



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.

Pro-Business • Pro-Texas
for 100 years

April 9, 2025

House Insurance Committee

Written Testimony in Opposition of Texas House Bill 2750

Chairman Dean, Vice Chairman Vo, and Members of the Committee,

Thank you for the opportunity to submit written testimony regarding HB 2750. The Texas Association of Business (TAB) is the state affiliate of the National Association of Manufacturers and the state Chamber of Commerce. We represent businesses across every industry, and our local chamber partners across the state.

While we appreciate the intent behind HB 2750 to increase transparency and address potential conflicts of interest, HB 2750 imposes rigid restrictions that will increase costs, reduce plan design flexibility, and hinder employers' ability to effectively manage health benefits for their employees. Therefore, we must respectfully oppose this bill.

Disruption to Existing Benefit Models

HB 2750 would prohibit health benefit plan issuers from requiring enrollees to use a PBM in which the issuer holds a financial interest. Many Texas employers rely on integrated health plans that combine medical and pharmacy benefits through a single insurer-PBM structure. These models streamline administration, leverage coordinated care and deliver meaningful cost savings. Disrupting these arrangements would eliminate access to these effective, affordable options.

Higher Administrative Costs and Complexity

Employers would be forced to offer plans that separate functions that are currently aligned resulting in duplicative vendor management, fragmented oversight, and greater complexity. For small and mid-sized businesses with limited HR capacity, these added burdens translate into higher costs and fewer resources to invest in wages and growth.

Loss of Employer Flexibility

Employers need the flexibility to select benefits that best serve their workforce. HB 2750's blanket prohibition removes valuable tools from an employer's toolkit, limiting their ability to pursue efficient, affordable arrangements. The bill would tie the hands of employers trying to be good stewards of their limited healthcare dollars.

We urge the Committee to carefully consider the unintended consequences this bill would have on Texas employers, employees, and the overall affordability of health benefits. While we share the goals of transparency and competition, this legislation would restrict employer choice and raise costs at a time when businesses and working families are already stretched thin.

Thank you for your consideration.

Sincerely,

Faith Villarreal, Government Relations, Texas Association of Business