

TAHP Opposes HB 625: Restricting Choice In Health Benefit Options

TAHP opposes HB 625 because it restricts choice and competition in the health insurance market by creating government-set provider copays for the first time in Texas. The bill would tie copay amounts for physical therapy to copays for primary care. Texans aren't asking for their health care to all look the same.

If Texas families and employers want lower out-of-pocket costs for particular specialty providers, it is their choice to buy coverage that fits their needs. However, other Texans may want the choice of lower premiums and higher out-of-pocket costs. Texas should not be making that decision for them.

Restricts Competition and Choice:

- Texas doesn't set copays for providers for anything. Government interference in health care restricts competition and choice.
- Government should not set copays in the private market—benefit designs vary widely and businesses and families can choose coverage that fits their needs. Employers and families want a menu of options for coverage—not one-size-fits-all.
- Texans choose plans that fit their needs. That ranges from high-deductible options with health savings accounts to more expensive, more comprehensive coverage.
- **This one-size-fits-all approach is not suitable for everyone, as Texans have different health care needs and preferences.**
- **Bottom Line:** Texas businesses and families buy the coverage that fits their needs. HB 625 is the first bill of its kind that restricts benefit designs and choice.

Hurts Primary Care Copays:

For the first time ever, we have health plans offering \$0 copays for primary care. If the state mandates physical therapy to be covered at the same copay, we can anticipate these low copay primary care options to end.

Physical Therapy is Important, but it's Not Primary Care:

Every Texan needs routine access to primary care to manage chronic conditions, treat routine illnesses, and stay healthy with regular checkups. Physical therapy is important, like numerous other health care specialties, but primary care is something every Texan needs routinely. Individuals and employers should have the option of buying zero dollar copay primary care without being forced to buy more robust physical therapy coverage.

Elected Official's Personal Health Insurance is Exempt: HB 625 puts a mandate on Texas families and employers but exempts the personal coverage elected officials have for themselves, that's because the bill doesn't apply to benefits provided through ERS and TRS.

If the Legislature passes this bill it will increase primary care copays. We know this from research in other states that have required this mandate.

New Hampshire's 2014 law limiting physical therapy and chiropractic copays to primary care resulted in higher copays for primary care. In the state's implementation report by BerryDunn's actuarial services they noted:

- "After passage of the law, cost sharing equalized." "This was accomplished largely through **increasing cost sharing on primary care.**"
- "increased use of physical therapy services is associated with **increased opioid use**"
- "Overall, in the commercially insured population in New Hampshire, lower copayment levels for chiropractic and physical therapy services are associated with increased likelihood of using and increased amount of use of those services as well as **higher overall patient costs.**"

Capping physical therapy copays to primary care will set a precedent that will encourage further specialties to request this special treatment and continue to erode benefit designs that prioritize primary care. For example:

- New York has a similar mandate but for outpatient mental health services.
- New Hampshire mandates chiropractic care in addition to physical therapy.
- Iowa's mandate also includes chiropractors, speech therapy, & occupational therapy.

States are regretting these mandates: Take Vermont, for example, which passed this same mandate for chiropractic care. The Department of Vermont Health Access made this statement in its study about the implementation impact of their mandate:

"we caution against further mandated cost sharing for specific service types. It inhibits flexibility and innovation in plan design; it has the potential to compromise primary care incentives; and it could lead to significant AV and premium impact if increased in scale."