



**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) 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. Today, Texas does not interfere in the benefit design of health plans when it comes to setting specific copay amounts for provider types, specific deductible requirements, or other out-of-pocket costs. Instead, plans are created to meet market demands.

While physical therapy is important, it is not the same as primary care, which every Texan needs routinely to manage chronic conditions, treat routine illnesses, and maintain good health.

**Research shows that mandating physical therapy be covered at the same copay as primary care will lead to the higher copays for primary care and hurt access to this critical service for many Texans.** Additionally, research from other states recommends against mandates like HB 625, because **“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.”**

Texas should not go down the path of one-size-fits-all health coverage. Texas businesses and families should be able to buy the coverage that fits their needs from a vast menu of options. If Texas families and employers want lower out-of-pocket costs for specialty providers, it is their choice to buy coverage that fits that need. 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.

Texas families and employers can currently choose from a wide range of benefit designs. For example, on [healthcare.gov](http://healthcare.gov) in Harris County, there are 125 different plan options. These choices range from high-deductible plans with very low premiums to plans with cheap out-of-pocket costs but bigger monthly premiums—and everything in between.

Texas Health insurers currently cover primary care at lower out-of-pocket costs to meet consumer and private market demands and to incentivize patients to seek primary care. In fact, the lowest monthly premium cost insurance option available on [healthcare.gov](http://healthcare.gov) in Harris County is a high-deductible plan but with \$0 copay for primary care. Under this plan you can see a



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primary care doctor without financial barriers. States with these types of copay mandates do not have the same \$0 dollar or low-cost primary care options as widely available as offered in Texas.

In fact, of the coverage options available on [healthcare.gov](http://healthcare.gov) in Harris County, 17 offer \$0 copay primary care, and five more plans offer primary care for a copay of \$15 or less. That trend holds even in more rural areas like in Anderson County where you can buy a plan with primary care visits with as low as a \$10 copay.

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."

We are also concerned that capping physical therapy copays to primary care will set a precedent that will encourage further specialties to request this special treatment. 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.

TAHP's opposition to HB 625 is not related to physical therapy. While we believe that physical therapy is a critical function, primary care is unique. Every single Texan needs access to primary care while only some enrollees will utilize physical therapy or any other specific specialty care. Primary care providers are the quarterbacks in health care and the only providers truly capable of coordinating all health care needs— including when to refer to specialists.

Health insurers are required to meet actuarial standards in designing benefits, including federal rules that mandate bronze, silver, gold, and platinum "metal levels" for coverage.



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State-mandated copay levels interfere with meeting these actuarial standards and threaten the movement towards very low-cost primary care.

[The Department of Vermont Health Access](#) made this statement in its study about the implementation impact of a similar 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.”**

The bill also exempts the Legislature’s personal health coverage from these costs and restrictions while taking away choices and adding costs to Texas employers and families. This contradiction in applying mandates is unfair for Texans and businesses that struggle with the high cost of health care coverage. We encourage lawmakers to carefully consider applying mandates to any coverage. At the very least, the Legislature should not pass costs onto Texans it is not willing to pay for in state health plans.

The Texas Legislature should avoid mandating benefit designs in a manner that limits variety and choice for patients. Texans today have a wide variety of options, and HB 625 begins to narrow those options and move the state to a one-size-fits-all approach to health care coverage.

After a dramatic number of mandates passed in the 87th Legislative Session, Texas saw a 13% increase in insurance premiums while nationally changes were flat. The Texas Legislature’s decisions substantially contribute to these trends. We encourage you to avoid passing legislation that limits options and increases the cost of coverage.

Sincerely,

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Blake Hutson

Director of Public Affairs

Texas Association of Health Plans