

# SUPPORT HB 2254 (REP. HULL AND SEN. SPARKS)

## Support Texas Legislation to Expand Value-Based Primary Care Models

Outdated Texas insurance laws block advancements in health insurance benefits that reward value-driven care. Innovative health care options like direct and advanced primary care are growing in popularity, but Texas law prevents more employer health insurance plans from offering these benefits.

HB 2254 clarifies that employers can design their health insurance benefits to include voluntary, value-based payment arrangements with primary care doctors, like direct and advanced primary care.

### SHIFTING TOWARDS VALUE

Employer health plans are increasingly looking to innovate their use of primary care to drive savings and value. Voluntary risk-sharing arrangements incentivize and reward primary care that achieves better patient outcomes than the antiquated “fee for service” model.

- **80% of employees** say they would sign up for an all-inclusive direct primary care plan.
- **44% of employers** have shifted to or are considering high-quality primary care models like advanced and direct primary care.

### WHAT'S THE PROBLEM?

As health care delivery transitions towards value-based payments, outdated Texas law limits these payment innovations in insurance benefit design.

- Most employer-based health insurance plans (PPOs) can't legally partner with doctors through advanced monthly payments and other risk-sharing arrangements.
- Meanwhile, self-funded employer health plans (ERISA), Medicaid, and Medicare, already routinely use these payment models.
- Outdated primary care payment models contribute to Texas' primary care shortage.

### WHY IT MATTERS

Value-based care prioritizes better quality over the quantity of services provided—and helps stabilize and strengthen primary care.

- These models can reduce hospital admissions by 20–30% and lead to significant savings on chronic disease management.
- By focusing on outcomes, doctors can spend more time addressing patient concerns and less time on administrative tasks, reducing burnout and improving care.

