



April 30th, 2026

Chairman Frank and Members
House Select Committee on Health Care Affordability
Texas House of Representatives

RE: Written Testimony on Overall Health Care Spending

Chairman Frank and Members of the Select Committee on Health Care Affordability:

Thank you for the opportunity to provide written testimony on health care affordability. Rising health care costs are not the result of a single failure, but a combination of policy distortions that obscure prices, weaken competition, and insulate consumers from the true cost of care. As a result, patients face higher premiums, higher out-of-pocket costs, and fewer meaningful choices.

First, price transparency remains one of the most immediate and actionable reforms available. Patients cannot behave as consumers when prices are hidden. Evidence shows that when prices are disclosed, patients shift toward lower-cost providers, increasing competition and reducing overall costs. Transparent pricing also allows employers to better evaluate insurers and third-party administrators, whose incentives are often tied to higher total spending rather than cost containment.

Second, market structure and insurance design continue to distort incentives. The current system encourages compensation through employer-provided insurance rather than direct wages, reducing price sensitivity and driving higher utilization and costs. Cost sharing alone is insufficient if underlying prices remain inflated by regulatory barriers and a lack of competition.

Third, consolidation across hospitals and provider systems has reduced competition in many markets, limiting patient choice and increasing prices without corresponding improvements in quality. Policymakers should prioritize removing barriers to entry and expanding supply rather than attempting to manage prices administratively.

Finally, consumer transparency must extend beyond posted prices to include clear, actionable information on total costs, network limitations, and expected out-of-pocket expenses. Patients need usable information, not just compliance-driven disclosures.

To improve affordability, the Legislature should focus on policies that expand supply, increase competition, and empower consumers. That includes strengthening and enforcing price transparency, removing regulatory barriers that limit market entry, and aligning incentives so that patients and employers can make informed, cost-conscious decisions. Affordability will not be achieved through mandates or subsidies alone, but through a system that allows prices to reflect value and competition to work.

Thank you for your consideration.

For Liberty, For Texas!

Jeremy D. Kitchen
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