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Family doctors laud Sen. Sparks and Rep. Hull for filing S.B. 1014 and H.B. 2254

The bill will improve health care quality and lower costs by allowing physicians and payers to explore innovative payment models

AUSTIN, TEXAS — Family physicians applaud the actions of Sen. Kevin Sparks and Rep. Lacey Hull for filing legislation that will modernize Texas insurance laws to promote innovative, alternative payment models for some health care services.

Primary care physicians, employers, and health plans across the country are seeking alternatives to the outdated fee-for-service payment model, which rewards the volume of services over the quality of care provided. Many employers are exploring high-value options like advanced and direct primary care, where doctors receive predictable, up-front, prospective payments per patient each month. Primary care practices that voluntarily agree to these payment arrangements find they can spend more time with patients, focus on meaningful clinical care, and deliver better health outcomes.

Unfortunately, state law and outdated policies prevent Texas' employer-sponsored health plans from partnering with doctors through these forward-thinking payment models, ultimately hindering advancements that could improve patient outcomes and lower health care costs.

"Medicaid, Medicare, and self-funded employer plans have successfully utilized these kinds of prospective payment models to drive value and improve care," said Tom Banning, CEO and Executive Vice President of TAFP. "This bill simply clarifies in statute that physicians and preferred provider organizations can do the same."

In addition to better patient health, these alternative payment models have been shown to strengthen primary care practices by reducing administrative burdens and improving professional satisfaction. Moreover, these models can reduce the total cost of care, with data showing as much as a 20-30% reduction in hospital admissions through better care coordination and management of chronic conditions.

"This is part of the future of health care delivery, and we have to remove this statutory roadblock to make it a reality," Banning said. "By adopting this legislation, Texas can lead the way in fostering a healthier, more cost-effective health care system."

The Texas Academy of Family Physicians is the premier membership organization dedicated to uniting the family doctors of Texas through advocacy, education, and member services, and empowering them to provide a medical home for patients of all ages. It has 33 local chapters and is a chapter of the American Academy of Family Physicians. Visit www.tafp.org for more information.