



III. HEALTH CARE POLICY

Legislators' Guide to the Issues

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State Health Care

THE ISSUE

Three inter-connected issues dominate the state policy debate on health care: 1) financing health and human services, 2) reducing the number of uninsured, and 3) increasing the affordability of private sector health insurance. As policymakers face the rising costs of health care and the limits of state revenue, these issues are at the forefront for the Legislature.

Health and human services consume an ever increasing share of the state budget. Welfare spending, which is rising faster than spending on any other government function, will soon eclipse public education as the state's single largest expenditure category. Spending is on the rise because medical costs are increasing, enrollment in state-sponsored health programs is rising, and enrollment in private sector insurance is declining.

Health insurance coverage in the private sector is declining because the cost of insurance premiums is rapidly rising at the same time that businesses are shouldering higher state taxes and fees. The number of businesses offering health insurance benefits is decreasing. At the same time, the number of employees declining employer health insurance is growing because some of these employees are choosing to enroll their families in Medicaid or the Children's Health Insurance Program. Meanwhile, the number of uninsured Texans is growing.

Some policymakers press to expand funding for Medicaid and CHIP while others seek ways to control costs with more efficient, effective services. Because rising expenditures will soon make the current level of welfare services unsustainable, there is growing scrutiny of state revenues and spending priorities. Some policymakers believe Texas needs comprehensive, fundamental health care delivery reform. As the number of uninsured swells, there is a more intense focus on incentives to increase personal responsibility and develop affordable health care alternatives.

These issues stimulate fundamental questions for policymakers:

- ★ How can state government make health care more accessible and affordable for all Texans?
- ★ Is government the more efficient and effective provider and financier of health care?
- ★ What responsibility for health care should be taken by state government, communities, individuals, and employers?

THE FACTS

- ★ State spending on health and human services, adjusted for inflation, grew at an annual compounded rate of 6 percent annually from 1978 to 1990 but grew at nearly 9 percent from 1990 to 2003
- ★ Health care spending grew nearly four times faster than the economy



- ★ Texas spent close to \$23 billion on health and human services in 2003
- ★ For per capita state welfare expenditures, Texas ranks 45th among states while ranking 27th in the nation for welfare recipients as a percentage of population
- ★ 27 percent of Texans are without health insurance – Texas ranks 1st among states for percent uninsured
- ★ Over the past several years, health care premiums in Texas increased by an average of 25 percent, far above the national average of 15 percent
- ★ Average cost of an employer-based health policy increased from \$3,817 per employee in 1998 to \$9,068 in 2003
- ★ Health insurance premiums increased 2.2 percent faster than inflation and 3.1 percent faster than wage gains for non-supervisory employees
- ★ State mandates drive up private health care costs almost 10 percent a month for each insured employee
- ★ Only two other states – Vermont and Maryland – impose more mandates on health insurance than Texas
- ★ Analysts predict health care costs will double within the next 3 to 5 years

RECOMMENDATIONS

- ★ Control costs of Medicaid and CHIP and improve the quality of services
- ★ Focus state funds on the most needy of Texans
- ★ Expand consumer-directed alternatives – such as health savings accounts and defined contribution health plans
- ★ Eliminate state regulations that increase the cost of health insurance and restrict different types of benefit plans
- ★ Increase the number and kinds of private health insurance options
- ★ Expand incentives for small employers to provide health care coverage
- ★ Create incentives for increased personal choice and responsibility in both government and private sector health care

RESOURCES

- *Medicaid And The Uninsured* by Beau Egert, Texas Public Policy Foundation, September 2004 (<http://www.texaspolicy.com/pdf/2004-09-medicaid.pdf>)
- *Defined Contribution Health-Care Plans Benefit Consumers, Employers, Physicians And Insurance Companies*, Haavi Morreim, Texas Public Policy Foundation, April 2003 (<http://www.texaspolicy.com/pdf/2003-04-08-health-morreim.pdf>)
- *Securing The Safety Net For Texas Children: Cutting The Budget And Strengthening The Children's Health Insurance Program* by Chris Patterson and Devon Herrick, Texas Public Policy Foundation, May 2003 (<http://www.texaspolicy.com/pdf/2003-05-19-health-chip.pdf>)
- *Critical Condition: How Lawsuit Abuse Is Hurting Health Care & What Texans Can Do About It* by Chris Patterson, Colleen Whalen and John Pisciotta, Texas Public Policy Foundation, April 2003 (<http://www.texaspolicy.com/pdf/2003-04-29-CRITICALCONDITION.pdf>)

Medicaid

THE ISSUE

Medicaid is becoming Texas' top fiscal priority, superseding the position that public education has held for decades. Consuming an ever greater share of the state budget, sharply rising costs undermine the ability of taxpayers to sustain this essential program for the neediest of Texans, as well as other state-funded programs. Traditional reforms have proven unequal to the task of achieving long-term savings, and today, the sustainability of Medicaid depends on comprehensively changing the ways care is delivered and services paid for, and on creating incentives for recipients to increase the efficiency of Medicaid dollars.

The Medicaid debate is complicated by more than "simple" questions about funding. Because it is perceived as an alternative to private insurance, Medicaid encourages people to drop coverage paid for by themselves and employers. In Texas, Medicaid enrollment has risen as enrollment in private health care coverage has fallen. Preventing "crowd out," the substitution of government-subsidized health care for private insurance described later in this guide, is critically important.

The serious and growing problem of the uninsured also is linked to Medicaid. There are widely held misperceptions that Medicaid is both the cause of and solution for Texans who lack health care coverage. Some claim that efforts to reduce Medicaid costs have bolstered the uninsured population and that expanding Medicaid enrollment will shrink it. These claims and the problem of the uninsured are examined in a later section of this guide.

Nearly half of the states in the United States, including Texas, anticipate shortfalls in Medicaid spending for the current fiscal year, and this shortfall will grow increasingly severe annually as costs and enrollment rise. To solve this problem, the choices are clear. Policymakers can slash other government services such as public education, raise the state tax burden with disastrous economic consequences, or enact cost-control measures.

THE FACTS

- ★ Medicaid is an entitlement program – Texas must provide medically necessary care to all eligible individuals who seek services
- ★ Health and human services represent 34 percent of the total state budget for 2004 – Medicaid accounts for about 75 percent of the state's health and human services budget
- ★ \$17 billion is the total projected amount to be spent by Texas on Medicaid in 2004 (all funds, including the Disproportional Share Hospital Funding)
- ★ Medicaid is jointly financed by state and federal governments – the federal share for Texas in 2004 is 60.22 percent
- ★ 2,951,945 Texans received Medicaid-funded services during 2002
- ★ 1 out of 9 Texans received Medicaid as of January 2004



- ★ 59 percent of Texas Medicaid recipients are children, but they account for 25 percent of Texas Medicaid spending
- ★ 20 percent of Texas Medicaid recipients are the aged and disabled, but they account for 62 percent of Medicaid spending
- ★ The elderly and disabled accounted for almost 60 percent of the national growth in Medicaid spending from 2000 to 2002
- ★ Over one-third of Texas' Medicaid population is enrolled in some form of managed care
- ★ 28 states, including Texas, anticipate shortfalls in Medicaid spending for the current fiscal year
- ★ Medicaid will bankrupt every state if spending is not controlled, according to some health care analysts
- ★ Direct Medicaid costs are expected to nearly double within the next 3 years
- ★ Increasing Medicaid enrollment has demonstrated little or no success in reducing the percentage of uninsured Texans
- ★ A study by the National Bureau of Economic Research found that a 50 percent increase in Medicaid coverage is associated with a 50 percent reduction in private insurance coverage

RECOMMENDATIONS

- ★ Reduce and control Medicaid costs while improving health outcomes
- ★ Secure a federal waiver to allow full integration of Medicaid and Medicare funding
- ★ Seek a federal waiver to expand consumer-directed services beyond personal assistance services to transportation, assistive technologies, and modification of home/vehicles
- ★ Integrate acute and long-term care services on a provider, instead of insurer, level
- ★ Establish a team delivery model that coordinates resources and services for both the elderly and disabled with the locus on the home
- ★ Expand reliance on non-traditional agencies for administrative and fiscal services
- ★ Utilize premium assistance for implementing a benefit phase-out rate for Medicaid
- ★ Create incentives for Medicaid recipients to use managed care and more cost-effective forms of medical delivery
- ★ Strengthen strategies to eliminate waste, fraud, and abuse
- ★ Establish a pilot program for sending Medicaid funding as a block grant to local communities
- ★ Establish a long-range plan for transitioning the state's Medicaid program into private sector health care

RESOURCES

- *Medicaid And The Uninsured* by Beau Egert, Texas Public Policy Foundation, September 2004 (<http://www.texaspolicy.com/pdf/2004-09-medicaid.pdf>)
- *Using Market Forces To Control Texas Medicaid Costs And Improve Health Outcomes* by Michael Bond, Texas Public Policy Foundation (Forthcoming 2005)

Children's Health Insurance Program

THE ISSUE

The Children's Health Insurance Program (CHIP) underwent significant reforms during the 78th Texas Legislature to control costs and focus funding on the neediest of children who are ineligible for Medicaid. The Legislature decreased some benefits to bring them in line with private insurance plans, increased some co-payments and premiums, and shortened re-application periods.

The enrollment rate in CHIP declined during 2004 and the total estimated caseload for the spring was approximately 20 percent less than 2003 enrollment. About 40 percent of the decline in CHIP resulted from parental decisions not to re-enroll their children while an additional 25 percent of the children transferred health coverage to Medicaid. Despite the decline in CHIP enrollment, 200,000 new children were enrolled in CHIP and Medicaid over the two-year period.

In August of 2004, the Governor requested that the Health and Human Services Commission indefinitely delay the removal of 20,000 children from CHIP because parents declined to pay the monthly premium and co-payment required for families with incomes 101 to 200 percent above the federal poverty level.

Despite fears that state reforms of CHIP were draconian and would swell the already large population of uninsured Texans, there is evidence that reforms are achieving some success. State resources appear to be targeting and increasing resources for the neediest of Texas children. There is no appreciable increase in the number of uninsured children, and parents are taking a more active role in decisions about their children's health coverage.

However, the refusal of parents to contribute a nominal fee toward the cost of insuring their children and the subsequent reversal of requirements for parental contributions present difficult challenges for state policymakers. Should the state provide "free" health care for families with significant earnings above the federal poverty level? What incentives can be created to encourage parents to shoulder some financial responsibility for their children's health care? What reforms would make CHIP valued by parents and encourage wise investments of state health dollars? How can the state encourage health care providers to hold parents more accountable for their children's health care?

Answers to these questions are necessary if CHIP is to fulfill its goal of providing transitional support for families moving from welfare to independence. Otherwise CHIP will become another entitlement, destroying opportunity and personal responsibility. Recognizing that decreasing enrollment is the ultimate goal of CHIP and the signal of success, it is clear that comprehensive, systemic reform is necessary for CHIP to be preserved as a safety net for Texas' most needy children and a bootstrap for families to help themselves.



THE FACTS

- ★ The percentage of uninsured children living in poverty is declining in Texas – from 2000 to 2001, almost 300,000 more children had health coverage than did in 2000
- ★ 200,000 new low-income children were enrolled in CHIP and Medicaid in the past 2 years
- ★ 406,760 children are enrolled in Texas CHIP (estimated caseload)
- ★ \$808 million was appropriated for CHIP for fiscal year 2004-05
- ★ CHIP is jointly funded by the state and federal government – the federal share of 2004 CHIP is 72.15 percent
- ★ CHIP serves uninsured children under age 18 with family incomes up to 200 percent of the federal poverty level, as well as legal immigrant children who have been in the country less than 5 years, children of retired school employees, and children of state employees who meet income requirements
- ★ State reforms enable more children and more needy children to enroll in CHIP and Medicaid
- ★ State requirements for parents earning above the federal poverty level to pay a \$15 to \$20 monthly premium and a \$7 to \$10 co-payment for care have been shelved for an indefinite period

RECOMMENDATIONS

- ★ Preserve CHIP for the neediest of Texas children, with eligibility for families with incomes no more than 150 percent above the federal poverty level
- ★ Expand incentives for parents to contribute to and participate in children's health care
- ★ Restore requirements for monthly premiums and co-payments
- ★ Create health savings accounts for CHIP recipients
- ★ Enact a premium support program to help parents secure health coverage through their employers
- ★ Increase the affordability and choice of private health insurance options by eliminating state regulations over benefits

RESOURCES

- *Securing The Safety Net For Texas Children: Cutting The Budget And Strengthening The Children's Health Insurance Program* by Chris Patterson and Devon Herrick, Texas Public Policy Foundation, May 2003 (<http://www.texaspolicy.com/pdf/2003-05-19-health-chip.pdf>)
- *The Problem With The CHIP Debate* by Brooke Rollins and John Colyandro, Texas Public Policy Foundation, September 2004 (http://www.texaspolicy.com/commentaries_single.php?report_id=595)

The Uninsured

THE ISSUE

Texas is home to the largest population of uninsured persons in the nation. The uninsured pose a particularly complex problem for state policymakers because there are cornucopias of reasons why people lack health insurance, and few common characteristics among the uninsured. Also, membership in the uninsured population changes constantly.

Among the problems in trying to identify the uninsured:

- ★ Most of the uninsured are members of families with full- or part-time employment;
- ★ Slightly over half of the employed uninsured are poor, earning below the federal poverty level – most are not offered the opportunity to purchase health insurance through their employers;
- ★ About a third of the uninsured are eligible for Medicaid or CHIP;
- ★ A significant number of the uninsured have annual incomes above \$50,000 – this is the fastest growing segment of the uninsured population ;
- ★ Non-citizens represent almost a fifth of Texas' uninsured population;
- ★ Most of the uninsured are young and relatively new to the workforce; and
- ★ Most of the uninsured go without insurance for a relatively short period of time.

Texans pay a high price for the uninsured. Some costs are visible. Although most of the uninsured are in good health, the remainder have serious medical problems. Most uninsured individuals procure health care in hospital emergency rooms, although most of the reasons for care do not represent emergencies. The comptroller estimates that Texas spends about \$1,000 a year on “free care” for every uninsured person in the state. Texas hospitals spent over \$2.1 billion to provide uninsured and un-reimbursed Medicaid services in 1998, according to the Texas Department of Insurance.

Some costs of the uninsured are less visible. Non-emergency use of hospitals can cause true emergencies to be re-routed to distant medical facilities, creating potentially life-threatening delays in care. To pay for what is viewed by some as “free” health care, Texans underwrite the cost of treatment for the uninsured by paying higher health insurance premiums for themselves, and by paying higher taxes. However, the highest cost is paid in health outcomes; individuals who rely on government-subsidized programs have poorer health and medical outcomes than individuals who have private health coverage.

The proportion of Texans who are uninsured has not changed significantly over the past decade, although enrollment in government-subsidized health care programs is growing.

The stability of Texas' uninsured population argues against the erroneous, widespread belief that the expanding Medicaid and CHIP is the way to reduce the uninsured population. In fact, a growing body of well-designed research finds no



evidence of any relationship between government-subsidized health care and the uninsured. Expansions or reductions in Medicaid and CHIP have no appreciative effect on the size of uninsured population. However, growing enrollment in Medicaid and CHIP does correspond with decreasing enrollment in private health care programs. This effect, known as "crowd out," is described in the next section of the guide.

Although the percentage of uninsured Texans has not changed significantly over the past decade, some predict it will soon rise. An increasing number of small businesses in Texas say they are considering the elimination of employee health benefits. Climbing health care costs and rising taxes erode the ability of employers, particularly small employers, to fund health care premiums.

The costs of the uninsured make solving this problem a high priority for Texans. Its complexity argues for multiple solutions and systemic reforms that will fundamentally change the delivery of health care for all Texans. Because choice and financial priorities lie at the heart of un-insurance for many, policymakers will have to address prevailing assumptions about "free care" and difficult questions about personal responsibility. As the alternative to expanding government-subsidized care, private sector health care will have to be expanded, strengthened, and made more affordable, particularly through consumer-directed alternatives.

THE FACTS

- ★ 25 percent of Texans are uninsured – Texas is at the top of national rankings on uninsured statistics
- ★ The percentage of uninsured Texans is largely unchanged over the past decade
- ★ 75 percent of the uninsured are without health insurance for no more than 12 consecutive months
- ★ 19 percent of Texas' uninsured are non-citizens
- ★ 82 percent of the uninsured have some connection with either part- or full-time employment
- ★ 66 percent of the uninsured are at or below the federal poverty level
- ★ 25 percent of the uninsured earn more than \$50,000 annually for a family of four, and 13.7 percent earn over \$74,000
- ★ 60 percent of the uninsured are between the ages of 18 and 34
- ★ Between 33 percent and 40 percent of the uninsured are eligible for, but have declined, enrollment in Medicaid or CHIP
- ★ 75 percent of the increase in the uninsured over the past several years represents individuals from households earning more than \$50,000 annually
- ★ In a survey of the uninsured in California, 60 percent indicate health insurance is not a financial priority
- ★ More than 50 percent of uninsured treated by Dallas' Parkland Hospital who are eligible for Medicaid or CHIP refuse enrollment
- ★ 58 percent of Texans are covered by employer-sponsored health care, compared to 64 percent nationally

THE FACTS *(continued)*

- ★ Small businesses employ almost half of working Texans, and the number of small businesses offering health insurance is declining – one-third of Texas' small businesses say they are likely to discontinue insurance within the next five years because the cost is too high
- ★ From 2001 to 2003, the proportion of Americans enrolled in welfare rose by 6.1 percent while coverage in employer-based plans decreased by 4.9 percent and the rate of uninsured fell about one-half of one percent

RECOMMENDATIONS

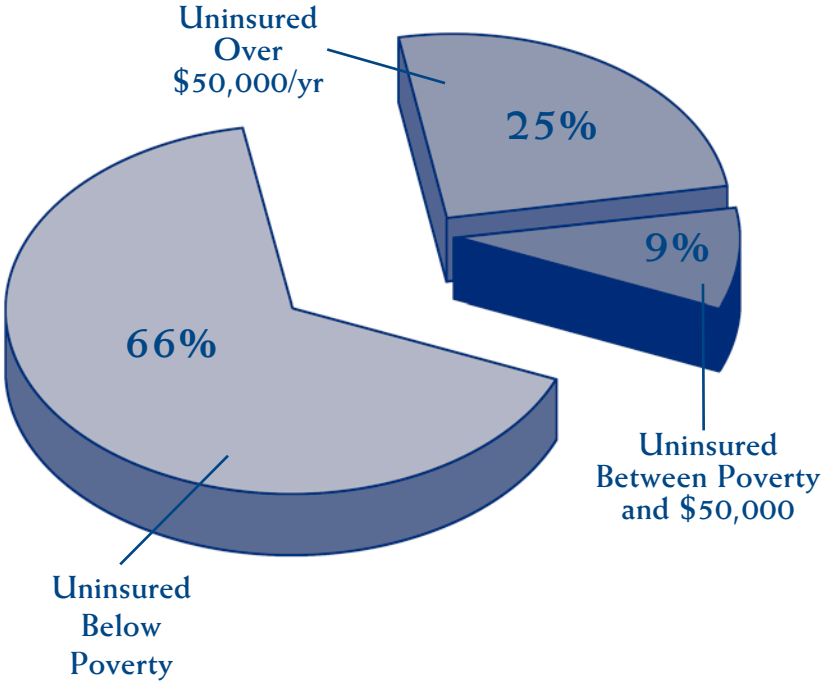
- ★ Establish incentives to increase employer-based health care, such as tax credits and business cooperatives/purchasing pools
- ★ Expand consumer-directed health care alternatives, such as health savings accounts
- ★ Promote county-level strategies to develop and pilot health care programs for the uninsured through more flexible use of Disproportionate Share Hospital Funding
- ★ Reduce the cost of basic insurance by eliminating state regulations that require benefits beyond basic coverage
- ★ Triage non-emergency uninsured cases to the most cost-efficient forms of health care delivery (clinics and nurse practitioners)
- ★ Establish statutory protections for medical providers to triage non-emergency care
- ★ Create incentives for individuals and health care providers to increase patient responsibility for state-subsidized health care (including co-pays and premiums)
- ★ Develop a state resource bank for medical consumers – listing health care plans, premiums, and prices of medical services

RESOURCES

- *Medicaid And The Uninsured* by Beau Egert, Texas Public Policy Foundation, September 2004 (<http://www.texaspolicy.com/pdf/2004-09-medicareid.pdf>)
- *Securing The Safety Net For Texas Children: Cutting The Budget And Strengthening The Children's Health Insurance Program* by Chris Patterson and Devon Herrick, Texas Public Policy Foundation, May 2003 (<http://www.texaspolicy.com/pdf/2003-05-19-health-chip.pdf>)



Some Texans Choose To Go Without Health Insurance



Crowd Out

THE ISSUE

Substitution of government-subsidized care for private health insurance poses a financial burden on all Texans. Some individuals give up private insurance because they have an opportunity to enroll in Medicaid or CHIP. This substitution drives up state health care spending, results in higher state taxes, and, in the long run, results in higher private insurance premiums as the private market constricts.

Over the past several years, the number of individuals purchasing health insurance through employers has decreased while, at the same time, enrollment in Texas Medicaid and CHIP has increased at a corresponding rate.

State estimates of crowd out are somewhat reassuring; it is reported that Texas only experiences a 1 percent crowd out rate. However, the state's calculation is based on unverified self-reporting of Medicaid and CHIP applicants. Unlike many states, Texas does not verify prior insurance information and, therefore, does not have the most reliable measure of crowding out. Texas' actual crowd out rate, if based on other states' data, is probably closer to 7 percent. Several national studies calculate real crowd out may approach 50 percent.

Crowd out, in the long term, depresses private insurance enrollment and discourages employer provision of health insurance because it raises the cost of private health insurance premiums. Crowd out also undermines the health of Texans. Individuals who rely on private insurance have improved medical outcomes over individuals who rely on state-subsidized care.

THE FACTS

- ★ When CHIP was enacted in 1997, enrollment of children in welfare increased from 29 percent to 33 percent throughout the nation while the percent of children covered by private programs fell from 47 percent to 42 percent
- ★ 24 percent of children enrolled in Texas CHIP have access to employer-based health insurance
- ★ For every 10 new Medicaid recipients, three people substitute government coverage for private coverage
- ★ For every additional dollar spent on Medicaid, private sector health care spending was reduced by \$.50 to \$.75
- ★ Texas' Health & Human Services Commission report on crowd out falls well below numbers reported by states that use more precise measures – if the crowd out rate in Texas is similar to that in other states, 7 percent is a more likely number rather than 1 percent



- ☆ Enrollment in Texas CHIP and Medicaid has increased proportionally to the decline of private insurance enrollment
- ☆ Several national reports indicate crowd out rates may actually run at a one to one ratio – for every individual who leaves private health insurance, one individual enrolls in Medicaid or CHIP
- ☆ Costs of state-subsidized health care are generally higher than costs incurred by individuals with private insurance, and health outcomes of state-subsidized patients are worse than those for patients with private insurance

RECOMMENDATIONS

- ☆ Enact a precise measurement of crowd out similar to that used by other states and require reporting accordingly
- ☆ Strengthen enrollment procedures in CHIP and Medicaid to reduce crowd out, such as eliminating waiting period waivers for more highly paid applicants
- ☆ Implement a premium support program to enable CHIP and Medicaid recipients to purchase health insurance through employers
- ☆ Strengthen the law to enable small employers to use purchasing cooperatives for health insurance
- ☆ Create tax incentives for employers to offer health insurance benefits

RESOURCES

- *Effects Of Crowd Out* by Chris Patterson, Testimony to the Select Committee on State Health Care Expenditures, Texas Public Policy Foundation, March 2004 (<http://www.texaspolicy.com/pdf/2004-03-24-pp-chipcrowd.pdf>)
- *Securing The Safety Net For Texas Children: Cutting The Budget And Strengthening The Children's Health Insurance Program* by Chris Patterson and Devon Herrick, Texas Public Policy Foundation, May 2003 (<http://www.texaspolicy.com/pdf/2003-05-19-health-chip.pdf>)

Health Savings Accounts

THE ISSUE

Health savings accounts (HSAs) offer all Texans a new alternative for purchasing health insurance – an alternative that is particularly beneficial for individuals and employers who cannot afford to pay the soaring costs of traditional health insurance. Combining a high-deductible, catastrophic policy with a tax-exempt savings account that can be used to pay medical expenses such as preventive care and immunizations, HSAs provide individuals greater control over health care at lower costs.

Since HSAs were incorporated into Medicare reform last year, enrollment has rapidly grown. Consequently, there is substantially more information available about how consumer-centered insurance works.

For example:

- ★ HSAs appeal to individuals of all income levels;
- ★ Families with children are more likely to select HSAs than single adults;
- ★ HSAs serve an older population than those purchasing traditional insurance;
- ★ Average health care spending for individuals with HSAs is significantly less than monthly premiums for traditional insurance plans; and
- ★ Individuals enrolled in HSAs purchase more preventive care than individuals enrolled in traditional insurance plans.

Companies that have switched from traditional insurance to HSAs for employee benefits are realizing significant reductions in cost; one company reports cost-savings that approach 20 percent. Although there is not much experience with HSAs because consumer-directed insurance is relatively new, surveys indicate that cost-savings are convincing a large number of companies to offer HSAs to their employees. These surveys also indicate a high level of employee satisfaction with the plans.

Offering affordable health care, HSAs offer promise to help resolve the critical problem of the uninsured. In fact, HSAs have already reduced the number of uninsured Americans. Almost half of the individuals now enrolled in HSAs did not have prior health insurance coverage, according to their applications.

For Texas employers, HSAs are a way to offer or maintain employee health benefits and, for individuals, HSAs furnish the opportunity to purchase affordable health care. For policymakers, HSAs provide the means to control state-subsidized health care (Medicaid and CHIP), as well as state-sponsored insurance (state and public school employees), while improving health care quality.



THE FACTS

- ★ 79 percent of individuals purchasing HSAs are over the age of 40, approximately half earn under \$50,000 a year, and over 75 percent are families with children
- ★ 70 percent of HSA purchasers pay less than \$100 a month for health insurance premiums – average annual individual premium for the nation represents a monthly cost of \$151
- ★ Companies that replaced traditional insurance with HSAs saw health costs fall by 11 percent, while workers' use of preventive health care increased 23 percent
- ★ 90 percent of individuals enrolled in consumer-centered plans indicate interest in continuing enrollment
- ★ 60 percent of large companies in the United States are likely to offer HSAs to their employees
- ★ The largest insurer offering HSAs is experiencing a 60 percent increase in applications
- ★ 43 percent of individuals applying for HSAs indicate no prior insurance coverage

RECOMMENDATION

- ★ Introduce HSAs as an option for Medicaid, CHIP, public school employees, and state employees

RESOURCES

- *Health Savings Accounts: Defining The Future Of Health Care For Texans* by Devon Herrick, Texas Public Policy Foundation, November 2004 (<http://www.texaspolicy.com/pdf/2004-11-HSAs.pdf>)
- *Defined Contribution Health-Care Plans: Benefits For Consumers, Employers, Physicians, And Insurance Companies* by Haavi Morreim, Texas Public Policy Foundation, April 2003 (<http://www.texaspolicy.com/pdf/2003-04-08-health-morreim.pdf>)