Medicaid Expansion Population and Cost Estimates for Texas

Sari Siegel
AARP Public Policy Institute

Characteristics of Eligible Populations

Three distinct populations would be eligible for Medicaid coverage if Texas expanded eligibility to people with incomes up to 138 percent of the federal poverty level (FPL), or about $18,000 per year for an individual:

- The uninsured—1,552,000 people ages 19 to 64
- Those currently covered under employer-sponsored insurance (ESI) but earning under 138% of the FPL—672,000 people
- Those who directly purchase their coverage through the exchange—257,000 people

The vast majority of those who are currently uninsured are likely to transition to Medicaid coverage within two years of expansion. Based on the experience of other expansion states, we project that only a small percentage of Texans with ESI are likely to enroll in Medicaid.

Therefore, focusing on the state’s uninsured population, Avalere estimates that if Texas
expanded Medicaid, the following subpopulations of the 1,552,000 uninsured individuals could be eligible for coverage:

- **Older Texans:** 283,000 between the ages of 50 and 64
- **Women and men:** 682,000 men and 870,000 women ages 19 to 64; 128,000 men and 155,000 women ages 50 to 64
- **People of different races and ethnicities (ages 19 to 64):** 1,098,000 white; 997,000 Hispanic; 184,000 African American; 41,000 Asian American; 9,000 American Indian and Alaska Native; and 1,900 Native Hawaiian and Pacific Islander.

**Future Outlook and Funding Considerations**

As COVID-19 and other health and economic challenges continue to disproportionately affect low-income individuals, Medicaid expansion could protect Texas’s vulnerable populations and its state budget. In Texas, net state budget savings from the federal incentive for Medicaid expansion over calendar years 2023 and 2024 would be $3,042,154,000–$4,578,820,000 in savings versus $1,536,666,000 in costs. Texas policy makers should carefully consider these estimates as they contemplate policy options.

*According to analyses conducted for AARP’s Public Policy Institute by the health policy consulting firm Avalere.*

---

**Fact Sheet 1372000, October 2022**

© AARP PUBLIC POLICY INSTITUTE
601 E Street, NW
Washington DC 20049

Follow us on Twitter @AARPpolicy
on facebook.com/AARPpolicy
www.aarp.org/ppi

For more reports from the Public Policy Institute, visit http://www.aarp.org/ppi/.

https://doi.org/10.26419/ppi.00178.009