

What Insurers Need to Know About the Texas Investigation Into Childhood Vaccine Financial Incentives

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On January 21, Texas Attorney General (AG) Ken Paxton launched a new, wide-ranging investigation into what he characterizes as a multilevel, multi-industry scheme to incentivize medical providers to recommend childhood vaccines that are allegedly not proven to be safe or necessary. According to the AG's press release, the investigation is focused on what Paxton is calling an "incentivization framework" that has resulted in Texas children receiving more than 70 shots from birth to age 18 as a condition of continuing to receive medical care.

Some are speculating that this investigation is in pursuit of the Make America Healthy Again (MAHA) agenda.

Overview of the Investigation

According to the AG's office, the investigation will examine whether pediatric medical providers, insurers, vaccine manufacturers, and other entities have engaged in deceptive or unlawful conduct by:

- Failing to disclose financial incentives tied to the administration of childhood vaccines; and
- Structuring compensation or incentive programs in a way that allegedly pressures providers to recommend or administer vaccines that parents "feel aren't safe or necessary."

The press release asserts that this "incentivization framework" has "forced" Texas children to receive more than 70 shots from birth to age 18 in order to continue receiving medical care, and notes that children across the state are allegedly being expelled from pediatric practices and denied medical care based on their vaccination status. The announcement further claims that doctors' wages, bonuses, and even employment often hinge on the number of vaccinations they administer.

As part of the investigation, the AG is issuing more than 20 civil investigative demands (CIDs) to some of the largest medical providers, insurance companies, and pharmaceutical manufacturers in the U.S.

Why It Matters to Insurance Companies

For providers, payors, and manufacturers, this investigation raises immediate questions about how vaccine-related incentives, quality metrics, and rebate arrangements are structured and disclosed, and whether similar theories could be applied by other state AGs.

The Troutman Pepper Locke [State AG](#) and [Insurance](#) teams are tracking this investigation and are ready to assist in assessing potential exposure, responding to CIDs, and reviewing incentive structures in light of evolving state and federal enforcement priorities.

Working together, our State AG and Insurance teams offer an integrated, end-to-end response to these risks. Our State AG team, now in its 23rd year, includes more than a dozen former state AG office staff — among them several former deputy AGs and senior staff from both parties — and is recognized by Chambers USA in the State Attorneys General category, with two Band 1-ranked practitioners. Our Insurance team advises leading insurers and other market participants on complex regulatory, compliance, and transactional matters across lines of business and jurisdictions. Together, these teams are already tracking this investigation and can assist in assessing potential exposure, responding to CIDs and other regulatory inquiries, and evaluating insurance programs and incentive structures in light of evolving state and federal enforcement priorities.

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