



85th Legislature

TAHP
The Texas Association of Health Plans

*Representing health insurers,
health maintenance organizations,
and other related health care entities
operating in Texas.*

Solutions for Affordable, Quality Health Care for Texans

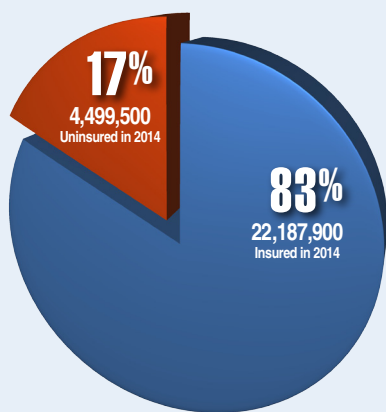
Now more than ever, it is critical that we work together to find meaningful solutions that ensure affordable health coverage and care for all Texans. Health plans play an important role in lowering health care cost through private market competition and negotiation. Despite efforts to hold down premiums, research shows that premiums track directly with underlying health care costs and utilization of services, which have been consistently trending upwards. Soaring drug prices and medical care costs must be addressed. In August 2016, health care costs in the U.S.—from the price of prescription drugs to physician appointments—rose more than any other time since 1984.¹

TAHP advocates for a sound and competitive health insurance market that maximizes private market competition, consumer choice, and affordable coverage options.

Health Coverage in Texas

Health coverage plays an essential role in ensuring healthy families and healthy communities. As of 2014, 83% of Texans (more than 22 million) had some form of coverage, while 17% (or nearly 5 million) did not have health benefits.

Texas Health Coverage and the Uninsured in 2014



People with health coverage are generally healthier individuals who have regular doctors and take advantage of key preventive health care services. Insured individuals are also better insulated from financial hardship and medical debt because their coverage protects them in the event of a serious illness or injury.



9 out of 10 Insured Adults are Satisfied with Health Plan Networks

Efforts by health plans to achieve high quality coverage and provider networks are making a positive difference. The Kaiser Family Foundation found that 9 out of 10 insured Americans are satisfied with their choices of doctors and the value of their health plans.

¹ U.S. Labor Department, September 2016



Government Mandates Pose a Threat to Affordable Coverage

One of the most significant threats to the affordability of health coverage for Texans is the increasing number of government mandates, which directly drive up the cost of health coverage for business and Texans. Government mandates related to provider payments, provider contracting, and benefits result in higher health care costs, while also limiting innovation, private market negotiations, and consumer choice. Mandates shift costs to the private market, where Texas employers are then forced to decide between reducing employer benefits, lowering wages, requiring employers to share more of the cost for their health coverage, laying off employees, or even closing their doors altogether. In an era of skyrocketing health care costs, Texas must be mindful of the unintended consequences of government mandates.

TAHP Position: TAHP opposes all government mandates, including payment, contracting, administrative, and benefit mandates, which stifle private market competition, limit consumer choice, and drive up the cost of health care.



Expand Mediation To Protect Consumers From Surprise Medical Bills

A serious market failure in emergency care in Texas has made Texas ground zero for surprise medical bills and soaring costs for emergency care. Surprise billing occurs when insured patients receive out-of-network care and are billed by a provider for fees that exceed the amount paid by their insurance—charges that can be 10-20 times the going rate. One of the main drivers of surprise billing is government mandates that force consumers and insurers to pay emergency care providers and facilities at these exorbitant rates and incentivize these providers to stay out of network because it is more lucrative for them. Mediation, the most effective option for consumers to challenge surprise medical bills, is working in Texas. It has already saved consumers millions of dollars, but it is limited and needs to be expanded to all emergency services.

TAHP Position: TAHP supports protecting consumers from excessive and surprise billing for emergency care by: equipping consumers with more information such as prices and network status; holding bad actors accountable who are exploiting patients and price-gouging; expanding the successful use of mediation to all emergency care facilities and providers; and repealing costly government mandates that have contributed to the growing trend of surprise billing and out-of-network emergency care in Texas.



Protect Consumers From Exorbitant Medical Bills at Freestanding ERs

Freestanding ERs are rapidly popping up in residential areas throughout Texas. Though freestanding ERs tend to have the same look and feel of urgent care centers, many consumers are unaware that, unlike urgent care centers, these facilities are often out of network and can charge patients up to 10 times more for the same services. Many consumers are confused about the network status of freestanding ERs, which use intentionally misleading language, and are left reeling from exorbitant and surprise medical bills.

TAHP Position: TAHP supports enhanced protections for consumers by increasing transparency in advertising, pricing and network status at freestanding ERs. Those engaged in price-gouging or deceptive advertising must be held accountable. In addition, the mediation process should be expanded to include all non-network freestanding ER facilities and provider services. Finally, costly government mandates that are contributing to the growing trend of out-of-network emergency care and surprise billing should be repealed.



Empower Consumers Through More Transparency

Consumer access to essential health care information, including prices, quality standards, and network status, is currently limited. This hinders their ability to shop for the most affordable and best-suited care and coverage for their unique needs. Additionally, there is a large variation in what out-of-network providers charge for their services, often resulting in surprise medical bills that are 10-20 times the going rate. These “billed charges” often have no connection to market or the real cost of the service. Exorbitant out-of-network charges, coupled with the annual double-digit rise in prescription drug prices, are hindering access to affordable health care for Texas consumers.

TAHP Position: TAHP supports efforts to increase transparency and ensure consumers have greater access to prices, quality standards and network status for all health care providers. Increased transparency by physicians, freestanding ERs, hospitals and all providers will assist consumers in planning for their out-of-pocket responsibilities and can lessen the likelihood of unexpected costs and surprise bills.



Telemedicine: Increased Access to Quality & Affordable Care

Telemedicine offers a personalized and convenient alternative to visiting an emergency room, urgent care center, or doctor’s office for non-emergency medical needs. The use of telemedicine has already proven successful in increasing access to care, achieving cost-savings for consumers, and reducing the number of unnecessary hospitalizations. However, Texas lags behind other states in establishing a supportive regulatory environment for the expansion of telemedicine. In fact, over the last several years, the Texas Medical Board has moved to unnecessarily impose more stringent standards for telemedicine than in-person medical services. These regulations make it more difficult for qualified physicians to use telemedicine to provide care to more Texans. Telemedicine is a delivery model that offers great promise to help our state address the critical issues of health care quality, availability, and affordability. Health plans are looking for ways to expand, not limit, the use of telemedicine in Texas. We need to ensure that our state regulations are not standing in the way of innovation and not creating unnecessary, costly mandates that interfere with private market competition.

TAHP Position: TAHP opposes broad, overly restrictive regulations or contract and payment mandates that impose a one-size-fits-all approach to telemedicine and reduce private market competition. Telemedicine is a constantly evolving technology that is most effective when implemented in a tailored manner that meets individual regions, providers and patients’ needs. TAHP supports free-market principles that allow the telemedicine industry to grow and become a more viable option for Texans to access quality, convenient and low-cost health care services for appropriate medical needs.



PBMs: A Critical Tool to Negotiate Lower Rx Prices

For the first time ever, insurance costs for prescription drugs have exceeded payments to doctors for physician services. In an era of skyrocketing pharmaceutical costs (Rx costs are 24 percent of every \$1 consumers spend on health insurance), health plans and pharmacy benefit managers (PBMs) use proven private-market negotiation tools to achieve the lowest costs for prescription drugs for those they serve. The scale and clinical expertise that PBMs provide is projected to save employers, unions, government programs and consumers \$654 billion – up to 30% – on drug benefit costs over the next decade, clearly demonstrating that PBMs will remain a necessary agent to achieve savings for their plan sponsors and their beneficiaries.

TAHP Position:

TAHP supports health plans’ and PBMs’ use of private market solutions and competitive negotiations to provide affordable drug coverage to Texans and Texas businesses.

TAHP opposes government mandates, including contract mandates, that that undermine competition in the private market and increase the cost of drug coverage for Texans.



Facing Uncertainties in Federal Health Care Policy

Under the new Administration, it remains to be seen how national health care policy will change and ultimately, what will remain and what will be repealed of the Affordable Care Act. But one thing is certain: Now more than ever, the entire health care community, stakeholders and policymakers must work together to find meaningful solutions to ensure stable, affordable and valuable health coverage for all Texans. Millions of Texans and Americans depend on their current care and coverage, and any solution should include a strong commitment to continuous coverage. Decision-makers must build ample time into any transition implemented to ensure consumers have secure options and are fully informed of any changes. Trends suggest more control will shift back to the states in the coming years, and as it does, states like Texas must be careful not to hinder innovation and affordability with more restrictive government mandates. State leaders should recognize the success and savings achieved through more flexible and innovative approaches such as the managed care model and embrace private-market solutions that allow for competition and negotiation in health care.

TAHP Position: TAHP supports a sound and competitive health insurance market that maximizes private market competition and consumer choice, and promotes personal responsibility and affordable coverage options for all Texans.



About TAHP

The Texas Association of Health Plans (TAHP) is the statewide trade association representing private health insurers, health maintenance organizations, and other related health care entities operating in Texas. As the voice for health plans in Texas, TAHP strives to increase public awareness about our members' services, health care delivery benefits and contributions to communities throughout the state.

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