



Texas Association of Health Plans
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May 16, 2023

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

Re: Oppose HB 625

The Texas Association of Health Plans (TAHP) opposes HB 625 as the mandate is proven to increase primary care copays and inappropriately interferes in private market benefit design.

Health insurers are increasingly and voluntarily designing coverage that incentivizes patients to seek low cost primary care services. This is accomplished largely through reducing copayments for primary care both for in-person and telehealth options. While TAHP respects the effort to reduce barriers to physical therapy services, we recommend against this approach which threatens access to primary care.

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."

[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 [actuarial value] and premium impact if increased in scale."**

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



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out-of-pocket costs. Instead, plans are created to meet market demands and lower primary care copayments aren't mandated, but offered to meet patient and employer needs.

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. Texas businesses and families should be able to buy the coverage that fits their needs. 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.

TAHP's opposition to HB 625 is unrelated 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. State-mandated copay levels interfere with meeting these actuarial standards and threaten the movement towards very low-cost primary care.

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 you to avoid passing legislation that limits options and increases the cost of coverage.

Sincerely,

M. Blake Hutson

Blake Hutson
Director of Public Affairs
Texas Association of Health Plans