

Open enrollment to test Texas insurance markets

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AUSTIN, Texas — This year's open enrollment period in Texas will be the most challenging test yet of how a health insurance market holds up in a state that's largely ignored the Affordable Care Act.

As the Trump administration takes steps to undermine the federal health law — cutting off funding used to subsidize low-income enrollees, slashing spending on marketing and outreach and shortening the enrollment period — many predict that Texas' individual market will be rattled by rate increases and plummeting enrollment. That in turn could boost the number of people without insurance in a state that's already home to the nation's highest uninsured rate.

For 2018, two health plans are leaving the Texas market. That leaves eight insurers now offering plans in the state, down from 16 in 2016. Nearly 100 of the state's 254 counties have just one insurer, Blue Cross Blue Shield, which is offering fewer plans than in years past.

With less than two weeks left until open enrollment begins, health plans in the state that requested rate increases of up to 43 percent for next year have yet to publish detailed rate and plan information.

Dwindling plan options, higher premiums and confusion among consumers about the future of Obamacare all increase the likelihood that Texans who don't qualify for subsidies will flee the market, leaving insurers with a smaller, sicker risk pool.

"I bet you pretty much any amount of money you want to bet, Texas in 2018 will still have the highest number of uninsured people and highest rate of uninsured," said Ken Janda, CEO of Community Health Choice, a Houston-based nonprofit health plan.

Insurers in Texas have long been hobbled by the state's resistance to the law's coverage expansion.

"If Texas wanted to get more involved, it would be beneficial for the marketplace," said Janda.

With more than 1 million Texans enrolled in the Obamacare market, the state is home to about one-tenth of all people in the country who purchase coverage through the federal exchange. Yet, Texas is one of [only three states](#) where insurance regulators don't review rate filings, and it generally takes a hands-off approach to the market. Insurers say greater involvement would have helped them better gauge consumer demand, fine-tune their plans and prices, and [avoid major losses](#) early on.

Texas also led the charge in fighting the federal government on Obamacare's Medicaid expansion, and denied its low-income citizens broader access to the program. The move kept

many of the state's sicker enrollees who would have qualified for expanded Medicaid coverage in the individual market.

And state lawmakers have yet to pursue waivers that have helped both Republican- and Democratic-led states like Alaska and Minnesota stabilize their insurance markets. Even Oklahoma, where insurance regulators also decline to review rate filings, [attempted, though unsuccessfully, to apply for a waiver](#) that would stabilize its 2018 insurance markets.

"Texas is a state that since the Affordable Care Act was enacted has fought it at every turn," said Sabrina Corlette, a research professor of health insurance reform at Georgetown's Health Policy Institute.

Faced with insurer exits, even leaders of states that opposed the ACA "stepped up and got on the phone and called CEOs of these insurance companies and tried to negotiate agreements to serve their residents," she said. Texas took no such action.

The state also has typically done little to boost coverage among residents. "It's hard to start the conversation if you don't think insurance is a worthwhile thing to have," said Corlette.

Despite the state's stance, Texans flocked to marketplace plans as soon as they became available in 2014. By 2016, 1.3 million people in the state signed up for health insurance on the federal exchange, with more than 80 percent qualifying for assistance that lowered their premiums and out-of-pocket costs. The [uninsured rate](#) in Texas dropped to 16.6 percent in 2016 from about 23 percent in 2011, according to Census data.

The number of people in Texas buying marketplace plans remained steady this year. But without the Trump administration encouraging healthier residents to sign up and with premiums spiking, enrollment in the state could dip in 2018, a dynamic expected to play out nationwide. The result could be a market filled with a disproportionate number of people with chronic health conditions, which could lead to higher premiums.

Even those who do qualify for subsidies may miss the shortened enrollment window or be confused about the particulars of the health law. HHS has extended the enrollment window for people in Houston and southeast Texas still dealing with the aftermath of Hurricane Harvey, but recovery efforts could further [dampen](#) enrollment.

Kelly Fristoe, an insurance broker in Wichita Falls near the Oklahoma border, said that he's focused on signing up new enrollees by hiring an agency to create television ads. He's also creating a social media campaign to reach customers.

"I was really scared that the 45-day open enrollment period would be too short to take care of all of our customers," said **Fristoe**. But with insurers discontinuing plans in the state, he said many of his current customers will be able to re-enroll through January because they'll qualify for a special enrollment period when their plan is dropped.

He thinks that he will have success signing up families that qualify for subsidies, but people not eligible for help with premiums or out-of-pocket expenses will start to drop out and instead enroll in cost-sharing ministries or short-term policies that don't comply with the ACA.

"2018 will be a pinnacle year where we will see the system imploding under its own weight," said **Fristoe**. "We are going to see larger-income families drop out. That's where this implosion will take place — for hard-working people making a good income."

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