



## CENTRAL TEXAS REGIONAL HEALTH COVERAGE PROJECT PROGRAM SUMMARY

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**Overview:** Texas ranks number one in the nation for uninsured with one-in-four Texans having no healthcare coverage. Among the reasons for our high uninsured rates are the numbers of Texas business that are unable to offer coverage to their employees. The Central Texas Regional Health Coverage Project's mission is to offer, on a multi-county basis, a basic, low-cost health plan(s) for small employers and their employees that:

- Improves the health and access to healthcare of those insured by the program
- Helps small businesses remain competitive with a healthy workforce
- Expands the size of the *insured* pool in Central Texas
- Adds more revenue to the region's healthcare system
- Encourages patient responsibility in their health

### Product Description:

**Services:** Includes major services (physician, hospital, medications, mental health)

**Providers:** Reasonable payment rates, regional provider network

**Monthly Cost:** Two plans, average of \$176 and \$224/mo/employee. Monthly cost ranges from \$76 to \$278/mo/employee depending on age/gender and plan

**Limitations:** Coverage limitations, annual maximums, deductibles, co-pays and coinsurance

**Governance:** Locally-based, locally run non-profit corporation; regional Board of Directors

**Adds to Covered Pool:** Small employers who have not offered insurance for specified time

**Market Target:** Begin with pilot target of 2500 employees by 3<sup>rd</sup> year

### *How can you keep the costs lower than a commercial insurance product?*

- Small Business price barriers removed – Cost not based on health status, industry type, or size
- Basic plan(s) covering major medical service categories
- Prevention and disease management – healthier population will keep costs down.
- 3-Share – only for lower income individuals, offer some level of subsidy
- Large pool of employees – pilot target of 2500 by the 3<sup>rd</sup> year of operations
- Nonprofit approach, conservative approach to managing risk, with reserves and reinsurance
- Technology – innovative use of health information technology to streamline overhead costs.

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