



Texas Association of Health Plans

1001 Congress Ave., Suite 300

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www.tahp.org

March 14, 2023

Dear Chairman Harless & members of the House Select Committee on Health Reform,

The Texas Association of Health Plans (TAHP) is the statewide trade association representing health insurers, health maintenance organizations, and other related health care entities operating in Texas. **We strongly support HB 1001 to create new affordable coverage options for Texas businesses and families.**

Health care costs are rising at an unsustainable level. Much of this increase can be attributed to the health care mandates imposed on coverage both by federal and state laws. HB 1001 reins in these mandates and provides businesses and families with new, more affordable coverage options.

The legislation creates mandate-lite coverage by allowing health plans to offer coverage that has the protections of insurance without mandates that exceed federal requirements or any requirements you impose on your own personal coverage through the Employee Retirement System. Disclosure requirements associated with the law would ensure patients know exactly what they are buying. Issuers are required to list any mandates that are not included in the coverage, and notice of any change in coverage must be provided to enrollees.

New health care products through the Farm Bureau (HB 3924) and Texas Mutual (HB 3752) added in the 87th Legislative Session circumvented government mandates and provided more choices for some Texans. The state should allow issuers to provide more options that are not subject to unnecessary state mandates that go beyond the Affordable Care Act (ACA). Unlike affordable coverage alternatives created in the 87th legislative session, these plans would be available to all Texans.

Of all states, Texas ranks third for the state with mandates that go above and beyond the requirements of the ACA. Over 100 mandate bills were filed this session alone. This



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overregulation drives up the cost of coverage for business and individuals, with limited or no increase in value.

Health care costs are a major concern for Texas businesses and their employees. In a recent survey from the Texas Association of Business, 87% of Texas employers said that health care costs are rising at an unsustainable rate. Texas businesses need flexibility—not overregulation—to offer affordable health insurance coverage that meets the needs of their employees.

In the past, Texans had mandate-lite insurance options through the Consumer Choice of Benefits model, but that’s been eroded by a continuous stream of new mandates over two decades. HB 1001 would create new benefit options, providing affordable coverage options for employers and employees. We applaud this legislation by Rep. Capriglione and urge other lawmakers to support this pro-business bill that will promote both a healthier Texas and a healthier business environment.

Before mandates eroded the concept, the “Consumer Choice of Benefits” plans reported savings of 26.5% for HMOs and 38% for PPO plans. When these plans first passed in 2003, more than 8,000 employers used this new coverage to cover previously uninsured groups or individuals from 2004-2008.

We urge you to support this HB 1001 and continue the Legislature’s work to create new affordable coverage options for all Texans.

Sincerely,

A handwritten signature in black ink that reads "Jamie Dudensing". The signature is written in a cursive, flowing style.

Jamie Dudensing

CEO

Texas Association of Health Plans