



Physicians Caring for Texans



House Select Committee on Health Care Reform
Testimony by Zeke Silva III, MD, Texas Medical Association
House Bill 633 by Rep. James Frank
March 23, 2023

Thank you, Mr. Chairman, Vice Chair Howard, and committee members for allowing me to testify today. My name is Dr. Zeke Silva, and I am a San Antonio physician specializing in radiology, testifying on behalf of the Texas Medical Association and the Texas Radiological Society, and their more than 57,000 members combined. While we appreciate Chairman Frank's intent with this legislation, I am respectfully testifying **against** House Bill 633 as filed.

We are aligned with the bill author on the importance of promoting affordable treatment options and patient choice. However, we are concerned that House Bill 633, as filed, is anti-free market and may have the unintended consequence of enriching insurance carriers at the expense of patient access to care.

While it may be well intended, by setting a cap on charges in direct payment situations, House Bill 633 may be used by health plans to create a race to the bottom for physician contracts. This would seriously threaten independent practice viability – and therefore, patient access to care.

Furthermore, we are concerned the bill largely permits health plans to dictate physician payment for services, even beyond network contracts. A basic free market principle is the ability to set one's own price. In practice, physicians set the prices they charge for their services and could offer discounts for things like charity care and prompt payment. They also negotiate contracted rates that come with in-network benefits (such as steerage).

For example, psychiatrists use direct payments with sliding scale rates to expand access to mental health care for low-income individuals.

For patients who choose not to use their health benefit plan and instead pay in full, or those who have no health benefit plan, HB 633 will cap a charge for which a physician accepts direct payment at the lowest contract rate for the service allowable under any health plan with which the physician or health care provider has a contract. Health plans ultimately decide the contract rate as they decide which physicians and providers to accept into their plans. This bill would further tip the scales against physicians and would effectively give insurance companies the ability to set physician charges.

Finally, House Bill 633 may detrimentally impact access to affordable care for Texans who need it the most. For these reasons, we respectfully oppose the bill as filed.

We have had little time to digest the committee substitute for House Bill 633; however, from an initial review, we note some of the language has become even more prescriptive on physicians and providers. While it removes Medicare, Medicaid, and CHIP from the definition of a health benefit plan, it now

| *requires* (upon patient request) acceptance of a capped direct payment in full from -a patient or an enrollee, in lieu of submitting a claim to an insurer.

Our concerns regarding the impact of this bill on practice viability and patient access to care remain. For these reasons, we respectfully oppose the committee substitute.

I thank the committee for your work. I am happy to answer any questions.