

SUBJECT: Allowing health insurers to provide certain incentives

COMMITTEE: Insurance — committee substitute recommended

VOTE: 7 ayes — Oliverson, Cain, Cortez, Caroline Harris, Hull, Paul, Perez
2 nays — A. Johnson, Julie Johnson

WITNESSES: For — Genevieve Collins, Americans for Prosperity; Shannon Meroney, National Association of Benefits Insurance Professionals; Charles Miller, Texas 2036; Carl Isett, Texas Association of Benefit Administrators; Blake Hutson, Texas Association of Health Plans (*Registered, but did not testify*; Samuel Sheetz, Americans for Prosperity; Mia McCord, Texans for Affordable Health Care/American Coalition for Affordable Health Care; Matt Abel, Texas Association of Business; David Reynolds, Texas Chapter American Chapter of Physicians Services; Carrie Simmons, Texas Employers for Affordable Healthcare; Jorge Martinez, The LIBRE Initiative; Colby Nichols, TML Health Benefits Pool)

Against — (*Registered, but did not testify*: Sara Allen, Texas College of Emergency Physicians; Ben Wright, Texas Medical Association; Jill Sutton, Texas Osteopathic Medical Association; Michael Grimes, Texas Radiological Society; Marti Luparello, Texas Society of Pathologists; Bonnie Bruce, USAP; and six individuals)

On — David Balat, Texas Public Policy Foundation (*Registered, but did not testify*; Debra Diaz-Lara, Texas Department of Insurance)

BACKGROUND: Some have suggested that allowing insurers to provide certain incentives could encourage patients to choose lower-cost care.

DIGEST: CSHB 2414 would allow health maintenance organizations and insurers to provide incentives for enrollees or insureds to use certain providers through modified deductibles, copayments, coinsurance, or other cost-sharing provisions. A health maintenance organization or insurer that encouraged an enrollee to use specific physicians or providers, introduced

or modified a tiered network plan, or assigned physicians or providers into tiers would have a fiduciary duty to the enrollee, insured person, or group contract holder to engage in that conduct only for the primary benefit of the enrollee, insured person, or group contract holder.

The bill would take effect September 1, 2023.