



Physicians Caring for Texans

Senate Committee on Health and Human Services
Testimony regarding Senate Bill 1581 by Sen. Paul Bettencourt
Relating to the establishment of
the Texas Health Insurance Mandate Advisory Committee
March 29, 2023

Thank you, Chair Kolkhorst, Vice-Chair Perry, and committee members, for allowing me to testify today. My name is Dr. Tilden Childs, and I am a radiologist from Fort Worth. I will be testifying on behalf of the Texas Medical Association in respectful opposition to Senate Bill 1581.

While TMA can understand the desire for legislators to have more information on the impact of certain legislation on enrollee costs and premiums, we have numerous concerns with this bill, as currently drafted. Among those concerns are the following:

First, the bill as filed would assess the analysis on only certain parties in the health care market (i.e., it is focused on health benefit plan issuer expenditures and enrollee premiums and costs). The bill does not require an assessment of the impact on physicians, hospitals, pharmacists, long-term care facilities, and other health care providers in the state (who act as both clinicians and small businesses contributing to the economy of Texas). An administrative burden on physician practices can have a dramatic impact on practice viability and patient access to care in the state. Thus, any bill requiring an assessment on insurers should also assess the impact on physicians and other health care providers.

Second, it's unclear what data the mandate review center will use to analyze data-intensive, open-ended questions – all within 60 days. Health benefit plan issuers frequently state any piece of legislation regulating them will increase the cost of health care. Whether a particular piece of legislation actually increases the cost of health care in a way that affects premiums or costs to enrollees is a complicated analysis that involves the interaction and examination of numerous factors. Yet it is unclear what data the center would use to assess the impact on enrollees and health benefit plan expenditures under this bill.

- Of note under the bill, all data provided to the center related to administrative expenses is provided directly and solely by the five largest insurers in the state. There is no accountability within this process, and in fact, several of the provisions shield this data from public scrutiny.

Third, the bill focuses on cost and utilization and does not sufficiently recognize that short-term increases in health benefit plan expenditures can lead to long-term reductions in health benefit plan expenditures and enrollee costs.

- When the legislature imposes new mandated benefits, for example, it often focuses on early detection and preventive care. Thus, while these benefits have increased initial costs to a health benefit plan issuer, they ultimately may greatly reduce expenditures of both the health benefit plan and the enrollee.

Fourth, by including “...a contractual or administrative requirement” under the definition of mandate, we are concerned the analyses produced by the center will be used by those in the industry to fight against important insurance reforms. The flexibility of the center to review proposed or enacted legislation would give insurers a method to attack existing consumer protections, such as previous bills passed to promote PBM (pharmacy benefit manager) transparency and to reduce the burdens of prior authorization.

In summary, we are concerned that Senate Bill 1581 is health plan-centric in that it places a great emphasis on health plan expenditures, rather than being primarily focused on enrollees or balancing other concerns related to population health, access to care, and the impact of “insurance mandates” on other market participants. We are also concerned that Senate Bill 1581 would provide partial (and potentially skewed) information that could influence the passage of legislation affecting Texas patients and their health. The center is funded by and supplied with data from private insurance companies that stand to benefit from a publicly administered analysis of bills that directly impact their industry.

Thank you for the opportunity to provide these comments. We look forward to working with you to achieve our mutually supported goals of ensuring all Texans have access to more accountable, affordable, high-quality, and evidence-informed health care.