

March 1, 2025

RE: SB 1122

As representatives of the Texas business community, we are writing on behalf of employers who rely on the Employee Retirement Income Security Act (ERISA) to provide high-quality health benefits to millions of Texans. We urge you to protect this vital law, which has safeguarded both employees and employers for nearly 50 years.

When ERISA was passed by Congress in 1974, it preempted states from passing laws affecting the administration or design of employer health plans. This important preemption has remained intact for 50 years, providing a consistent regulatory framework that allows employers to operate confidently across state lines, minimizing the administrative burdens that would otherwise come with a patchwork of state-level regulations.

- **ERISA protects the state of Texas and taxpayers** by encouraging private employers to offer benefit plans for their employees rather than relying on public resources. ERISA protects employees by establishing consistent guidelines for retirement and health plans offered by **multi-state private employers**.
- **ERISA protects employers** by supporting a uniform benefit program for all employees and by avoiding complications of a patchwork system between states. In Texas, nearly 15 million people rely on employer-provided health insurance, and more than half of that population is covered under ERISA-regulated self-funded health plans. These plans are the backbone of our state's health care coverage.
- **ERISA's uniformity is essential to Texas' economic success**, enabling businesses to offer competitive benefits and maintain operational efficiency without the complexities of varying state mandates. For small and medium-sized businesses in particular, ERISA's protections are crucial for providing affordable and consistent benefits across their workforce.

Unfortunately, SB 1122 imposes expensive state pharmacy mandates on self-funded ERISA plans, restricting cost-savings and innovation for our companies. **SB 1122 would result in increased health coverage costs of over \$5 billion over the next 5 years.**

We respectfully ask that you stand with the business community and vote against SB 1122 so we can safeguard the long-term success of Texas businesses, support the health and well-being of our workforce, and ensure that Texas remains a leading destination for innovation, investment, and job creation. Thank you for your attention to this critical issue. The Texas business community stands ready to collaborate on solutions that ensure a strong future for both businesses and workers.

