

The Texas Way: A Program to Get Texas Covered and Healthy



The Texas Way

A uniquely Texan, private market-based coverage plan will improve the health of low-wage working Texans and strengthen the state's economy. The state should use the available federal funds – already provided by hospitals and other health care providers through reduced payments over 10 years – to develop the Texas Way to coverage. The Texas Way program will support working Texans who do not have access to coverage through their employers and do not qualify for insurance through the health insurance marketplace. Establishing a health insurance model the Texas Way relieves small businesses by ensuring a healthy workforce that reinforces Texas' thriving economy.

The Texas Way incorporates the following key principles:

- Reduce the number of uninsured Texans.
- Improve statewide access to health care services for low-wage working Texans.
- Require personal responsibility.
- Promote responsible utilization of health care services.
- Promote primary care and prevention.
- Prevent chronic disease progression with secondary prevention.
- Provide appropriate and quality, or evidence-based, health care services.
- Ensure state fiscal responsibility and efficient management of the program.

The Texas Way will:

- Subsidize coverage in the private market based on an individual's ability to pay.
- Require health savings accounts and/or point-of-service cost-sharing for individuals to incentivize the appropriate use of medical care and wellness.
- Include incentives to work.
- Impose financial penalties for inappropriate use of hospital ERs for non-emergent care.

- Aggressively manage chronic diseases.
- Require personal accountability for health and wellness.
- Create a coverage option through small-employer subsidies to encourage Texas small businesses to offer health insurance as an employee benefit.
- Create a transparent local process to evaluate the potential reduction in property tax burden.

Need for the Texas Way Program

The Texas Way to coverage is necessary to bring the uninsured into the private insurance market and provide financial relief for hospitals and other medical providers, taxpayers, private insurance policy holders and others.

Despite having an economy that is the envy of the rest of the nation, Texas has the largest percentage of residents without health insurance. Hospitals and other health care providers, employers, the privately insured and property taxpayers bear the costs of health care services for the uninsured.

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Approximately 24 percent of Texans (nearly six million) are uninsured – the highest in the nation. About 80 percent of these uninsured Texans are working and earning a paycheck, but their jobs do not offer health insurance as an employment benefit or it is offered at a price too high for low-wage earners.

The Texas Way will connect approximately 1.05 million of these low-wage working Texans with private insurance that:

- Requires personal responsibility;
- Promotes appropriate utilization of health care services; and
- Reduces inefficient health care spending.

Impact

The Texas Way to coverage provides financial relief for hospitals, physicians, other providers, those with health insurance, employers, counties and property owners. Ultimately, the Texas Way program creates a stronger state economy. Without a Texas Way program, uninsured, low-wage working Texans rely on hospital ERs as their primary source of health care resulting in financial repercussions to the entire economy:

Impact on Employers

- Lower health care costs and increase profits.
- Decrease employee absenteeism and turnover and boost productivity through improved health and access to health care.

- Improve the Texas economy and job growth by improving health and wellness while also decreasing the number of uninsured.

Impact on the Insured

- Decrease premium costs by limiting cost shifting:
 - Currently, premiums for employer-sponsored coverage are an average of \$1,800 more a year.
 - Premiums for individual, private marketplace coverage are now 9.3 percent higher.

Impact on Counties and Property Owners

- Stabilize local property taxes.
- Decrease local government expenditures, financed by tax dollars, for indigent health care services, which currently exceed \$1 billion statewide.

Impact on Hospitals

- Reduce more than \$5.5 billion in uncompensated health care services each year.
- Hospital revenue that could be reinvested in technology, service expansion, workforce or research.

1.05 MILLION

Provides access to 1.05 million Texans who don't have access to health insurance through an employer.

\$1 BILLION

Reduces tax burden on local property owners who pay for county indigent health care services.

\$266-\$399 MILLION

Eliminates almost \$400 million in tax penalties for small employers who can't afford to provide health insurance benefits for employees.

48,900 VETERANS

Provides a tool for 48,900 military veterans to access health insurance benefits.

\$1,800/ YEAR

Alleviates the cost of covering the uninsured, which results in \$1,800/ year in higher health insurance premiums.

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