



Texas Association of Health Plans
1001 Congress Ave., Suite 300
Austin, Texas 78701
P: 512.476.2091
www.tahp.org

March 14, 2023

Dear Chairman Oliverson & 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. Our members provide health and supplemental benefits to Texans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid.

We are writing to provide testimony in opposition to HB 916, which creates a new, unfunded benefit mandate for commercial health plans, ERS, TRS, Medicaid, and CHIP, requiring coverage of a 12-month supply of a continued contraceptive drug . The Insurance Code already mandates coverage for prescription contraceptives, and the Affordable Care Act also requires most plans to cover them with no cost-sharing or out-of-pocket costs. Additionally, health plans already offer 90-day supplies and convenient mail-order options. HB 916 goes well beyond these mandates by requiring coverage of a full year's supply at one dispensing.

One study estimates that [as much as \\$5.4 billion](#) in prescription drugs go to waste each year, including two-out-of-three dispensed drugs. This bill would create a negative fiscal impact to the commercial market due to the expected waste of dispensed, but unused, drugs. Additionally, there would be costs from participants who receive a 12-month supply but leave a plan and do not pay premiums for a full year of coverage. In a previous legislative session, the Employee Retirement System estimated that this mandate would cost more than \$4 million. Based on these numbers, the private commercial market would see a similar impact with increased costs of more than \$30 million. This mandate would also add costs to the Medicaid program.

TAHP recommends amending the legislation. Instead of allowing a single, 12-month prescription, the bill should provide for a a six-month supply of the medication, with an initial three month supply at the outset of a new prescription. This would mitigate potential waste from loss of medications, family planning changes, and changes to methods of contraception, while substantially reducing the number of pharmacy visits to just two per year.



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Government mandates and overregulation hinder innovation and add costs to an already expensive system, which are borne by employers and families through increasingly unaffordable premiums. Texas already ranks third highest in the nation when it comes to regulations that go beyond the requirements of the Affordable Care Act.

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