



Physicians Caring for Texans

**House Committee on Insurance**  
**Testimony by Raul Benavides Jr., MD, Texas Medical Association**  
**House Bill 3042 (Laboratory Claim Editing) by Rep. Dennis Paul**  
*April 30, 2025*

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Chair Dean, Vice-Chair Vo, and committee members, my name is Dr. Raul Benavides, and I am here today on behalf of the Texas Medical Association to testify in opposition to House Bill 3042.

HB 3042 would create a new process under which certain entities providing a “Laboratory Claim Integrity Program,” or LCIP, register with the Texas Department of Insurance and insert themselves into the claims process for laboratory services. These LCIPs, as defined by the bill, are claims editing programs that are supposed to identify “wasteful clinical laboratory tests based on the health benefit plan’s clinical laboratory testing policies.” In other words, they are supposed to be directed at overutilization.

However, the activities of these LCIPs would be **entirely exempt** from the utilization review requirements of Chapter 4201 under current law.

This bill creates a **new middleman** in the claims process (and a **new avenue** for health benefit plan issuers and utilization review agents to review laboratory claims) – one that would not be subject to the basic patient protections that utilization review agents must meet today, such as timelines for review, mandatory appeals processes, physician program direction, and prohibitions against financial incentives for denials.

In fact, under HB 3042, a denial or reduction in payment of a claim that is identified by an LCIP would not even be considered an “adverse determination,” meaning the right to appeal if a laboratory claim is unfairly or inappropriately reduced or denied is unclear.

We are concerned that HB 3042 opens the door to a pay-per-denial structure, where LCIPs could be incentivized to flag more claims without the accountability safeguards designed to protect patients and physicians from inappropriate denials.

TMA believes if an entity is acting to deny, reduce, or otherwise interfere with payment for medical services, it must comply with the same patient protections that apply to all utilization reviews today.

For these reasons, we respectfully oppose HB 3042 and urge the committee to reject it.

Thank you for your time and consideration.