



Texas Association of Health Plans

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Dear Chairman Oliverson and Members of the House Insurance Committee,

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 are concerned that, as filed, HB 3098 would create challenges for health plans informing patients of lower-cost, higher-quality, or value-based care. While we oppose HB 3098 as introduced, we have suggested amendments to the bill that would address these concerns and ensure Texans have access to the most affordable and high-quality health care services.

There are numerous examples of health plans encouraging the use of affiliated providers to increase access to high-quality, low-cost care and prohibiting plans from doing so would have a negative effect on health care in this state. A few of those examples are below, and the attached Appendix A includes a more expansive list.

- Services like MDLIVE are widely available, and health plans promote these options on ID cards and in solicitations to members. **Cigna members would lose the MDLIVE app on their smartphones if HB 3098 was passed as filed.** These types of immediate, around-the-clock care options increase access and help patients avoid expensive ER visits. However, MDLIVE is an affiliated provider with Cigna but an included service for many plans. That means all health plans except Cigna can continue to promote access to MDLIVE. This is not in the best interest of patients.
- Numerous hospitals and health systems also operate health plans and create networks that incentivize the use of their facilities and providers—including **Community Health Choice, Baylor Scott & White, Ascension Seton, Driscoll Health Plan, and others.** Under HB 3098, these affiliated-provider health plans would be prohibited from directing patients to these affordable health care services.
- The legislation also interferes with the broader trends towards value-based care arrangements. Under value-based arrangements, providers are incentivized with higher payments for meeting certain quality-of-care metrics like reduced readmissions or ER visits. However, value-based care providers like Houston's renown Kelsey Seybol clinics

would be prohibited from entering into these agreements with affiliated providers like UnitedHealthcare.

To address these concerns, we recommend that the bill exempt three scenarios where informing a patient would actually lead to positive results for all parties involved: the health plan, the provider and—most importantly—the patient.

- First, the bill should exempt scenarios where an affiliated provider is the cheapest option for the patient. If an affiliated provider is willing to accept a lower reimbursement for a service, health plans should be allowed to inform patients to shop for that service.
- Second, health plans should be allowed to inform members about affiliated providers when they are reimbursed through a capitation or risk-based arrangement, which improves quality and reduces health care costs by aligning patient and provider incentives. Again, the state should be encouraging these types of arrangements.
- Finally, the bill should exempt scenarios in which the health plan is promoting the use of higher quality providers based on established quality metrics. If an affiliated provider has better outcomes, health plans shouldn't be prohibited from sharing this information with patients.

TAHP recommended changes to HB 3098 ensure patient care is prioritized and health plans are allowed to inform patients of lower-cost providers, higher-quality providers, and value-based care arrangements regardless of provider affiliation with a health plan. Aligning payer and provider incentives is good for patients. Value-based contracting does just that. HB 3098 jeopardizes this well-recognized public policy goal.

Health plans have incentives to pay affiliated providers less and drive savings for the plan, but this same incentive also creates a twofold benefit for patients. First, the actual health care services will have a lower out-of-pocket cost for patients given the lower reimbursement, creating direct savings to the member. Second, the overall lower cost of care will be built back into the premium because the medical loss ratio (MLR) prohibits insurers from simply keeping profits for themselves.

Furthermore, affiliated providers are in network for numerous health plans, not just their affiliated plans. For example, CVS Minute Clinics are affiliated with Aetna but in-network for

several health plans. Under the bill, Aetna would be prohibited from informing members of these low-cost care options but other health plans wouldn't.

We appreciate the opportunity to work with the committee on this important piece of legislation, and we look forward to working with the bill author to ensure that there are no unintended consequences of this bill.

Sincerely,

M. Blake Hutson

Blake Hutson, Director of Public Affairs
Texas Association of Health Plans

Appendix A: Examples of Barriers to Accessing Lower-Cost and Higher-Value Services

HB 3098 Prohibits Quick-Access Options through Affiliated Providers:

- **MDLIVE** offers reliable, 24/7 health care by phone or video. With a national network of board-certified doctors, pediatricians, dermatologists, psychiatrists, and therapists, MDLIVE provides personalized care for hundreds of medical and behavioral health needs. This service is available as a benefit for multiple health plans. However, MDLIVE is affiliated with only Cigna. Under HB 3098 Cigna would be prohibited from promoting this service while other health plans could direct patients to MDLIVE.
- **24/7 Nurse Lines:** Most health benefit plans now have around-the-clock nurse call lines, many through affiliated provider arrangements. Patients receive around-the-clock access to a nurse for health care related questions and to help triage patients to the right care settings—reducing stress, saving money, and ensuring that patients don't avoid care when needed or unnecessarily seek emergency care. Health plans routinely promote these services on insurance ID cards and through promotional materials to members. This would be prohibited under HB 3098.

- **Aetna’s Minute Clinics:** The Aetna Connected plan gives members access to appointments at CVS’ MinuteClinics and its newer wellness-focused HealthHUBs for no copay, along with other CVS services like free at-home prescription delivery and discounts on health-related items. These convenient options reduce costs and create easy access for patients. This would be prohibited under HB 3098.
- **New health plan market entrants like [Oscar Health](#)** are using affiliated providers to bring new affordable access options for patients. Oscar utilizes affiliated providers to give patients access to primary care and urgent care with no copay. HB 3098 will drive out new market entrants like Oscar that rely on affiliated providers for affordable care options.

HB 3098 Impacts Hospital and Community Based Health Plans:

- **Christus Health** is an international Catholic, faith-based, not-for-profit health system comprising almost 350 services and facilities, including more than 60 hospitals and long-term care facilities, 175 clinics and outpatient centers, and dozens of other health ministries and ventures. Christus Health also operates a health plan and [promotes coverage combined with Christus affiliated health providers](#). This would be prohibited under HB 3098, and it would be illegal for this health plan to direct enrollees to affiliated clinics and providers including in rural parts of Texas where Christus clinics make up a substantial share of health care providers in those communities.
- **Harris Health System’s [Community Health Choice](#)** would face a number of prohibitions under HB 3098. The non-profit group offers a complete array of affordable and no-cost health insurance plans, along with one of the largest provider networks in southeast Texas. Under the bill, Community Health Choice would not be able to steer patients to its own low-cost community clinics and other health care services.
- **[Community Health Choice Care Management Program](#):** The group’s innovative care management team approach would face new hurdles in their efforts to reach out to patients to encourage them to seek care through available resources. Here’s how the group describes some of those services and the outreach they conduct: “We concentrate on your needs by contacting you if we see that you may not be taking full advantage of available resources, such as medications and providers. Our goal is to improve your awareness of ways to optimize your quality of life so that you are well every day. We identify pregnant members who may be at risk for delivering their baby too early. When babies are delivered early, we help evaluate and coordinate any needs for the newborn once at home. Our Care Management team also follows certain members who suffer from asthma or diabetes and helps them gain knowledge to self-manage their condition. We also help members who may have trouble coordinating their own care.” Under HB 3098, outreach to members for affiliated provider services would be prohibited.

- **Baylor Scott & White Health Plan** would face similar challenges under the bill. The group promotes its integrated network of doctors to plan enrollees including through [virtual visits 24 hours a day, 7 days a week from Baylor Scott & White health providers](#). Under the legislation, the group would be prohibited from directing patients to these services as they routinely do.
- Seton Health Plan is the health plan affiliate of Ascension Seton. Through its Seton health care facilities patients receive high quality specialty, primary, emergency, and hospital care. Under HB 3098, the Seton Health Plan would be prohibited from directing patients to its affiliated resources including its highly accredited heart, stroke, and transplant care services.

HB 3098 Restricts Access to High Quality Providers & Value Based Arrangements

- **Kelsey-Seybold Clinic** is Houston's premier multispecialty group practice, founded in 1949 by Dr. Mavis Kelsey in Houston's renowned Texas Medical Center. More than 650 physicians and allied health professionals practice at 35 locations in the Greater Houston area. Kelsey-Seybold offers high-quality medical care in 65 medical specialties including through value-based care arrangements. Kelsey-Seybold is an in-network provider for almost all major health plans. Additionally, Kelsey-Seybold is an affiliated provider with United Health Group. Under HB 3098, all health plans except UnitedHealthCare could direct patients to this high-quality care.
- Value based payment arrangements create specific incentives for providers and tie payments to those incentives. For example, a provider may have incentives around reduced hospital readmissions or reduced ER visits. A provider that achieves these metrics would receive higher payments, however, under the bill any affiliated providers would be excluded from higher payments while non-affiliated providers could enter into these arrangements.

Further Example of Potential Negative Impact:

- Nearly every hospital system in the country insures their own employees with a custom network that provides cheaper care if employees utilize services provided by affiliated providers. If this bill passes as introduced, hospitals may not be able to craft these health plans arrangements to help save their own employees money,