TEXAS MEDICAL ASSOCIATION
Physicians Caring for Texans

House Select Committee on Health Care Reform
Testimony of Doug Curran, MD
House Bill 1001
March 16, 2023

Chair Harless, Vice Chair Howard, and Committee Members, thank you again for the opportunity to testify.

I am Dr. Doug Curran, testifying on behalf of the Texas Medical Association respectfully against House Bill 1001 as filed.

I am a family physician, and also the founder of a small business. As a physician, I see how a lack of health insurance can affect patients. As a business owner, I understand why health insurance must be affordable.

Patients without health insurance too often delay or skip health care, even for life-threatening conditions. Maternal deaths and severe complications are just some of the tragic examples physicians see when patients lack meaningful health care coverage.

Yet as a small business owner, I know ever-rising health insurance premiums make it difficult for small employers – and their employees – to afford health insurance. This means more Texans go without coverage.

Physicians take an oath to do no harm, which also includes being mindful stewards of our patients' health care dollars.

Thus, since I understand both sides of the issue, I appreciate the delicate balancing act you face.

TMA believes enactment of House Bill 1001 – while well-intended – would be a Pyrrhic Victory. It would offer Texans slightly more affordable health insurance premiums, but lower-value coverage and fewer consumer protections.

We all know health care coverage without access isn't worthwhile coverage. The same goes for health care coverage with minimal benefits. The product might seem cheaper, but at what ultimate cost?

That seems like addressing the affordable housing crisis by building homes without a roof, insulation, or plumbing.

We have several concerns, which I will list.

First is the complexity of the bill, trying to understand the intersection of its language with existing state and federal insurance statutes. It would be critical for the Texas Department of

Insurance and the Employee Retirement System to clearly enumerate the benefits, standard provisions, and protections the plans offered under this bill would have to meet.

The bill specifies insurers that offer a typical benefit plan can also offer employers a mandate-lite product. It also would redefine the meaning of state-mandated health benefits to include policy "features"– both of which an HB 1001 plan could waive.

Specifically, unless it's included as a standard provision or right of the basic-coverage ERS plan, waivable state-mandated health benefits could also to include:

- standard provisions or rights that are unrelated to a specific health illness, injury, or condition of an insured; or
- a policy or contract that exceeds federal requirements.

Another point: HB 1001 plans would have to comply with the standard provisions or rights of a basic coverage ERS plan. However, many important ERS standard provisions or rights – such as network adequacy protections, prompt pay, and claims administration procedures – are not clearly enumerated in the enabling statute of the ERS plan, Chapter 1551. Rather, the ERS Board of Trustees an employee advisory body, and the Texas State Employees Union establishes these.

For insurers, there is no analogue. There is neither state oversight nor a fiduciary duty to enrollees.

Furthermore, by redefining a state-mandated health benefit to include any protection beyond a federal requirement, the bill takes away the legislature's discretion to make that decision, even though Texas has led the nation in establishing more accountable consumer and provider protections.

We also struggle to understand the rationale for this bill based on the most recent TDI data on existing Consumer Choice Plans: Reducing coverage of mandated benefits achieves only minimal savings. Savings are achieved primarily by cost-shifting to enrollees.

Yet as this committee heard during the interim, for many Texans plans with higher-deductibles and copayments are a barrier to care, particularly for preventive and primary care, because patients cannot pay the deductible.

Many of you want to increase primary care to reduce costs, but primary care is commonly skipped when people have health insurance with high out-of-pocket costs.

Several years ago, I helped spearhead formation of a Federally Qualified Health Center in Athens. The clinic has been an absolute lifeline for uninsured people in my community.

But the FQHC alone cannot do its job without the contributions of private practicing physicians, hospitals, and other providers, all who operate on very thin margins. Any health plan option that increases the costs to run a practice or results in more uncompensated care will drive more practices out of rural communities like mine.

When seeking affordability, it is important to address high rates of uninsured and the *underinsured.*

Lastly, in the last decade, patients *and physicians* have come to appreciate the benefits of minimum benefit standards and consumer and provider guardrails, making it easier to shop for health care coverage. Allowing creation of more plans without them creates confusion for everyone.

To that end, TMA policy favors health plans that balance affordability with meaningful coverage including minimum health benefits, to support good health and address health disparities.

Physicians share your goals of reducing health care costs. Indeed, TMA Trustee Dr. John Carlo testified before your committee last summer in support of reducing costs. TMA still hopes to collaborate with you to achieve that mutual goal.

With respect, we do not believe HB1001 as filed will accomplish that goal, so we urge the committee not to adopt it.