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Texas Leads the Nation in Health Care Transparency

Newly required disclosure of claims experience by insurance companies can help employers get competitive group health quotes, lower costs

AUSTIN, TX - The Texas Association of Benefit Administrators (TABA) is proud to announce that Texas is leading the nation toward establishing transparency in the cost of health care. Greater transparency through standardized disclosure of health claims data will allow employers in this state to seek competitive rates and better health care benefits for their hard-working employees.

This legislation, which applies as of January 1, 2008, requires an insurer to respond within 30 days to an employer's request for claims, premium, and other necessary underwriting information. Under the bill, insurers disclose protected health information only if proper certification has been provided by the employer plan sponsor in accordance with strict Federal standards.

"The ability for employers to have timely access to their own loss information will lead to more competitive rates and lower costs for employers and their employees," said Samuel D. Francis, TABA's legislative committee chairman and immediate past president. "This new law will enable more employers to effectively consider all financing options, including self-funding their group health plan under ERISA."

TABA has been building momentum on this issue for more than six years, with interest increasing alongside steadily rising healthcare costs. Between the 2005 and 2007 legislative sessions, there was significant work with stakeholders to

build a consensus for reform. Those efforts paid off June 15, 2007 when Gov. Rick Perry signed House Bill 2015 into law.

According to Senator Robert Duncan, Senate State Affairs Committee Chair, working with all the stakeholders makes it simpler to carry complex legislation through the process. "I applaud TABA's leadership in this issue and their interest in helping Texas employers and their employees," he said.

As the cost of health care has skyrocketed, states across the country have considered attempts to deal with the crisis. The provisions of HB 2015 set a new standard for disclosure of claim data, making Texas a leader on this component of health insurance transparency.

"We must credit Senator Duncan for being a leader on transparency issues. He listened to our concerns and understood the severity of the issue. Senator Duncan made this cause part of his interim work, and he, along with Representative John Smithee, House Insurance Committee Chair, became key figures in the Legislature's effort to make this information available," Francis said.

"Transparency in healthcare costs is so important in allowing employers to make wise decisions about employee healthcare. I am pleased that this legislation will directly benefit Texas business owners and their employees," Representative Smithee said.

Although this is an important step, Francis said there is more to be accomplished in transparency for Texans' healthcare. "We greatly appreciate the support of Senator Duncan and Representative Smithee," said Francis. "We're looking forward to working with them in the future."

About TABA

Texas Association of Benefit Administrators (TABA) members are focused on improving the quality of benefit plans and managing related medical costs for employers and their employees. Additional information on HB 2015, including a copy of the legislation, can be found at the TABA website www.tpbaa.com.

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