Texas Individual Coverage 101

Fall 2025

TAHP
The Texas Association of Health Plans

Why Texans Need & Want Health Coverage

High Cost of Care Without Insurance: Without insurance, medical costs can quickly escalate into significant financial burdens, including debt or bankruptcy.

- **NICU Admissions:** $77K median cost
- **Breast Cancer Treatment:** From $82K for stage 1 to $135K for stage 4
- **Heart Bypass Surgery:** Average $75K
- **Hospital Stays:** Average 3-day stay costs $30,000
- **Median New Drug Price 2023:** $370,000 up 35% from 2022 (2008 was $2,000)

Texans Want Coverage: According to the TX 2036 Uninsured Poll, **just 11% of Texas uninsured** cite a personal choice for being uninsured.

Texans Buy Coverage When It's Affordable: Since 2021, the number of Texans buying coverage directly **has tripled**, from 1.3 million to 3.9 million.

- That followed a **53% reduction in the cost** of monthly premiums from $120 per month to $57 per month (after subsides).

TAHP
The Texas Association of Health Plans

Why Texans Need & Want Health Coverage

Research shows health insurance coverage leads to healthier outcomes

- Uninsured are far more likely than those with insurance to postpone or forgo health care.
- Uninsured are more likely to skip preventive services and report that they do not have a regular source of health care.
- Uninsured have an increased risk of being diagnosed at later stages of diseases and have higher mortality rates.

Texans with a health plan get the preventive care they need compared to the uninsured:

- **20% more likely** to get early detection screenings for colon cancer.
- **2.5x more likely** to get a mammogram.
- **2x as likely** to control their blood pressure.
- **3x more likely** to receive treatment for high cholesterol.

TAHP
The Texas Association of Health Plans

What is insurance?

Fully-Insured Coverage: Health insurance from a licensed insurer that assumes financial risk in exchange for a fixed monthly premium.

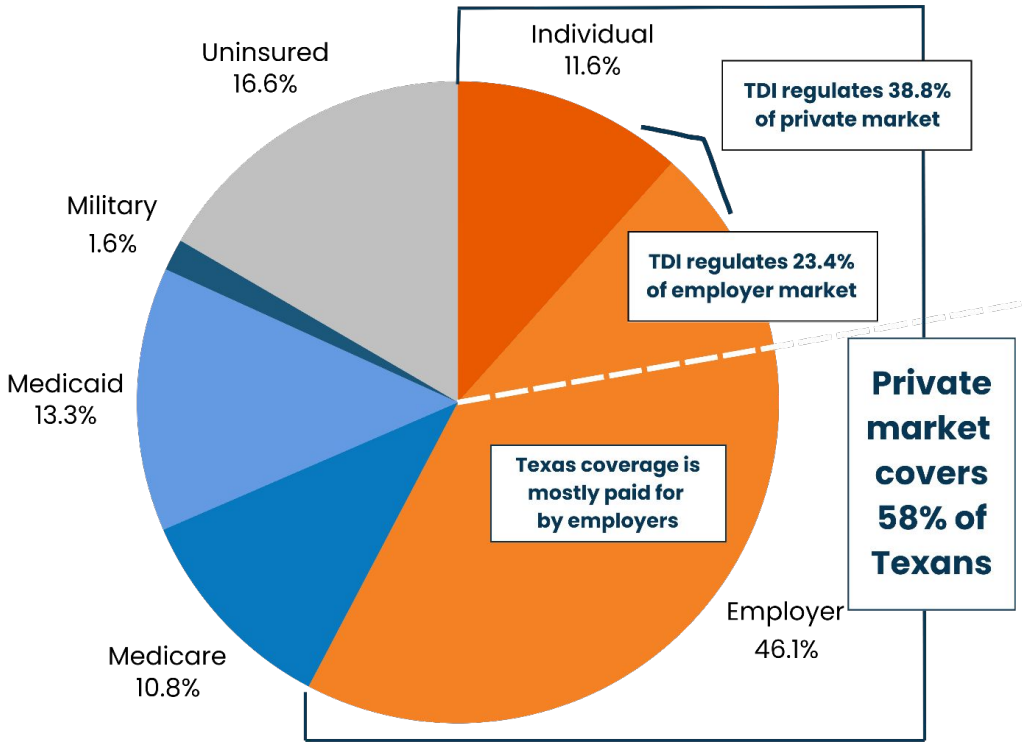
- Employers, families, or individuals pay a set premium annually split into monthly payments.
- The insurer manages the risk and covers medical expenses.

Regulation:

- **Governed by state insurance laws and federal regulations from CMS, HIPAA, and ACA**
- **Applicable to individual market plans, Medicaid managed care, Medicare Advantage, and some employer coverage**

Private Health Coverage Snapshot

- **80%** of private market coverage is employer-based
- **84%** of Texas workers have an employer that provides coverage
- **77%** of employer plans are self-funded (not regulated by TDI)
- **Individual market** coverage is increasingly popular as subsidies improve affordability
- **Uninsured Texans** cite employment as the top reason for not having health coverage
- **70%** of the uninsured are employed but less likely to have consistent, full-time jobs



What is Individual Health Insurance Coverage?

Individual or Family Purchase: Purchased by individuals or families

Enrollment Periods: Annual open enrollment; special enrollment for life events

Diverse Options: Variety in coverage levels, premiums, and costs

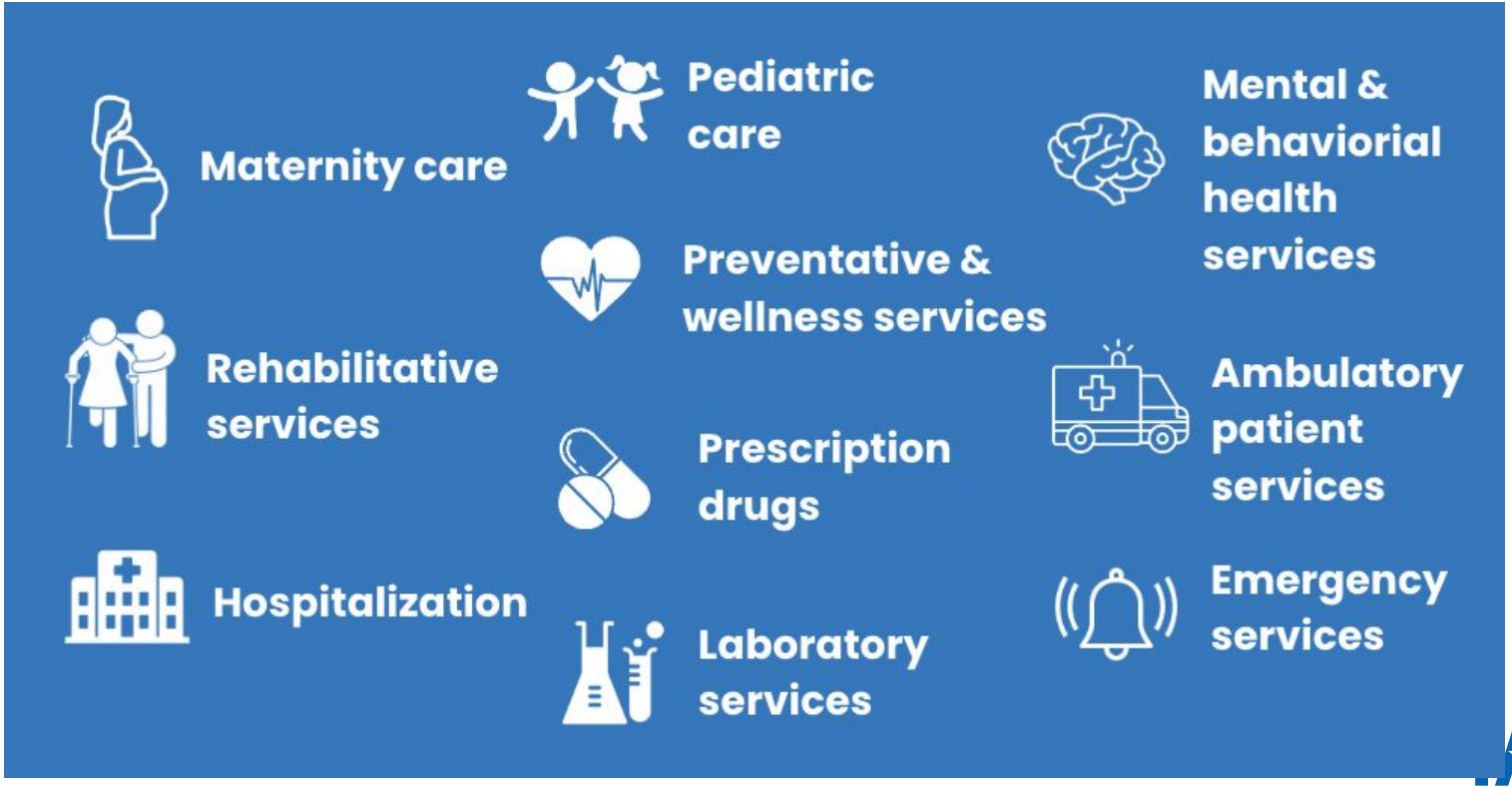
Marketplace Access: Plans available through the Federal Marketplace

Income-Based Subsidies: Subsidies available, capping premium costs at a max of 8.5% of income, with some qualifying for lower or no cost

Cost-Sharing Reductions: Extra aid for out-of-pocket expenses for those earning below 250% FPL

TAHP
The Texas Association of Health Plans

Comprehensive Coverage: Essential Health Benefits



TAHP
The Texas Association of Health Plans

Texas Has A Strong Individual Health Insurance Market

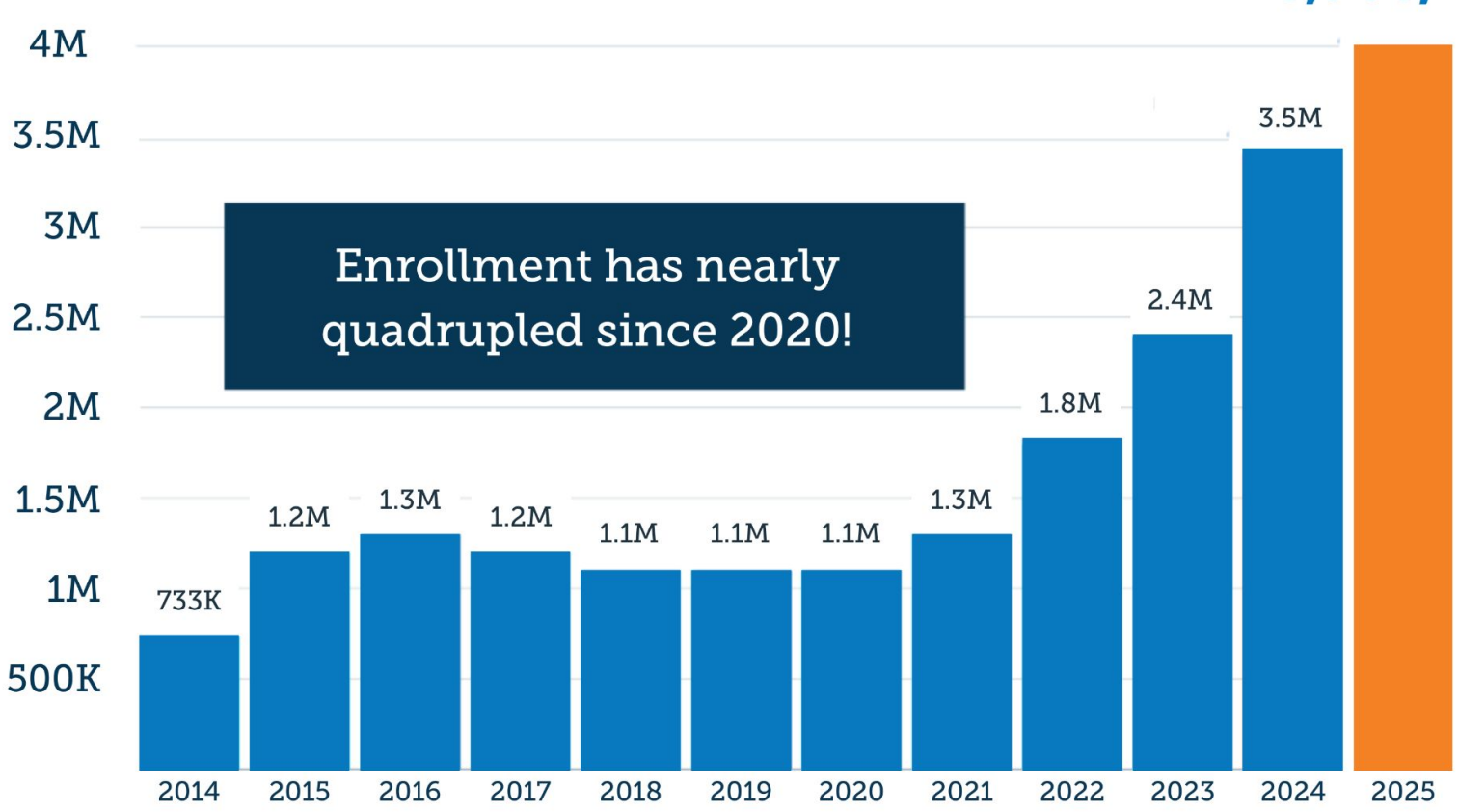
The individual market provides affordable, high-quality health care for Texans who buy coverage on their own.

When affordability improves, coverage expands.

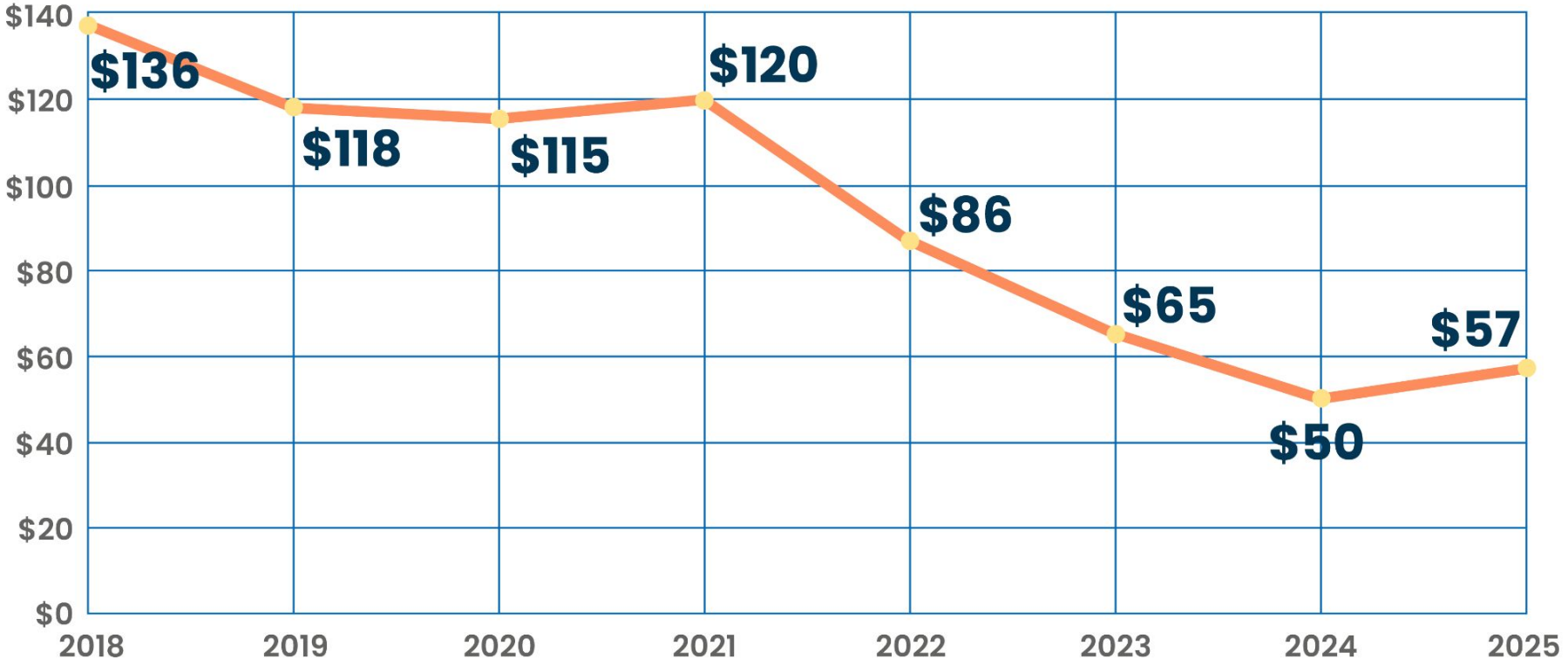
- **Since 2021, the number of Texans buying coverage has tripled** from 1.3 million to 3.9 million, following a 53% reduction in the cost of monthly premiums—from $120 per month to **$57 per month** (after subsides).
- **Competition among health plans continues to increase in Texas.** The number of plans serving Texas in the Marketplace, more than any other state: **15 for 2025**
- In 2025, **more than 90%** of Texans had a choice of **3 or more health plans**
- Roughly 97% of Texans receive subsidies in the individual market.
- **Cost sharing reductions (CSR)** help 49% of Texans with marketplace coverage lower their out-of-pocket costs (in addition to premium subsidies). CSRs are available between 100% and 250% of the poverty level and for enrollees who choose a silver level plan.
- **Average broker compensation** for ACA enrollment is now $300 per year up from $120 a year in 2018.

TAHP
The Texas Association of Health Plans

2025 Texas Individual Marketplace Record Setting #'s



Avg. Individual Monthly Premium After Tax Credits

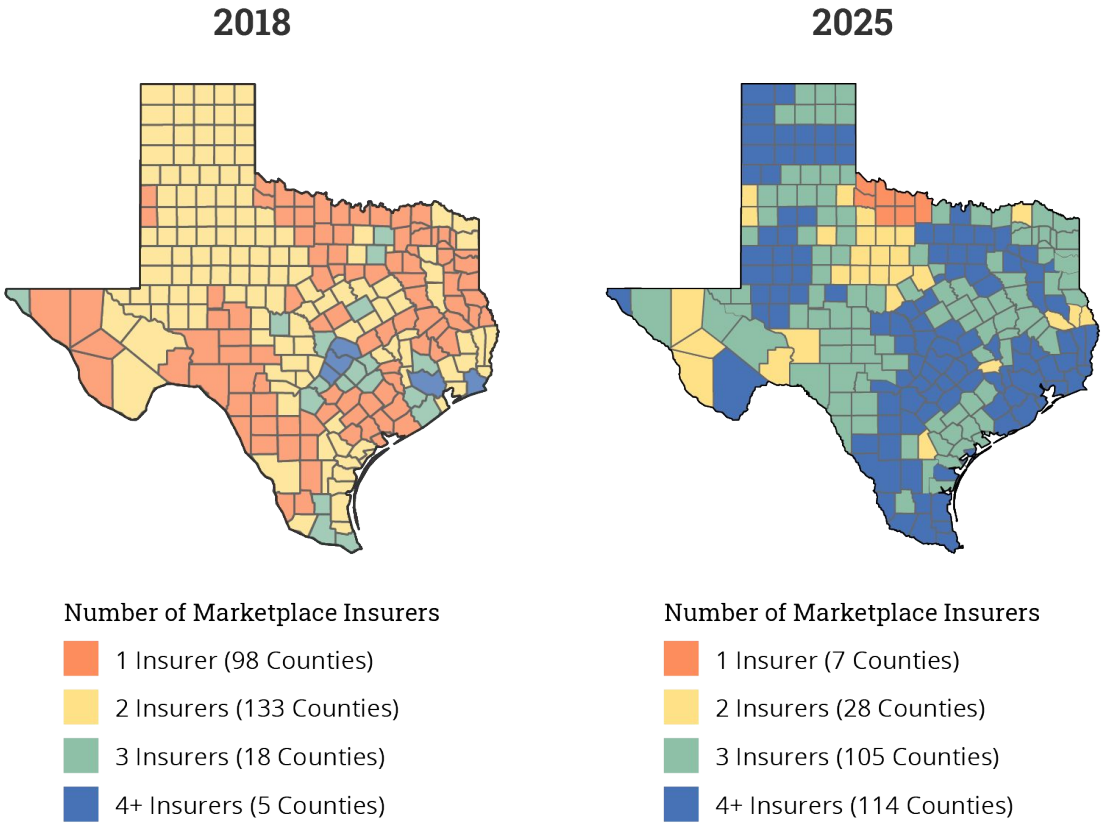


For 4 Years, Texas has Led All States in Competition in the Individual Market

Location		2020	2021	2022	2023	2024	2025
		Number of Insurers	Number of Insurers	Number of Insurers	Number of Insurers	Number of Insurers	Number of Insurers
1. Texas	.0	8.0	10.0	14.0	15.0	15.0	15.0
2. Wisconsin	.0	12.0	13.0	13.0	12.0	13.0	13.0
3. California	.0	11.0	11.0	12.0	12.0	12.0	12.0
3. New York	.0	12.0	12.0	12.0	12.0	12.0	12.0
3. Ohio	.0	9.0	9.0	9.0	10.0	11.0	12.0
6. Florida	.0	7.0	9.0	10.0	10.0	10.0	11.0
7. Illinois	.0	5.0	8.0	11.0	11.0	11.0	10.0

TAHP
The Texas Association of Health Plans

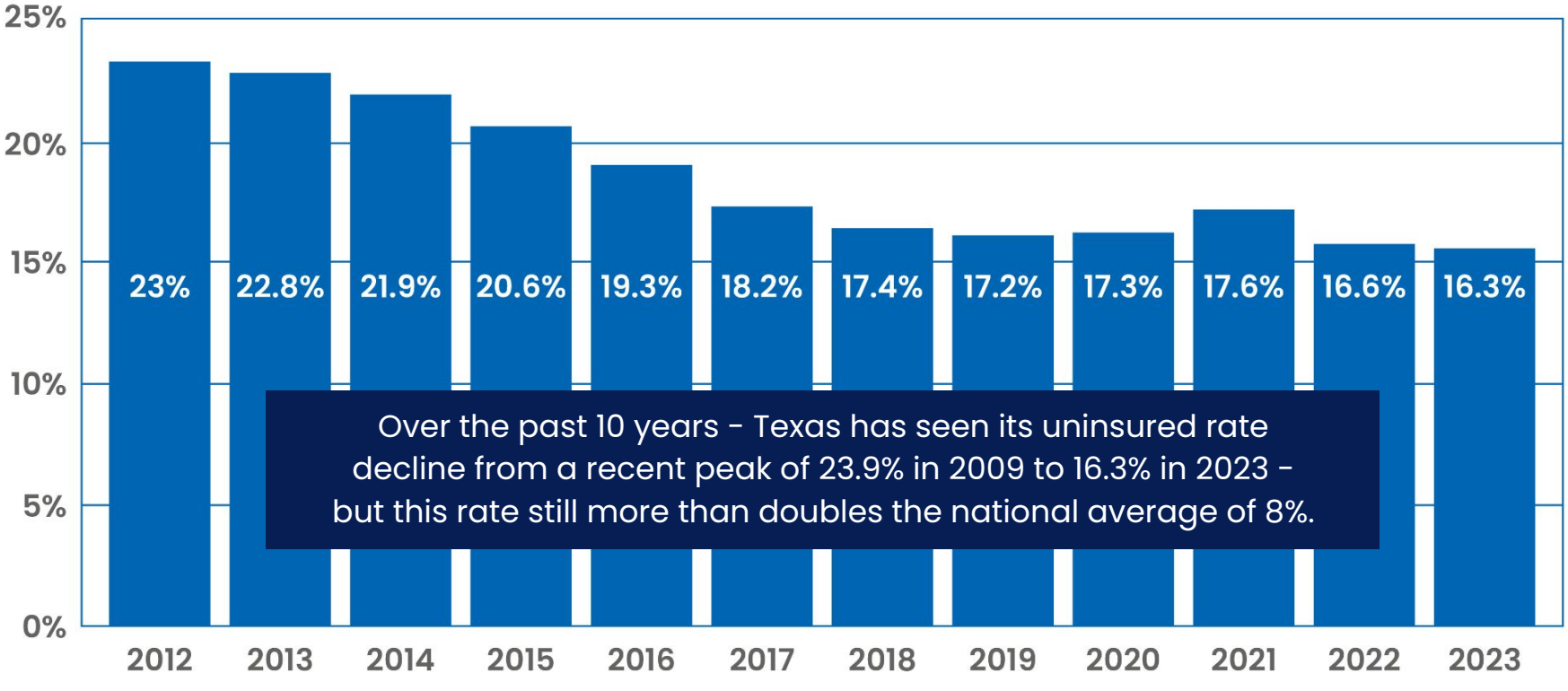
90%+ Texans have a choice of 3+ up from 60% in 2018



Only 7 counties have one insurer, a decrease from 98 in 2018.

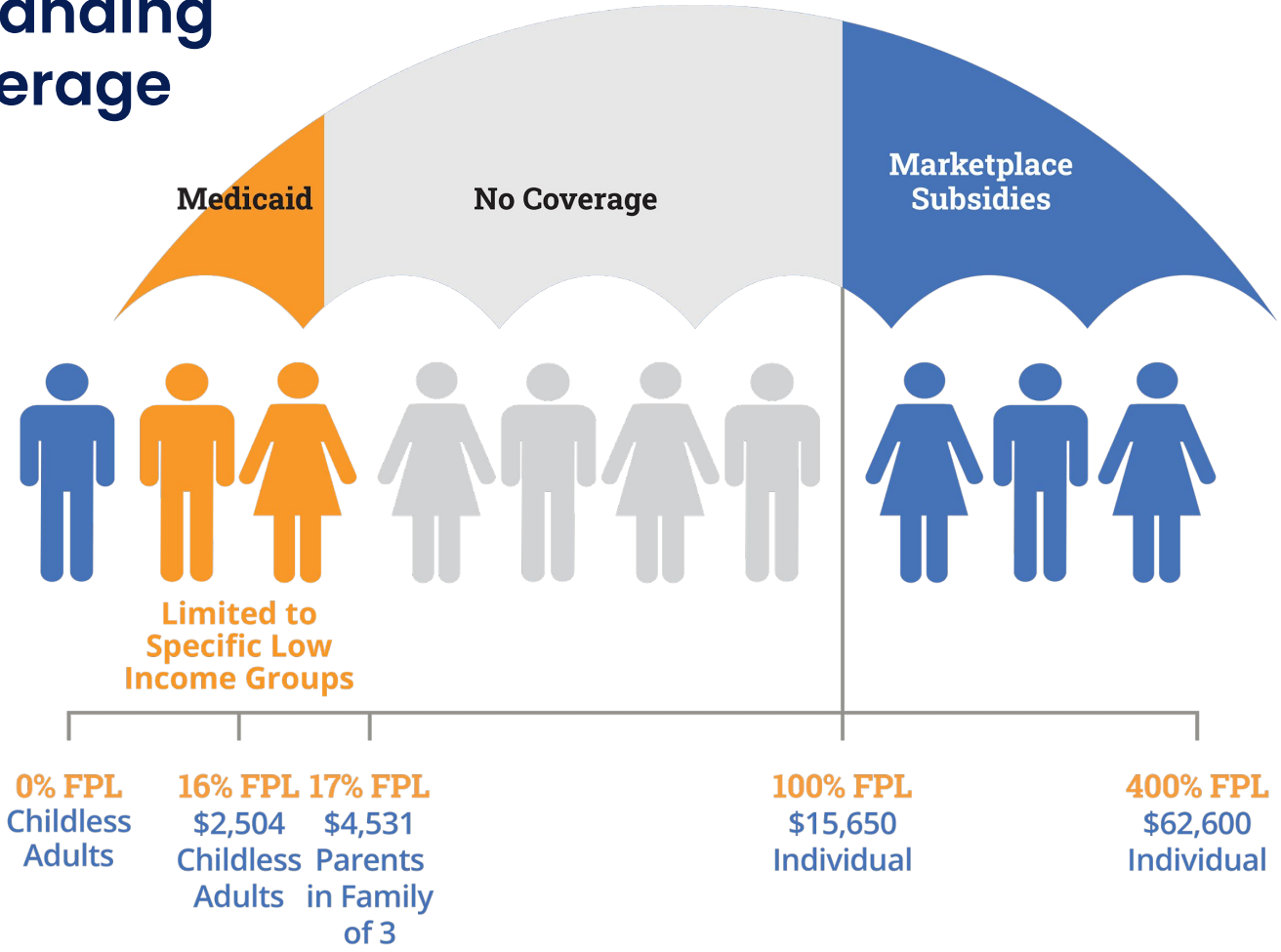
TAHP
The Texas Association of Health Plans

Texas Uninsured Rate on the Decline



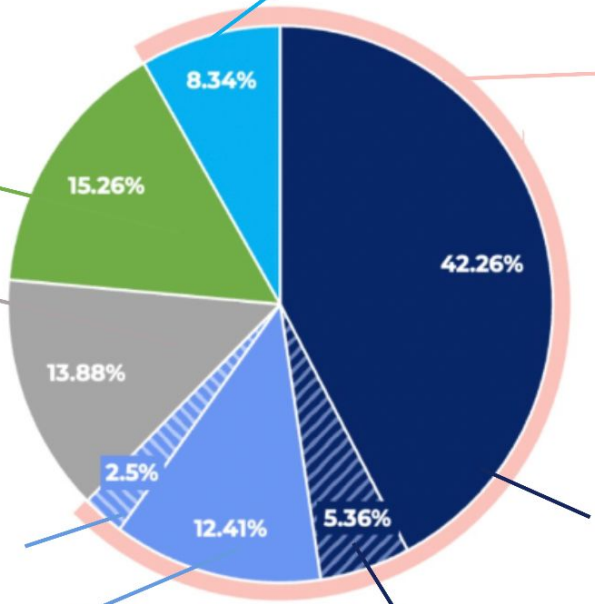
Over the past 10 years - Texas has seen its uninsured rate decline from a recent peak of 23.9% in 2009 to 16.3% in 2023 - but this rate still more than doubles the national average of 8%.

Understanding the Coverage Gap



TAHP
The Texas Association of Health Plans

56% of Uninsured Texans are Eligible for Free or Subsidized Coverage from Existing Programs



Medicaid/CHIP Eligible Kids

Coverage Gap
Uninsured adults below 100% FPL that are not eligble for ACA or marketplace subsidies

Undocumented
Uninsured adults and children

14.9%
Maybe ACA Kids/Adults

Maybe ACA Kids
Uninsured children in families at or above 400% FPL, whose subsidy eligibility cannot be determined with public information

Maybe ACA Adults
Uninsured adults at or above 400% FPL, whose subsidy eligibility cannot be determined with public information

56.0%
Eligible for Existing Programs
(Includes ACA Eligible Kids/Adults and Medicaid/CHIP Eligible Kids)

Up to 70.9%
Potentially Eligible for Existing Programs

47.6%
ACA Eligible Kids/Adults

ACA Eligible Adults
Uninsured adults eligible for subsidies on the ACA marketplace

ACA Eligible Kids
Uninsured children eligible for subsidies on the ACA marketplace

Credit: Texas 2036