



*May 28, 2026*

**Re: Comments on Proposed Amendments to 28 TAC Chapter 3 (Medigap — HB 2516)**

Texas Department of Insurance,

Texas Association of Health Plans (TAHP) is the statewide trade association representing health insurers, health maintenance organizations, and other related health care entities operating in Texas. On behalf of our member plans, we submit these comments on the Texas Department of Insurance's (TDI) proposed amendments implementing House Bill 2516 (89th Legislature, 2025).

First and foremost, TAHP appreciates the significant improvements made between the informal and formal drafts of this rule. The formal proposal is a substantially better rule that more closely aligns with the text and intent of HB 2516. In particular, TAHP appreciates the Department's decision to remove the continuous plan switching provision and the proposed expansion of Plans D and G to pre-2020 enrollees, both of which TAHP had opposed in its comments on the informal draft. These changes reflect a careful and appropriate reading of the statute, and TAHP is grateful for the Department's responsiveness.

HB 2516 caused significant premium increases in the market which will likely continue in future years. Our comments are aimed at mitigating further negative market impacts.

**The Proposed Second Guaranteed Issue Period Is Not Warranted**

TAHP respectfully opposes the proposed guaranteed issue period running from October 15, 2026 through March 31, 2027. While TAHP understands the Department's intent to align this window with Medicare open enrollment, creating a second guaranteed issue period for the ESRD and ALS population so soon after the first creates significant instability in the Medigap market.

The statutory guaranteed issue period under HB 2516 ran from December 1, 2025 through June 1, 2026, a six-month window that gave affected individuals a meaningful and sufficient opportunity to obtain or change coverage. The proposed rule would add a second period of approximately five and a half months beginning just four months after the first period closed. The result is that within a span of roughly sixteen months, from December 2025 through March 2027, the market will have been in a guaranteed issue state for approximately eleven and a half of those months. That is not a limited enrollment window.

Guaranteed issue periods, by design, alter the normal actuarial assumptions that underpin Medigap pricing. Extended or repeated periods of guaranteed issue make it difficult for issuers to

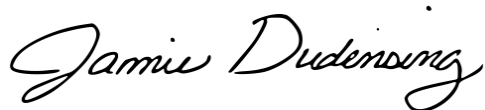
maintain stable premium structures, because they allow individuals to time enrollment around anticipated health needs. When these periods are stacked closely together, the cumulative effect is compounded adverse selection, a dynamic that ultimately drives up premiums for all enrollees, including those who have been continuously covered. The legislature created a one-time opportunity for the ESRD and ALS population, which the Department and insurers have already implemented as required. A second guaranteed issue period, layered on top of the statutory one before the market has had any opportunity to stabilize, goes further than the law requires and further than sound insurance market policy supports.

TAHP respectfully urges the Department to remove the proposed October 15, 2026 through March 31, 2027 guaranteed issue period from the final rule.

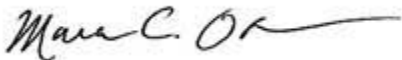
### **Conclusion**

TAHP and its member plans appreciate the Department's work on this rulemaking and the significant improvements reflected in the formal proposal. We remain available to discuss any of these issues further at the Department's convenience.

Sincerely,



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