

**HOUSE OF REPRESENTATIVES  
COMPILATION OF PUBLIC COMMENTS**

Submitted to the Committee on Insurance

For HB 2516

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Hearing Date: April 17, 2025 10:30 AM - or upon final adjourn./recess or bill referral if permission granted

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This bill talks as to an Entity that provides Medicare insurance, but the State Insurance Code does not do a good job of defining that term. The insurance industry is currently circumventing the federal statutes and state rules to artificially inflate the cost of their medicare premiums by just creating another subsidiary that sets their entry rates artificially low, then after about three years they close this plan and open another under another subsidiary to skirt the prohibition against having multiple plans by an entity for at least five years before they open another identical plan. To close this loophole the code should be amended to define "an entity providing medicare supplement policy" as an entity that includes all subsidiaries of one corporate or similar business enterprise that eventually report to a common ownership or holding company." The Tx DOI is aware of this abuse and a petition this person has suggested to telry to plig this loophole. A loophole that the NAIC HASP taskgroup in their Spring National Meeting in 2023 was presented a paper by the Nebraska DOI discussing this issue. Unless this massive loophole is plugged, all medicare supplement policies will soon be priced out of the reach of many of their participants. Clearly this was not the intent of original Medicare federal legislation that the state is supposed to at a minimum follow. Further the DOI should be instructed to not allow data from certain industry consultants ( like Moorman) that is allowing for the initial rates to be artificially be lowered and insist that they base all new plans on actual historical from their own similar plans if they are going to close an existing plan to new enrollees and open another near identical plan. The industry should not be able to game the system to price those with critical illnesses out of being able to afford their insurance. This bill may be an avenue to address this issue by adding such a definition of entity and to review the petition that was initially denied by the Insurance Commissioner but is currently under reconsideration by her office.