# Support Healthy Markets in Texas

***HB 711 by Rep. James Frank and Sen. Lois Kolkhorst***

## Texas employers and families are struggling to pay rising hospital and health care costs.


### Texas has a highly-concentrated health care market.

A majority of Texas' population (61%) lives in "highly" or "very highly concentrated" hospital market concentration, as compared to 3% in California and 10% in Illinois.

### Texans are concerned about the cost of health care.

In a recent Texas Association of Business poll, Texans shared that health care cost increases were a greater concern than inflation.

On average, employer-sponsored health insurance now costs $22,000 per covered family, which is about one-third of the median wage of a Texas household.

Unsustainable health care costs threaten businesses, squeezing profits and reducing growth.

## HB 711 addresses the root causes of health care cost increases.

When working right, free markets work better than government regulation at making services available at the best prices.

However, the current state of Texas health care markets is not reflective of their full potential. The lack of competition and excessive pricing has created unsustainable high costs for both Texas employers and families alike.

A proactive and innovative solution is required.

*Learn more at www.texas2036.org/healthy-markets*

TEXAS 2036

# HB 711 for Healthy Markets

*Unanimous Senate and House Committee Votes; Overwhelming House Vote*

## HB 711 restores competition to Texas' health care markets by prohibiting contracts that include:

- **Anti-steering clauses** that restrict employers and health plans from encouraging enrollees to obtain services at a competitor or from offering incentives to use specific providers
- **Anti-tiering clauses** that require employers and health plans to place all physicians, hospitals, and other facilities associated with a hospital system in the most favorable tier of providers
- **Gag clauses** that prohibit any party from disclosing relevant price or quality information to the government, enrollees, treating providers, plan sponsors, and potential enrollees and plan sponsors
- **Most favored nation clauses** that prevent providers from offering prices below those contracted with a particular carrier

HB 711 also imposes **a fiduciary duty on health benefit plans**: If they encourage enrollees to obtain a service from a particular provider, including offering incentives to encourage specific providers, introducing or modifying a tiered network plan, or assigning providers into tiers, they must do it for the primary benefit of the enrollees, not themselves.

## Organizations Testifying for HB 711:

Americans for Prosperity Texas · Cicero Institute · DFW Business Group on Health (DFWBGH) · HBCH Houston Business Coalition on Health · The Libre Initiative · NFIB · Patient Choice Coalition · Purchaser Business Group on Health · Texans for Affordable Healthcare · Texas 2036 · Texas Association of Business, The Texas State Chamber · Texas Association of Benefit Administrators (TABA) · TAHP The Texas Association of Health Plans · TAHU is now NABIP-TX · Texas Business Group on Health (TBGH) · Texas Employers for Affordable Healthcare · Texas Public Policy Foundation

*Learn more at www.texas2036.org/healthy-markets*

TEXAS 2036