

The Value of Texas Medicaid

Texas Medicaid is more than just health care—it is an investment in the future of Texas. It goes beyond the doctor’s office and into our schools, our workplaces and our communities.

Medicaid is safety net health insurance that is there for the Texans that need it most, including Texas children, mothers, grandparents and people with disabilities. It helps provide for everything from routine checkups and screening for behavioral health to heart surgeries to home health and at-home nursing care.

A Deeper Dive Into Texas Medicaid

Texas Medicaid helps one in six—or more than 5 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.

- **3.4 million** low-income children
- **300,000** low-income pregnant moms
- **445,000** low-income parents of children on Medicaid
- **1.1 million** older Texans and Texans with disabilities
- **42,000** children in foster care
- **50,000** veterans

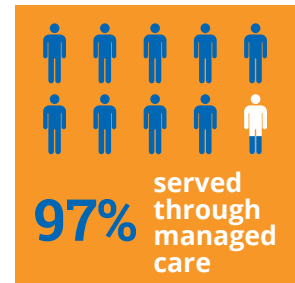
Who is Texas Medicaid?



Medicaid covers



17% of all
Texans



Medicaid and CHIP cover

47% of
all Texas children



Medicaid covers

51% of
all Texas births



25% of
Texans on Medicare

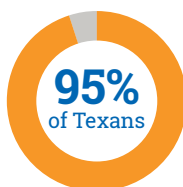
depend on Medicaid for long-term care services



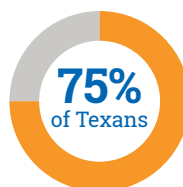
Medicaid covers

58% of
nursing home residents

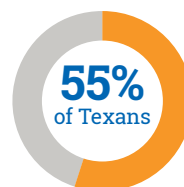
Texans Value Medicaid



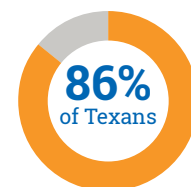
believe it is important to have a strong, sustainable Medicaid program



oppose cutting the Medicaid program



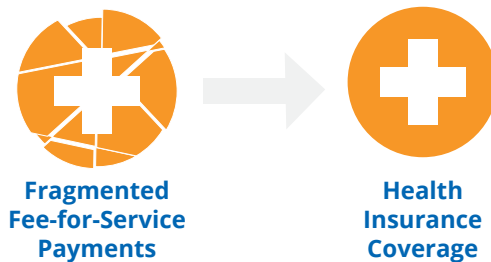
on Medicaid say they would have “very little” or “no” access to health care without it



on Medicaid are satisfied with their health care services

Over the past 20 years, Texas transformed an outdated Medicaid system that provided fragmented care into a modern, patient-centered health insurance program that provides more than 4 million Texans with the coverage and care they need.

Today, Texas partners with private health insurance providers known as managed care plans. They administer Medicaid and CHIP and cover the costs associated with delivering 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. In turn, the health plans accept all financial risk for providing needed services to their members.

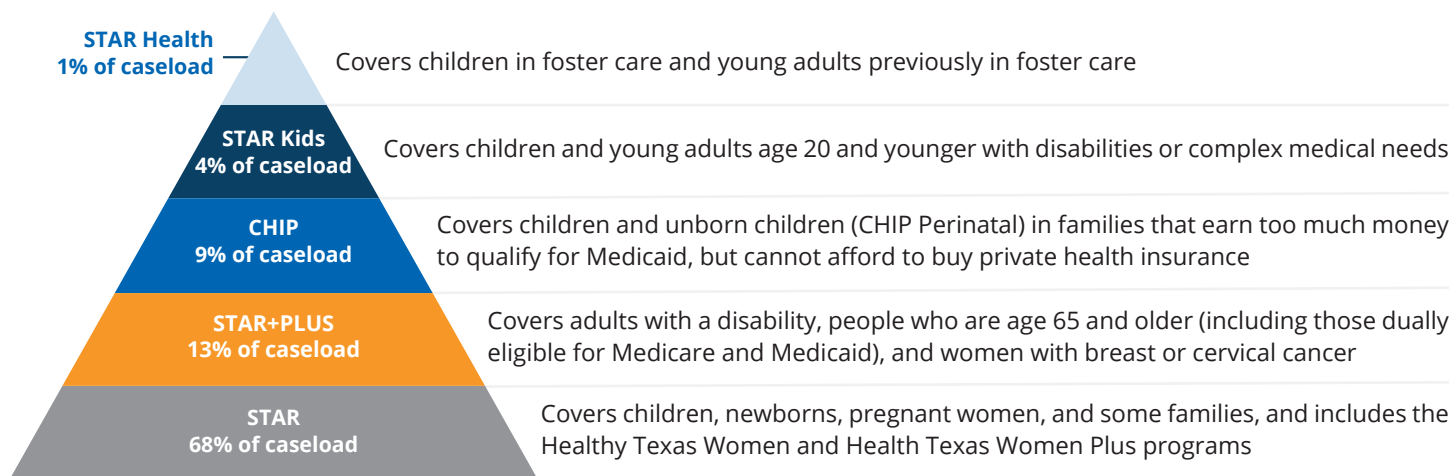
The managed care program incentivizes health plans, providers and doctors to keep Texans on Medicaid healthier and encourage them to access preventive care and live healthier lives.



Medicaid managed care is a critical program in Texas that has both saved taxpayers money and improved health outcomes."

- Gov. Greg Abbott

Managed Care Health Insurance Coverage in Texas



Texans Value Medicaid

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 wellness 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 access to care for Texans by emphasizing the role of primary care doctors
- Promotes preventive care like vaccines and routine primary care visits to keep Texans healthy
- Reduces costly hospitalizations and unnecessary emergency room visits
- Increases access to services for mental health and substance use disorders
- Connects Texans to the compassionate one-on-one support and personalized care coordination they need to get healthy, stay healthy and live their lives to the fullest
- Provides services that go beyond the walls of a doctor's office, including arranging transportation, coordinating meals, and navigating challenges with school and work

Today's Texas Medicaid Keeps Texans Healthy

As a result of Texas' transition to Medicaid managed care, millions of Texans—including children and pregnant moms—have seen improved outcomes and increased access to preventive and timely care. Managed care plans have also improved care coordination for Texans with complex medical needs, reducing hospital stays and ER visits. The focus on prevention, wellness and care coordination—getting Texans the care they need to get healthy, stay healthy and live in their communities—has translated into lower costs for Texas taxpayers. Texas has saved over \$5 billion through the use of Medicaid managed care since 2009. Today's Texas Medicaid keeps Texans healthy, improves lives and saves taxpayer money.

As a Result of Medicaid Managed Care:



90% of expecting moms receive timely prenatal care¹

Prior to Medicaid managed care – **less than 15% received timely care**



90% of Texas children receive at least one doctor's visit a year¹

Prior to Medicaid managed care – **less than 25% received recommended services**



Reduced hospital stays and ER visits by keeping Texas families healthy and out of the hospital²

Managed care significantly reduced hospital stays for expensive chronic diseases by 35%



16% decrease in the number of preventable emergency room visits since 2013³



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



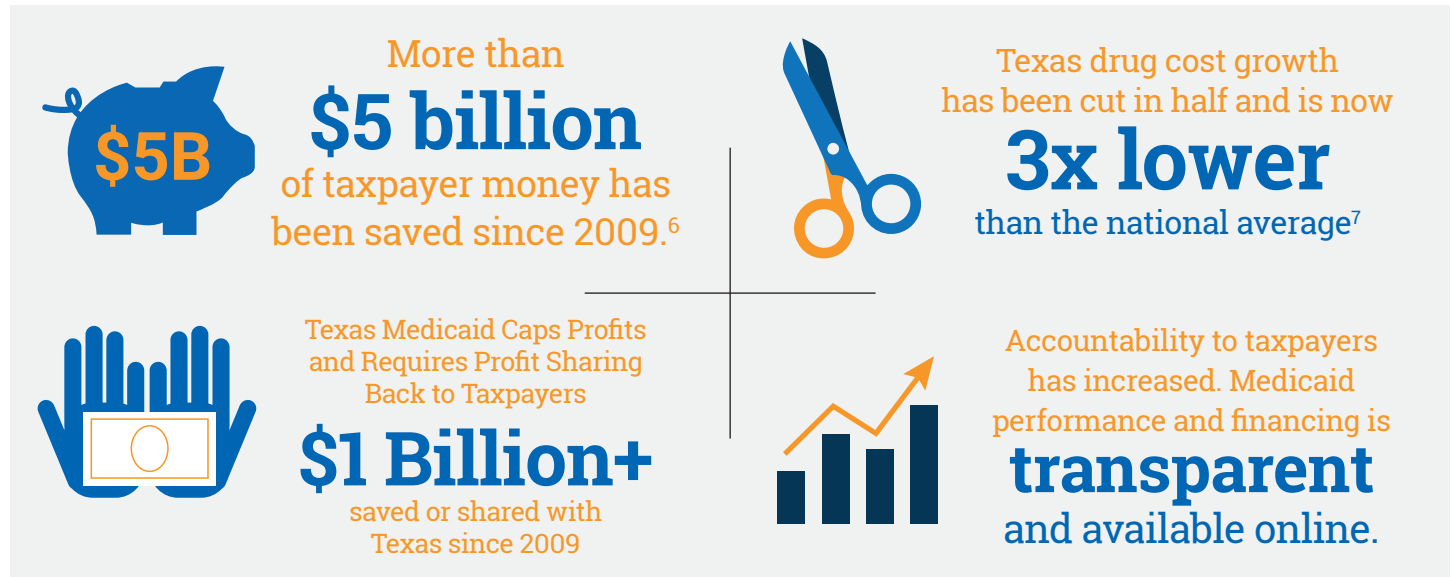
Reduced ER visits in STAR Kids by 6% in the first year of the program⁴

Managed care reduced preventable ER visits for children with disabilities and complex medical needs

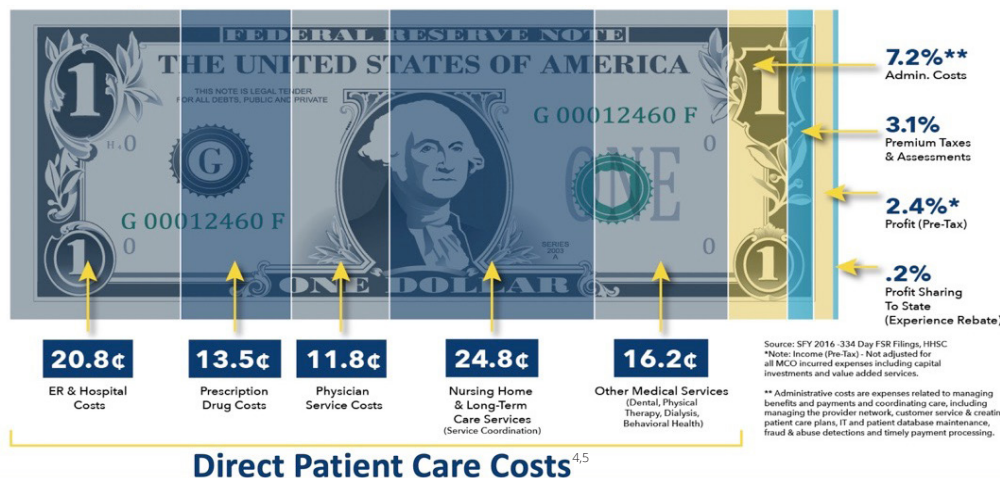
Medicaid Managed Care is Smarter for Texas

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.

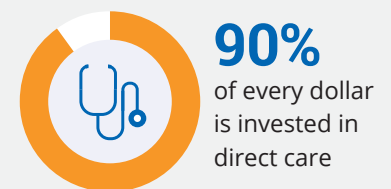


90% of Every Medicaid Dollar is Invested Directly in Patient Care



Texas Medicaid Caps Administrative Spending

As a result, Texas Medicaid managed care admin costs are some of the **lowest nationally**



1 Comparisons of HHSC, EQRO Summary of Activities, State Fiscal Year 2002 and 2018.
2 HHSC, 2011 - 2016 Analysis of HEDIS.
3 HHSC, Biannual Report on Initiatives to Reduce Avoidable Emergency Room Utilization and Improve Health Outcomes in Medicaid, 2022
4 HHSC, SFY 2016 - 334 Day FSR Filings.

5 HHSC, EQRO Summary of Activities, State Fiscal Year 2018.
6 HHSC, Rider 61: Evaluation of Texas Medicaid & CHIP Managed Care, 08/18.
7 The National Bureau of Economic Research, A Dose of Managed Care: Controlling Drug Spending in Medicaid, 10/17.