

TEXAS WELL AND HEALTHY

Texas Should Accept Federal Health Care Funds to Close the Coverage Gap

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Uninsured low-income workers can now buy reduced-price coverage in the health care Marketplace if their income is above the poverty line. But for uninsured workers earning less than \$12,000 per year or \$24,000 for a family of four, affordable insurance is only available if Texas accepts federal health care funds. Because Texas has not accepted the funds yet, a million Texans are in the Coverage Gap. As a result, Texans pay taxes twice for health care for these low-wage workers. We pay federal taxes, but these benefits only go to states that accept them. So we also pay high property taxes for local health programs and hospitals.

Texas can close the Coverage Gap by expanding traditional Medicaid, or we can negotiate with the federal government to develop a custom-built Texas Solution. A Texas Solution could use private insurance plans that include reasonable co-pays. The federal government will pay 90 percent of the cost.

Supporters of closing the gap include Texas business leaders, economists, hospitals, doctors, county officials, churches, state legislators in both parties, and supporters and opponents of the Affordable Care Act.

Accepting Federal Health Care Funds to Close the Coverage Gap Will:

- **Save local property tax dollars** that currently cover local health programs and unpaid emergency room bills for the uninsured.
- **Reduce insurance premiums** that currently compensate for the high number of uninsured and unhealthy Texans.
- **Create over 200,000 jobs** in three years, including many high-paying health jobs.
- **Prevent Texas employers from paying tax penalties** that could total \$399 million for failing to insure their employees.
- **Provide insurance for low-wage workers** who typically don't have access to preventive care, mental health services, cancer treatment, and other services that save lives and money.
- **Provide insurance for more than 66,000 veterans** and their spouses.
- **Prevent an estimated 9,000 deaths** per year.
- **Ensure healthier workers**, healthier parents raising children, and healthier mothers delivering healthier babies.