

# Solutions for Health Care Affordability in Texas



1. **Increase Competition:** Ban anti-competitive health care contract terms, stop inappropriate facility fees, and require complete price and billing location (NPI) transparency.



2. **Guarantee Upfront Prices for Patients:** Patients can't make informed decisions without knowing the cost of care. Texas should require all providers to deliver a guaranteed upfront price estimate that won't change in the final bill.



3. **Let Patients Shop for the Cash Price:** State and federal laws require providers to post cash prices, yet some still refuse to share or accept the posted cash rate to insured patients. Texas should ensure every patient can see and pay the cash price when it is the better deal.



4. **Reward Patients for Shopping Smart:** Eliminate all Texas mandates that block health plans from rewarding Texans for choosing the most affordable care.



5. **Expand Affordable Coverage Options:** Allow employers to purchase more affordable, innovative health insurance or association health plans that cover essential health needs, without the additional state-mandated requirements that drive up premiums.



6. **Moratorium on Expensive Mandates:** Avoid new mandates and overregulation that raise costs for employers and families, use the state's new mandate fiscal note to show the true cost of any mandate under consideration, and never pass a mandate the state won't apply to ERS, TRS, and Medicaid.



7. **Allow Innovative, Affordable Networks:** Current Texas mandates force employers into expensive, oversized networks, driving up premiums. Texas should allow for more flexible network designs that promote competition and deliver lower prices.



8. **Stop Forcing Employers to Buy Expensive Coverage:** Texas law forces employers who offer an HMO to also pay for a more expensive PPO, driving up costs for businesses and families. Give employers the flexibility to offer the coverage that fits their budget and their workforce.



9. **End the High-Cost Site-of-Service Coverage Mandate:** Prices for the exact same service can vary dramatically by location. Employers and health plans should be able to limit coverage to the most appropriate and affordable location, helping Texans avoid unnecessarily expensive care.



10. **Protect Affordable Employer Coverage:** Protect ERISA flexibility and oppose legislative attempts to add costly mandates on self-funded and level-funded employers. Employers prefer coverage not regulated by TDI because it's more affordable and flexible.

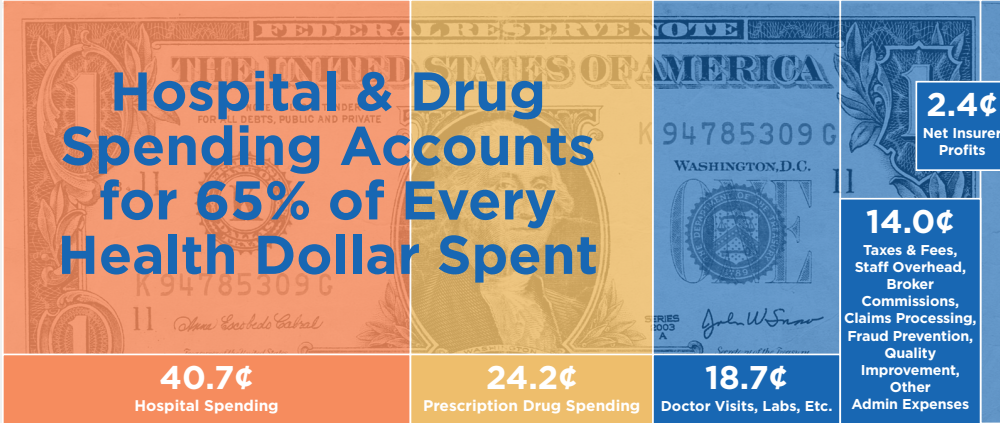


11. **Help Small Employers Afford Coverage:** New tax-advantaged programs like ICHRAs can help small employers cover employees at monthly costs they can afford.



12. **Root Out Health Care Fraud and Abuse:** Texas estimates that 10% of health care spending is lost to fraud, waste, and abuse. Extend the same strong protections Texas uses to fight fraud and abuse in Medicaid and Medicare to employers and families with private coverage.

## Health care is now Americans' top affordability worry.



### Top Drivers of Spending Growth (2022–2024)

- 40% Hospital Care
- 22% Physician & Clinical
- 11% Rx Drugs
- 10% Long Term Care
- 5% Other Professionals
- 2% Non-Medical Insurance Expenditures



### Health Care Price Inflation is the Problem

- Nearly 90% of 2026 premium increases are tied to rising prices, and health care prices are rising far faster than wages, inflation, and everyday costs.
- Hospital prices are the biggest driver, accounting for 80% of the U.S. spending gap compared with other countries and 40% of the increase in spending from 2022 to 2024.
- Hospital consolidation, a major problem in Texas, drives prices 15–30% higher.
- Hospitals are buying up doctors' practices and adding surprise facility fees to the price.

### Fraud, Waste, and Abuse are Driving Up Costs

- Waste and abuse account for up to 10% of all health care expenditures, siphoning money away from Texas employers and families.
- In 2025 alone, state enforcement actions recovered \$125 million from fraudulent billing schemes, yet "AI upcoding" continues to inflate patient bills.
- Pharmacy-related fraud remains the second most common type of health care fraud in Texas, including schemes such as pill mills, prescription diversion, and fraudulent billing.



### Burdensome Government Mandates Add Costs, Block Innovation

- The total number of state-level mandates continues to outpace the national average and exceed federal requirements, forcing Texas employers and families into expensive, one-size-fits-all plans that drive up costs for small businesses and families.
- Texas employers increasingly choose coverage that isn't regulated by TDI because it's more affordable and gives them the flexibility to innovate.