TEXAS MEDICAL ASSOCIATION

Physicians Caring for Texans

Senate Committee on Health and Human Services

Written Testimony from the Texas Medical Association
by Andrew James "Jimmy" Widmer, MD, TMA Council on Legislation Chair
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Honorable Chair Kolkhorst and members of the committee,

Thank you for the opportunity to submit testimony on behalf of the Texas Medical Association (TMA), a private, voluntary, nonprofit association representing more than 60,000 Texas physicians and medical students. Our members practice in every medical specialty, in every part of the state, and in settings ranging from solo practices to large health systems.

TMA appreciates the committee's focus on rising health care and insurance costs. Texas patients, employers, and physicians all feel the pressure of higher premiums, higher deductibles, rising drug costs, narrower networks, administrative complexity, and increasingly difficult access to timely care. Physicians see these problems every day in the exam room. A patient may technically have insurance but still delay or skip care because the deductible is too high, the prescription is unaffordable, the network is too narrow, or the insurer's policies and practices make care difficult to obtain.

Texas should pursue policies that lower costs, increase meaningful competition, and preserve access to physician-led care. But the state should be careful not to confuse lower *premiums* with lower *costs*. A cheaper insurance product that shifts more costs to patients, weakens coverage, or makes it harder to see a physician does not make health care more affordable. It merely moves the cost somewhere else – often onto patients, physicians, and local communities.

I. Administrative burden and complexity contribute to rising costs

Rising costs reflect a combination of utilization and intensity of services, poor population health, administrative complexity, prescription drug costs, insurance and payment policies that drive patients to higher-cost settings, and market structures that reward consolidation. TMA recognizes that utilization management, prior authorization, and other cost-control measures can – in certain instances – function as important tools for managing unnecessary spending and protecting patients. However, those requirements should be reasonable, clinically appropriate, transparent, and balanced against the administrative burden they place on physician practices and patient access to timely care. Inappropriate use of utilization management, prior authorization, and other purported cost controls can have the opposite of the purported cost-saving goal – adding costs into the system through unnecessary administrative burdens that detract from patient care.

One of the clearest opportunities for Texas is to reduce administrative waste and complexity. Opaque utilization management policies, inconsistent payment denials, duplicative reporting, restrictive formularies, unwieldy appeal processes, and constantly evolving billing and coding guidelines consume enormous resources without adding clinical value.

Prior authorization is perhaps the most well-published example of administrative burden that physicians experience. Prior authorization may be appropriate for certain high-cost or experimental services. However, physicians increasingly report utilization management requirements are being applied broadly to routine, evidence-based, and previously approved care, creating unnecessary delays and administrative expenses. The American Medical Association's 2025 prior authorization survey found physicians complete an average of 40 prior authorizations per week, and physicians and their staff spend roughly 13 hours per physician per week on that process alone. These are not abstract burdens. They require staff, technology, legal compliance, billing infrastructure, and physician time. They also delay care for patients.

For small and independent practices, these burdens are especially damaging. A large health system may be able to absorb layers of administrative cost. A small physician practice often cannot. When physicians spend more time fighting insurance rules and less time caring for patients, access suffers and overhead rises. That pressure contributes to practice consolidation, burnout, and reduced physician availability in rural and underserved communities.

Administrative simplification should therefore be treated as a serious affordability strategy. Texas has already made progress through prior authorization reforms, including the state's "gold carding" law. The next step is to ensure the state builds on those reforms and ensure prior authorization reforms are meaningful in practice, enforceable, and not undermined by workarounds.

II. Population health and coverage stability are affordability issues

Texas' affordability problem is not only a pricing problem, it is also a utilization and risk-pool problem.

Texas continues to face major challenges related to uninsured rates, preventable disease, maternal health, behavioral health, chronic disease, tobacco use, and food insecurity. When patients delay care because they are uninsured, underinsured, or unable to access a physician, they often return to the system later with more complex and more expensive conditions.

Preventive care and primary care are cost-containment tools. When hypertension, diabetes, cancer risk, behavioral health needs, and childhood immunizations are addressed early, patients do better and the system spends less. When those needs are ignored, costs rise through emergency department visits, hospitalizations, avoidable complications, and lost productivity.

That is why coverage stability, prevention, and access to physician-led care should be part of the committee's affordability strategy. An ounce of prevention is worth a pound of cure.

III. Flexible plan designs must not become junk coverage

TMA supports giving Texans more affordable coverage options. Health Savings Accounts (HSAs), value-based benefit designs, direct physician care arrangements, and other innovations may help some patients and employers manage costs. However, the state should be cautious about new flexible plans that reduce premiums by increasing deductibles, narrowing networks, excluding essential services, weakening prior authorization protections, or shifting more financial risk to patients and physicians. Lower-premium products can be attractive, especially

for small employers and families under financial pressure. But if those products leave patients underinsured, they can increase uncompensated care, delay diagnosis, worsen outcomes, and destabilize the broader market.

Texas should encourage innovation, but any new product offering should still have meaningful coverage and include guardrails. Patients and employers need clear disclosures about what is covered, what is excluded, what utilization management and claims processes apply, what the deductible is, what the network includes, and what financial exposure the patient may face. Flexible plan designs should not be allowed to avoid basic patient protections that apply to other state-regulated plans. Doing so would likely incentivize payers to normalize these products as the new standard under the banner of affordability, when those designs could ultimately increase out-of-pocket expenses for patients, worsen patient outcomes, and impose additional burdens on physician practices.

True innovation is not achieved through gamesmanship and new products that simply create barriers to access, cover fewer benefits, reduce patient and physician recourse, or deploy anti-competitive contracting practices. Policymakers should evaluate whether a plan design lowers total cost or merely shifts cost to patients, physicians, hospitals, or taxpayers.

IV. Recommendations

TMA respectfully offers the following recommendations as the committee considers ways to lower costs and increase market flexibility:

1. **Reduce administrative waste.** Strengthen enforcement of prior authorization/utilization review reforms and treat related reduction of physician and provider administrative burden as a cost-containment strategy.
2. **Scrutinize pharmacy benefit manager practices.** Increase transparency, protect patients from aggressive cost-shifting tactics (such as copay accumulator programs, copay maximizer programs, and alternative funding programs), limit nonmedical switching, and ensure that savings are passed through to patients.
3. **Protect meaningful coverage.** Allow innovation in plan design, including HSAs and flexible products, but require meaningful coverage with clear consumer disclosures and preservation of important patient and physician protections.
4. **Strengthen physician autonomy and practice viability.** Oppose legislation that increases administrative burden imposed on physicians or threatens a physician's clinical decision-making that is in the best interest of the patient.
5. **Improve transparency that patients can actually use.** Patients need information about premiums, deductibles, networks, coverage rules, utilization management, prescription drug costs, and estimated out-of-pocket obligations – not just posted prices.
6. **Address population health as an affordability strategy.** Continuing to invest in better access to preventive care, primary care, behavioral health, maternal care, and chronic disease management will reduce avoidable downstream spending.

V. Conclusion

TMA agrees that Texas must address rising health care and insurance costs. Patients, employers, physicians, and taxpayers all need relief. But the solution cannot be to simply shift costs from premiums to deductibles, from insurers to patients, or from health plans to physician practices.

Real affordability means reducing waste, improving access, supporting physician-led care, increasing transparency, preserving meaningful coverage, and scrutinizing business practices that add cost without improving health. Texas should pursue flexibility and innovation, but it should do so with clear guardrails that protect patients and preserve access to meaningful coverage and quality health care.

Thank you for the opportunity to provide this testimony. TMA looks forward to working with the committee to advance policies that reduce costs, strengthen access, and improve the health of all Texans.

Should you have any questions, please contact Ben Wright, TMA director of Public Affairs, at Ben.Wright@texmed.org.

Respectfully,

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