



Dear Texas Employers:

As a Texas employer and member of [DFWBGH](#), HBCH or [TBGH](#), you have the opportunity NOW to make a big difference in the value of your company's health benefits to employees and their families who use these high value benefits. The ask is for your organization to support the passage of [House Bill 711](#) in the 88th Texas Legislature that will give employers more negotiating leverage to lower hospital costs and direct employees to high quality, cost efficient healthcare providers and facilities. **Your support is needed in the next several days** as this bill is being debated in session.

There are several ways your organization can support this important piece of legislation through [Texas Employers for Affordable Healthcare](#), which was formed by DFWBGH, HBCH, TBGH, and others in 2022. TXEAHC purpose is to provide a forum for employers to support Texas legislation this year and beyond to lower the cost, improve the quality, and enhance the patient experience of employer-sponsored healthcare benefits.

The Problem

The largest cost for healthcare for all employers is hospital services. Four rounds of [Rand Hospital Price Transparency](#) studies demonstrate that Texas employers in aggregate pay 250% more than the Medicare price for the same service at the same hospital by the same physician. Hospital prices have increased more than 225% over the past two decades, more than triple wage increases over the same period. This has created hardships for the employer, employees and their families. Moreover, the [National Academy for State Health Policy Hospital Cost Tool](#) demonstrates that in aggregate the prices that employers are charged is more than twice the amount a hospital needs to cover ALL of its costs.

It is critical for Texas employers of all types, private and public, to voice their concern about the current healthcare market that lacks the basic principles of a free and fair market, i.e., transparency, competition, and consumer awareness. Unchecked hospital and health plan market consolidation has created the current oligopoly that can only be course-corrected by state legislation. Hospitals and health plans have a collective message opposing transparency in healthcare.

Our legislators need to hear a collective message from Texas employers who purchase healthcare on behalf of their employees.

The Solution

[House Bill 711](#) was introduced to the [88th Texas Legislature](#) by [Representative James Frank](#). This bill will prohibit anticompetitive language between hospitals and health plans. These include:

- **Gag Clauses** which keep hospitals and health plans from revealing their payment rates or other contractual provisions.
- **Anti-Tiering Clauses** restricts the ability of the employer to introduce or modify a tiered network plan or assign health care providers into tiers based on value (better quality and lower price), including offering enrollee incentives.



- **Anti-Steering Clauses** restricts the ability of employer from encouraging an enrollee to obtain a health care service from a competitor of an in-network hospital or health system, including offering incentives to encourage enrollees to utilize specific higher value (better quality and lower price) providers .

Take Action

We urge you to circulate internally as needed and check the boxes below to let us know the action(s) your organization can take in the next few weeks. This legislation will be opposed by legacy stakeholders that have benefited by the contractual thwarting of transparency and competition.

Possible actions:

- Place your [organizational logo](#) in support of legislation to prohibit anti-competitive practices. Click the I am an employer box.
- [Provide a few sentences testimonial](#) about your organization's experience dealing with healthcare prices.
- [Sign a letter](#) with other business coalition members calling on the [House Select Committee on Healthcare Reform](#) to act on HB711.
- [Reach out to your local state representative and state senator](#) and [submit a letter](#) based on where your company is headquartered or where your employees are based.
- Testify at the Capitol during the legislative session.

Questions

Please refer any question to Chris Skisak, PhD, Executive Director of Texas Employers for Affordable Healthcare, chris@txeahc.org or 713.825.7642