

# A Billion-Dollar Problem, a \$4.5 Million Solution: How Data Can Help Texas Rein in Health Care Costs

*All-Payor Claims Database would help state budget writers control future expenses*

AUSTIN, TX, UNITED STATES, February 18, 2025 /EINPresswire.com/ -- As Texas leaders navigate a state budget stretched by growing demands for education, water, energy and property tax relief, one of the largest and fastest-growing cost drivers is health care for teachers and state employees.



During this budget cycle, the Teacher Retirement System of Texas (TRS) and the Employees Retirement System of Texas (ERS) have requested nearly \$1 billion above baseline spending just to keep up with rising health care costs. Without additional funding, TRS-ActiveCare [average member premiums could rise](#) by nearly \$2,200 per year by 2027, and ERS reserves may be fully depleted by 2029 — jeopardizing benefits for the roughly one million Texans whose health care is administered by these retirement systems.

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*Charles Miller*

One powerful tool that could help policymakers and budget writers assess cost trends and explore potential savings is the [Texas All-Payor Claims Database](#) (APCD), housed at the University of Texas Health Science Center at Houston.

Fully funding the APCD would cost just \$4.5 million per year, a fraction of the additional funding requested for ERS and TRS, yet it could provide the transparency and data needed to evaluate cost-saving reforms.

“With health care costs rising rapidly, the state needs better data to make informed decisions,”

said Charles Miller, Director of Health & Economic Mobility at Texas 2036. “The All-Payor Claims Database offers a fact-based approach to understanding cost drivers and identifying opportunities to strengthen the system for both taxpayers and public servants.”

## A National Challenge, A Texas Opportunity

Rising health care costs are not unique to Texas. States across the country are grappling with increasing expenditures for public employee health plans and private sector insurance. More than 20 states have established their own All-Payor Claims Databases, recognizing the power of data to help control costs, improve transparency and strengthen competition in health care markets.

Texas, with its rapidly growing population and one of the largest economies in the world, has the opportunity to be a leader in using data-driven solutions to address these challenges. Investing in the Texas APCD now would put Texas at the forefront of innovation in health care policy, providing a model for other states looking to rein in expenditures while ensuring access to quality care.

Established by [House Bill 2090](#) in the 2021 legislative session, the Texas APCD has yet to receive legislative funding. Despite that, the Texas APCD has moved forward in establishing the framework for collecting payor data and is currently receiving monthly data submissions from payors.

## Texans Want Action on Rising Health Care Costs

Texans are struggling with rising health care expenses, with the average annual premium for family coverage exceeding \$25,000, about one-third of the state's median household income. About one in 10 of Texas adults — 2,300,000 people — report having medical debt in a given year. And Texas has the highest percentage of children whose families struggled to pay for their child's medical bills in the past 12 months at 14.9%.

The high price of health care is leading many Texans to make tough choices — often at the expense of their health. A statewide poll by the Episcopal Health Foundation found that 65% of insured Texans skipped or postponed medical care in the past year because of expenses, including check-ups, treatments and filling prescriptions.

Recent polling underscores widespread public concern about the financial pressures of health care. In Texas 2036's Texas Voter Poll, 87% of Texans expressed concern about financial entities influencing medical decision-making through ownership of doctors' offices and hospitals, and 75% supported increased oversight of health care mergers to maintain competition and control prices.

With the health care market evolving rapidly, data from the APCD can help Texas leaders

evaluate and respond to emerging trends, ensuring that rising health care costs don't undermine other critical budget priorities.

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