

We the undersigned employers [can state what type, e.g., local coalition members, municipalities, unions] are writing in support of House Bill 711 and House Bill 1692 by Rep. James Frank. As healthcare prices skyrocket with limited to no transparency, we the undersigned are looking for solutions like these to provide better quality and lower cost healthcare for our state, county, and local government employees, and their families.

Overwhelming increases in healthcare costs have created hardships for all Texas citizens and tax pressure on all state and local governmental entities, wage growth, and family quality of life. While we have made great strides as it relates to price transparency, there is still much work to be done to restore competitive market behaviors to the healthcare space.

As we have experienced firsthand, concentrated market power has led to the inclusion of anticompetitive language in contracts between hospitals and the health plans that arbitrarily drive-up prices and provide no additional benefit to the purchaser. H.B. 711 seeks to prohibit these egregious practices such as gag, anti-tiering, anti-steering, and most favored nations clauses. These types of contracting practices do nothing to ensure access or quality, they only drive-up costs and profits.

Likewise, hospital facility fees were intended to compensate hospitals for the operational costs to be open 24-hours a day. Vertical and horizontal hospital consolidation has led to the acquisition of service providers and locations that are not open 24/7 and far removed from the hospital facility. And yet as an additional source of revenue patients are being charged exorbitant facility fees. HB 1692 will prohibit these abuse of facility fees.

We support this legislation because it will help provide an even playing field for healthcare consumers and remove predatory practices from inflating prices for all Texans.