



THE TEXAS STATE CHAMBER

TAB's purpose is to champion the best business climate in the world, unleashing the power of free enterprise to enhance lives for generations.

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for 100 years

March 21, 2023

*House Insurance Committee Written Testimony
Oppose House Bill 2021*

Chairman Oliverson and Members of the House Insurance Committee,

The Texas Association of Business (TAB) serves as the Texas State Chamber, representing employers of every size and industry. HB 2021 could negatively impact Texas employers' ability to offer affordable healthcare benefits, leading to increased costs for employers, therefore we must respectfully oppose HB 2021.

The core purpose of ERISA is to establish a consistent set of rules for employee benefit plans and provide clarity and certainty for both employers and employees. This consistency is particularly important for large employers that operate in multiple states as it ensures a uniform benefit package across our workforce. Federal law sets minimum standards, including reporting and disclosure requirements as well as fiduciary responsibility.

ERISA's broad preemption provision has been successful: 98% of Texas large employers provide comprehensive coverage to their employees. It is also worth noting that most large employers already provide more comprehensive coverage than plans sold in the state-regulated insurance market. Employer plans are tailored to the specific needs of their employees and offer greater benefits, such as access to top-tier providers and lower out-of-pocket costs.

In a recent survey, 87% of employers agreed that Texas businesses should stand together against legislation that increases the cost of employer-paid health care coverage. If this bill were to become law, it would increase prescription drug costs for millions of Texas employees. This would be costly for Texas employers, who would be forced to comply with a range of different state laws and regulations. It would also be confusing for employees, who may be subject to different benefit packages depending on where they work.

Furthermore, when we asked employers directly about this issue, 75% of employers opposed legislation that would allow the state to interfere with an employers' ability to offer health benefits to their employees.

The business community looks forward to working with you and your fellow lawmakers to find ways to continually lower health care costs. Employers across Texas want the ability to choose quality, affordable health care and prescription options that best fit their businesses and employees.

Sincerely,

Glenn Hamer
President & CEO
Texas Association of Business