



Testimony to the Health Care Reform, Select Committee Opposing HB 700
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Thank you Chairman Harless and Members of the Health Care Reform, Select Committee for the opportunity to testify. My name is Adrienne Lloyd and I'm the Health Policy Manager for the Children's Defense Fund-Texas. I'm here to testify in opposition to HB 700 as filed.

I urge committee members to consider why Texas would run its own state Marketplace? Why, when the Marketplace Texas currently uses is thriving— home to more insurer competition than in any other state and offering affordable, comprehensive coverage for 2.4 million Texans—including 1.2 million Texans who either work for a small business or are self-employed? Why would the state take on this massive and complex undertaking, one akin to standing up a new state agency? Why would Texas reinvent the wheel and take on work that the federal Marketplace is already doing well, especially when there is such immense financial risk and potential cost to Texans who need health coverage?

If the answer to these questions is to extend coverage to Texans who are uninsured because their employers can't or won't offer health coverage, then there is a straightforward action that would **yield value back to Texas orders of magnitude greater than any user fees diverted away from the federal Marketplace could ever bring.**

The answer is Medicaid expansion. Because of the 90/10 federal match, Texas could bring back home \$10 billion in federal tax dollars we send away every year. Unless paired with Medicaid expansion, HB 700 on its own could not offer coverage to the nearly 800,000 low-wage Texas adults living below the poverty level who are currently ineligible for any Marketplace subsidies. This includes hundreds of thousands of low-wage Texans working for small businesses — like childcare workers, construction workers or restaurant servers — who don't qualify for Texas Medicaid, cannot get health coverage through their jobs, and also do not make enough money to qualify for help to access affordable health coverage through the Marketplace.

Further, to meet the goal of maximizing coverage options, the state would need to make robust and sustained investments in marketing, outreach, and community-based enrollment assistance for any future state Marketplace, as Texas would no longer be able to benefit from the federal government staffing and funding such Marketplace outreach and enrollment efforts as it does so currently.

We, as a state, already have a lot on our plate: we're facing consequential challenges in fixing problems in our *existing* state Medicaid eligibility and enrollment system, not to mention managing the huge challenge of the Medicaid unwinding beginning next month. Texas is in no place to take on more work of this nature until it can get what it is already working on right.

If Texas decides to run its own state Marketplace, this decision should be part of a comprehensive approach to covering our uninsured neighbors. Without a rigorous independent study, achievable timelines, and stakeholder input, and clear policy goals, a state Marketplace would jeopardize the coverage of the 2.4 million Texans who are currently covered through the federal Marketplace, all the while still offering nothing for the nearly 800,000 Texans stuck without any affordable health coverage options. For these reasons, I respectfully urge you to oppose HB 700.