



Texas Association of Health Plans
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March 29, 2023

Dear Chair Kolkhorst and Members of the Senate Health & Human Services Committee,

Re: Senate Bill 1581

As the statewide trade association representing health insurers, HMOs, Medicaid managed care, and other health plans that serve over 20 million Texans, the Texas Association of Health Plans (TAHP) is committed to ensuring that Texas families and employers have access to affordable, comprehensive, and high-quality coverage. One threat to this affordability is the growing number of mandates that are considered and passed by the Texas Legislature.

TAHP supports SB 1581 which establishes a mandate review process at the University of Texas Health Science Center Houston, to provide Texas lawmakers with an independent evaluation of proposed health insurance mandates and regulations and assess their impact on the health insurance market and affordability of coverage in the state.

While often well-intended, government mandates typically have adverse effects on health insurance costs that lead directly to higher premiums for consumers and reduce the number of employers that provide coverage, ultimately increasing the number of Texans without coverage. When the government mandates something in health care, a small population or specific provider type may benefit from the particular mandate, but premiums go up for everyone. A single mandate can increase premiums 1%, and every 1% increase in premiums costs consumers and employers an estimated \$1 billion a year in the insurance market.

Unlike most other states, Texas lawmakers currently lack the information they need on the cost and impact of health insurance mandates and regulations when bills are being considered. At least [29 states](#) already have some form of a mandate review process and on the federal level, the [Congressional Budget Office offers similar analyses](#) for Congress.

California, for example, has the California Health Benefits Review Program (CHBRP), which was established by the legislature, is housed at the University of California-Berkeley, is funded by an assessment on health insurers, and produces high quality reports on mandate proposals. Through these reports, lawmakers are armed with information about the impact of a mandate on coverage, including premiums, number of individuals impacted, potential cost savings from the mandate, and other public health impacts.

SB 1581 would establish a similar program in Texas—Health Insurance Advisory Review Committee (HIMARC). As drafted, it would be housed at the Center for Healthcare Data at The University of Texas Health Science Center at Houston, where they currently manage the All Payor Claims Database (APCD), established by HB 2090 (Burrows/Hancock) last session.

HIMARC will offer a perfect opportunity to utilize the claims data and knowledge of the state’s APCD. Under the bill, at the request of the Speaker, Lt. Governor, or Chair of a committee with appropriate jurisdiction, the Center would do an independent analysis of the medical, financial, and public health impacts of proposed health insurance mandates and repeals. An analysis would not be required for a mandate bill, but if it is requested, it would be provided to appropriate committees of the legislature and posted on the Center’s website within 60 days.

The cost of administering the program would be paid for by state-licensed health plan issuers through fees imposed by TDI.

Texas is already a leader in the number of costly health insurance mandates, ranking third in the nation for the most mandated benefits. Over 100 mandate bills were filed in the 88th Legislative Session. Because of the added costs of state health insurance mandates, small businesses are discouraged from offering health coverage to their employees, increasing the number of Texans without health care coverage. While [99% of large employers offer health benefits, only 47% of small businesses do](#). Texas has seen a steady decline over the last two decades in small businesses offering coverage, now down 17%. Firms not offering health benefits continue to cite cost as the primary reason and most believe their employees would prefer wage increases over health benefits.

TAHP urges the Texas Legislature to support HB 2403 and establish HIMARC to promote a more transparent and collaborative process for evaluating proposed health insurance mandates and regulations. With HIMARC, Texas can ensure that any new mandates and regulations are carefully evaluated and balanced against the impact on health care costs and access to care.

Sincerely,

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

Jamie Dudensing, RN
CEO
Texas Association of Health Plans