TEXAS POLICY RESEARCH

September 1st, 2026

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

RE: Written Testimony on Innovations in Health Care Plans – Affordability and Access

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

Thank you for the opportunity to provide written testimony regarding opportunities to encourage flexibility and innovation in health plan design while maintaining access to quality care.

Health insurance is intended to protect individuals from financial risk. Yet decades of mandates and increasingly standardized plan designs have blurred the distinction between insurance against significant expenses and prepayment for routine health care. The result is often higher premiums, higher deductibles, and fewer meaningful choices.

Texas should pursue a different approach: allow Texans greater freedom to purchase coverage that reflects their individual needs, preferences, and willingness to assume risk. Not every Texan needs or wants the same health plan. A young, healthy worker may prioritize affordable catastrophic protection. A family managing chronic conditions may value more comprehensive coverage. Others may prefer combining high-deductible coverage with health savings accounts, direct patient care, or direct-pay services. Public policy should accommodate these differences rather than attempting to design the ideal insurance product for everyone.

Texas has previously recognized this principle. State law allows Consumer Choice of Benefits plans that may exclude certain state-mandated benefits, accompanied by disclosures informing consumers about what is and is not covered. The Legislature should build upon that philosophy by reviewing existing state mandates and identifying additional opportunities for insurers to offer lower-cost and more flexible products.

Federal law limits some options available to states, but Texas should use the flexibility it possesses and pursue additional flexibility where available. Policymakers should examine opportunities to expand access to catastrophic coverage, health savings arrangements, direct patient care, and other alternatives that allow insurance to focus more heavily on protection against significant financial risk.

Innovation also requires competition. New plan designs have little value if regulatory barriers prevent new insurers, providers, or financing arrangements from competing for Texans' business. The goal should be a marketplace in which plans compete on price, coverage, quality, and service rather than one in which government continually narrows the range of permissible choices.

Importantly, flexibility should be paired with transparency. Consumers should receive clear information about exclusions, deductibles, networks, and other limitations so they can make informed decisions about the coverage they purchase. Affordability does not necessarily require the government to make insurance cover more. Sometimes affordability requires allowing Texans to purchase less.

The Legislature should protect consumers through transparency while giving them greater freedom to determine for themselves what coverage provides the best value.

Thank you for your consideration.

For Liberty, For Texas!

Jeramy D. Kitchen
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