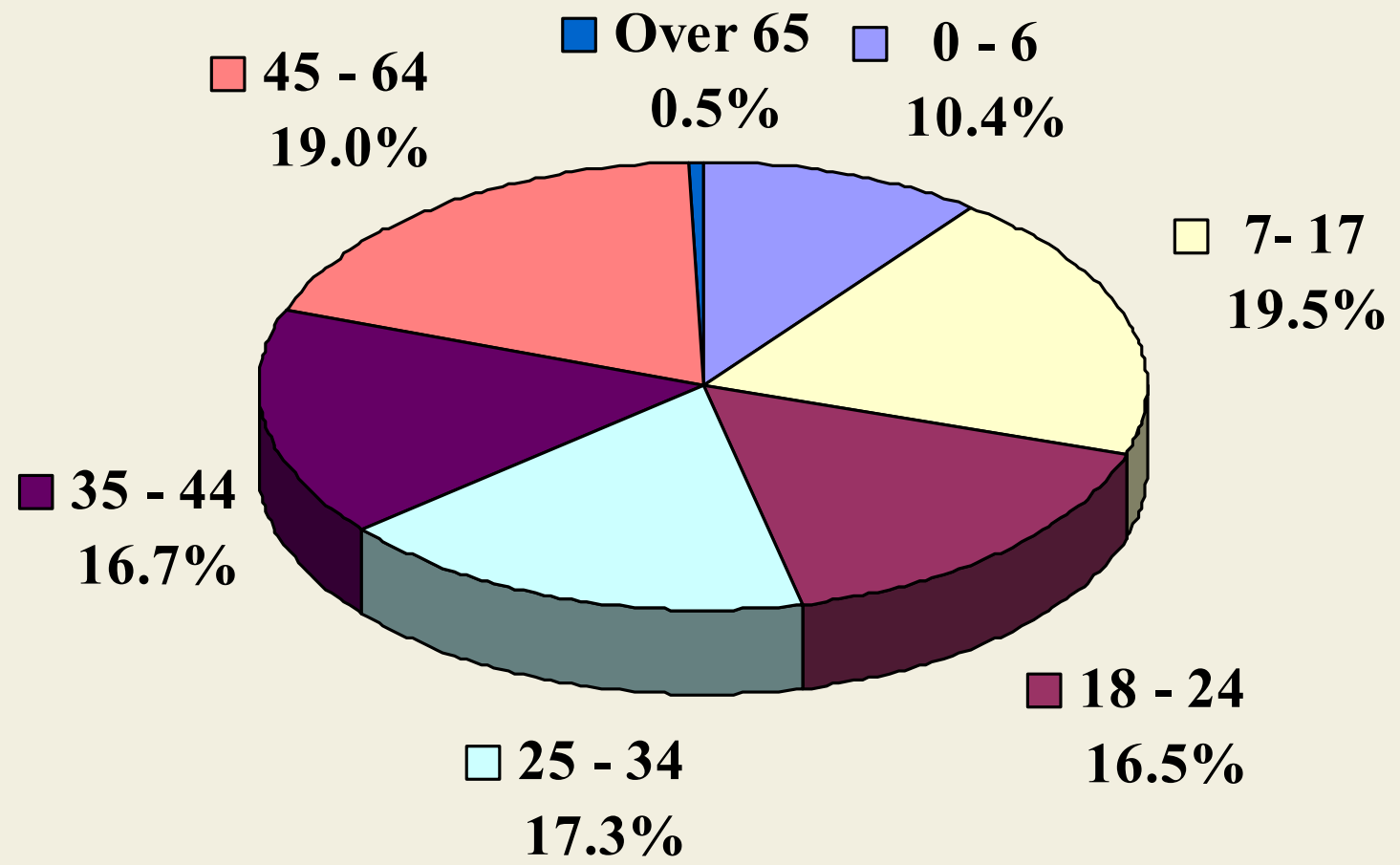
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First Step: Who Are the Uninsured?

Uninsured by Age



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Uninsured by Race/Ethnicity

Race/Ethnicity	Estimated # of Uninsured	Percent of Total Uninsured	Percent Uninsured Within Each Race/Ethnicity Category
Anglo/Other	1,420,140	31.6%	12.2%
African American	487,617	10.8%	21.2%
Hispanic	2,592,896	57.6%	36.7%
Total	4,500,653	100.0%	21.4%

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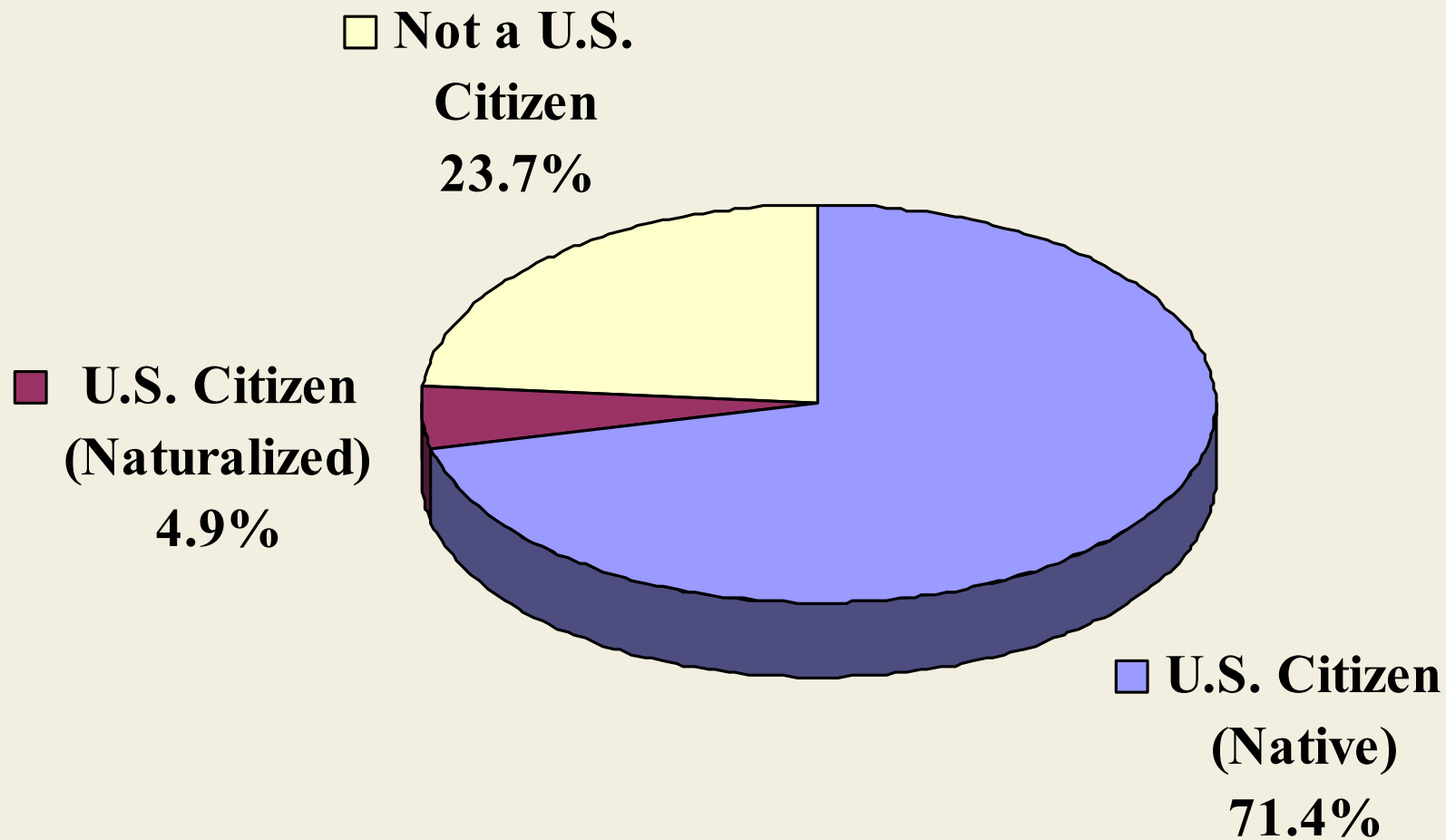
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Uninsured by Citizenship





Uninsured by Employment Status (18+)

Labor Force Status	Estimated Number of Uninsured	Percent of Total Uninsured	Percent Uninsured Within Each Labor Force Status Category
Employed	2,089,800	68.7%	21.5%
Unemployed	225,793	7.4%	49.5%
Not in Labor Force	726,241	23.9%	30.4%
Total	3,041,833	100.0%	23.8%

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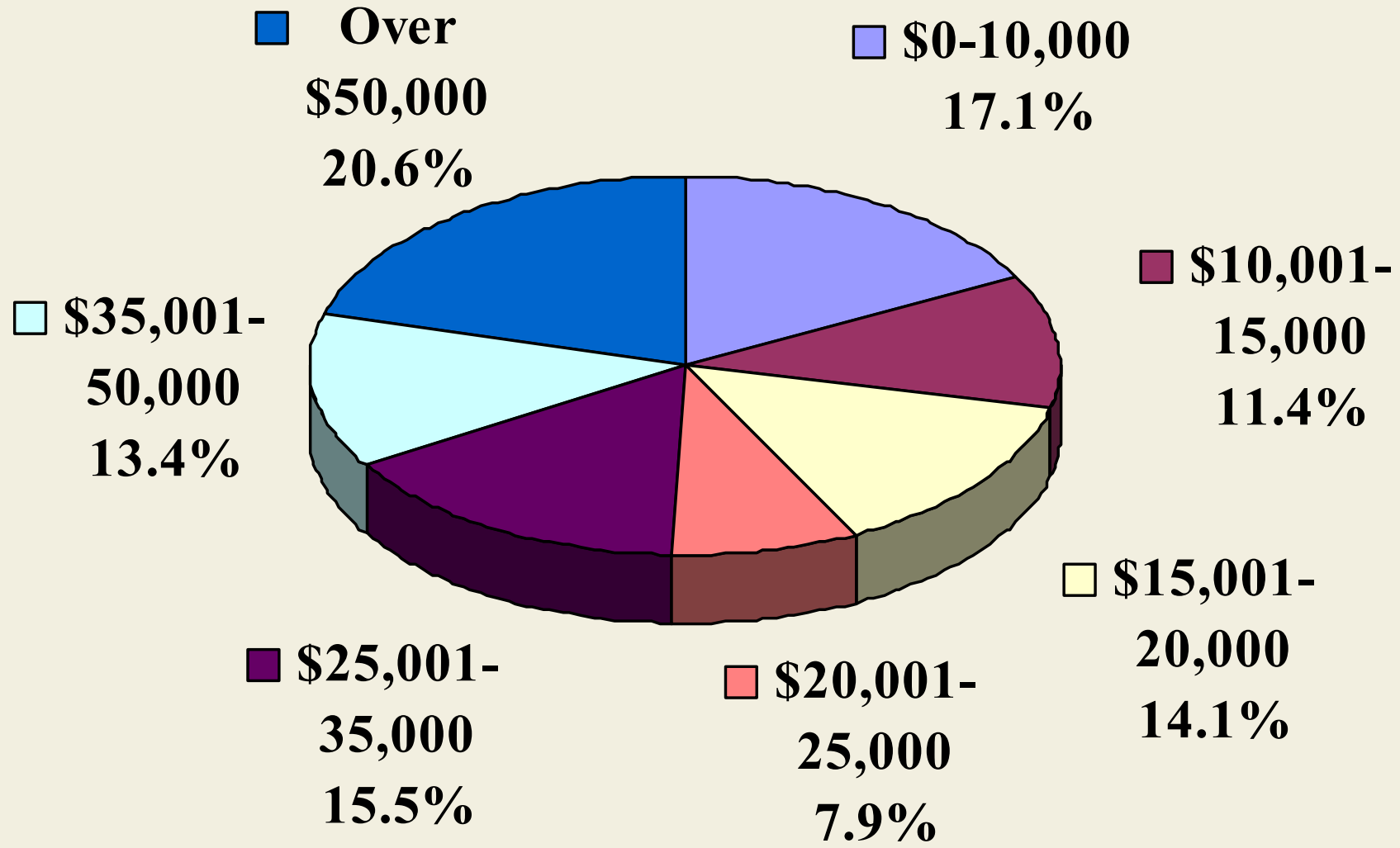




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Uninsured by Family Income Level





Uninsured by Poverty Level

Income as a Percent of FPL	Estimated Number of Uninsured	Percent of Total Uninsured	Percent Uninsured Within Each FPL Category
Under 50%	466,670	10.4%	38.7%
51% to 99%	744,113	16.6%	39.6%
100% to 149%	787,617	17.6%	37.3%
150% to 199%	647,229	14.4%	29.7%
200% to 249%	551,402	12.3%	26.0%
250% or Higher	1,289,019	28.7%	11.2%
Total	4,486,050	100.0%	21.4%

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Ongoing Themes

- Focus on solutions, not the problem
- Perfect is the enemy of good

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