



Texas Association of Health Plans

1001 Congress Ave., Suite 300

Austin, Texas 78701

P: 512.476.2091

www.tahp.org

April 19, 2023

Re: Oppose SB 1666 - Insurer's Obligation for Continuity of Care

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

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.

We are writing today to express our concerns regarding the unintended incentives that this bill would create, as well as the inappropriate attempt to change the longstanding meaning of "specialty providers" in private health insurance, as way to create a legal precedent to change it in the Medicaid program.

SB 1666 would create a new mandate in the private health insurance market that erodes a long-standing, decades-old statute in the private health insurance code known as the Texas Patient Protection Act. This new mandate would effectively lock private insurers into contracts with no ability to terminate or modify terms and instead creates an incentive for the provider to simply never contract with Medicaid. If they can continue receiving payment under the terms of the terminated contract in perpetuity, they would simply continue doing so rather than contracting with Medicaid.

Furthermore, SB 1666 attempts to make durable medical equipment (DME) companies specialty providers in private health insurance. However, DME suppliers are not specialty providers, like cardiologists or OB/GYNs, and should not be considered as such. This is a misplaced attempt to alter the definition of specialty provider in private health insurance to include DME suppliers, which could create a new payment and contract mandate for any and every medical equipment supplier in private health insurance, some of whom have a history of fraud and charging outrageous prices.

While this bill doesn't apply to Medicaid, for decades, the Health and Human Services Commission (HHSC) has also not considered DME suppliers "specialty providers." DME suppliers have recently made efforts, including a failed attorney general opinion request, to



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change this definition. These DME suppliers are attempting to add this language into the Insurance Code so that they can set the stage for a second attorney general opinion request, this time arguing that the language in the Insurance Code should control over HHSC's long standing interpretation.

We want to make it clear that SB 1666 does not create any new continuity of care protection in Medicaid or change the definition of specialty provider in Medicaid to include DME supply companies. The Texas Legislature has already strengthened continuity of care in Medicaid managed care through SB 1207 and SB 1648 from the 86th and 87th legislative sessions, respectively. These bills improved coordination of benefits for clients who have both private and Medicaid coverage by allowing a Medicaid recipient with complex medical needs who had an established relationship with a specialist to continue receiving care from that provider.

We urge you to consider the potential unintended consequences of SB 1666 and its impact on the private health insurance market, as well as the potential impact of the definition of specialty providers in the Medicaid program. Existing state law already addresses continuity of care concerns for Medicaid recipients. We believe that the private health insurance code should not be used as a means to settle Medicaid debates or arguments. We respectfully request that you oppose SB 1666, as it could disrupt the current continuity of care protections in private health insurance, potentially harming patients and increasing health care costs, while simultaneously creating legal confusion in Medicaid.

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