TREATY OAK
STRATEGIES

89th Texas Legislative Session Summary: Healthcare Bills

Public Health

Statewide Sickle Cell Disease Registry: HB 107 by Rep. Simmons & Sen. West

HB 107 establishes a statewide Sickle Cell Disease (SCD) Registry within DSHS. The registry will provide a single, accurate source of information about sickle cell disease cases across Texas. Health care facilities must report data on SCD cases to DSHS, and all data collection must comply with HIPAA, the Occupations Code, and other applicable privacy laws.

Dementia Prevention and Research Institute of Texas: SB 5 by Sen. Huffman & Rep. Craddick

SB 5 creates the Dementia Prevention and Research Institute of Texas (DPRIT). The Institute will create and expedite research on dementia, Alzheimer's, Parkinson's, and related disorders by awarding grants and collaborating with state agencies. The Institute will be responsible for monitoring progress of awardees and ensuring compliance with the terms of grants. The bill requires the passage of a constitutional amendment that transfers $3 billion from state general revenue to become effective.

Make Texas Healthy Again Act: SB 25 by Sen. Kolkhorst and Rep. Hull

SB 25 was a legislative priority this session and seeks to address health policy issues through a multi-prong approach. Among other provisions, it establishes food product labeling requirements, requires nutrition education coursework for students at institutions of higher education, and creates continuing education requirements regarding nutrition and metabolic health for licensed physicians, physician assistants, nurses, and dietitians.

Newborn Duchenne Muscular Dystrophy Screening: SB 1044 by Sen. Parker & Rep. Capriglione

SB 1044 adds Duchenne muscular dystrophy to the state's official newborn screening panel, once the department has completed necessary laboratory preparations.

Diabetes-Related Amputations Prevention Study: SB 1677 by Sen. Menéndez & Rep. VanDeaver

HB 1677 directs the Texas Higher Education Coordinating Board to designate a university to conduct a study on the prevention and reduction of diabetes-related amputation. In developing the study, the university must develop recommendations, best practices, and policy solutions including insurance coverage for therapies designed to treat diabetic foot ulcers. The university must consult with public health professionals, providers, patients, and other individuals they deem necessary. The university shall submit a report to DSHS no later than September 1, 2026.

Mental Health

Veterans' Mental Health Services Study: HB 1965 by Rep. Garcia & Sen. Menéndez

HB 1965 requires the Texas Veterans Commission (TVC) to conduct a study to evaluate strategies to improve and expand mental health services provided through the commission's Military Veteran Peer Network. The bill requires the study to include recommendations on expanding the number of certified peer service coordinators who provide mental health services to service members, veterans, and their

families. The study also will have to focus on the provision of certified peer service coordinators in rural communities. The commission is required to submit a report to the Legislature containing the study's results and recommendations for action by December 1, 2026.

988 Crisis Line and Behavioral Health Services: HB 5342 by Rep. Landgraf & Sen. Menéndez

HB 5342 creates a 988 suicide and crisis lifeline trust fund, held by the comptroller. The fund consists of legislative appropriations, available federal funding, and grants and donations. The funds will be used to implement, maintain, and improve the lifeline, provide funding for crisis outreach, provide funding for uninsured individuals, and administer the trust. HHSC will be allowed to impose a service fee to supplement funding on local exchange access lines, wireless connections, and prepaid wireless services.

Community Mental Health Grants for Veterans: SB 897 by Sen. Blanco & Rep. Lopez

SB 897 lowers the grant match requirement for mental health programs serving veterans and their families from 100 percent to 75 percent for counties with over 250,000 residents.

Texas Mental Health Profession Pipeline Program: SB 1401 by Sen. West & Rep. Davis

SB 1401 establishes the Texas Mental Health Profession Pipeline Program. Participating institutions of higher education will be responsible for providing a clear, guided pathway for public junior college students to transfer into programs leading to a licensure in psychology, professional counseling, psychiatric advanced practice nursing, social work, or marriage and family therapy. The higher education institution will partner with one or more junior colleges to ensure that the student does not lose any credits earned before transferring, can earn a baccalaureate degree in less than two years, and is automatically admitted to a postbaccalaureate program if they meet minimum academic requirements. The bill also requires each participating institution to report to the Higher Education Coordinating Board statistics on the effectiveness of their program.

Providers and Facilities

Military Veteran MD Licensure: HB 879 by Rep. Frank & Sen. Blanco

HB 879 allows physicians, nurses, and physician assistants who are licensed in another state and who served in the armed forces in this state to receive a license in Texas.

Foreign MD Licensure: HB 2038 by Rep. Oliverson & Sen. Kolkhorst

HB 2038 creates a simpler pathway for physicians licensed in other countries within the past five years to practice medicine in Texas. Physicians who qualify under this bill can obtain a provisional license to practice initially within a residency program. After renewal, they may practice in rural or medically underserved areas. Following four years of provisional practice and successful completion of required examinations, these physicians become eligible for full medical licensure. The bill also establishes a physician graduate license, allowing physicians who have completed medical school but not residency to practice under supervision by a fully licensed physician.

Nursing Retaliation and Overtime Protections: HB 2187 by Rep. Howard & Sen. Hancock

HB 2187 requires HHSC to establish a website for nurses to report violations of safe staffing or mandatory overtime laws. The bill then gives HHSC the authority to investigate violations. The bill also prohibits hospitals from retaliating against nurses who report violations of the staffing committee law.

Medicaid FQHC Expedited Credentialing: HB 3151 by Rep. Hull & Sen. Cook

HB 3151 clarifies that providers that join a Federally Qualified Health Center (FQHC) with an existing contract are eligible for expedited credentialing. The bill also clarifies that FQHCs are considered "providers," and if an FQHC has a contract with an MCO, a new location will get expedited credentialing if they agree to the existing terms.

Gold Carding and MD Licensure Requirements for Utilization Review: HB 3812 by Rep. Bonnen & Sen. Hancock

HB 3812 extends the state's gold carding program evaluation period to 12 months and allows Medicare, Medicaid, and ERISA claims to count toward eligibility. In a previous session, Texas lawmakers mandated a state gold carding program requiring state-regulated insurance plans, ERS, and TRS health plans to offer programs, allowing doctors with high prior authorization approval rates to be exempt from future preauthorization requirements. The bill also introduces new protections when an insurer considers revoking a gold card. HB 3812 also prohibits doctors in health plans (including Medicaid) who direct utilization review from holding only an administrative license and requires them to have a full medical license.

PT Direct Access: HB 4099 by Rep. Harris Davila & Sen. Perry

HB 4099 changes the current licensing limitation that allow a physical therapist to treat a patient for only 15 days without a referral if they hold a doctoral degree and 10 days for a PT without a doctoral degree. Under the new law, PTs will be allowed to treat patients without a referral for 30 calendar days. As currently prescribed by law, PTs practicing under this exception are required to provide notice to a patient that their insurance may not cover the services.

Single License for a Hospital and Mobile Stroke Unit: HB 4743 by Rep. Bonnen & Sen. Campbell

HB 4743 authorizes DSHS to issue one license for both a hospital and its mobile stroke unit if the mobile stroke unit is accredited by a CMS-approved health care accreditation organization. The bill exempts mobile stroke units licensed under the bill from the requirement to post a hospital license in a conspicuous place on the licensed premises and requires the executive commissioner of HHSC to adopt rules necessary to implement this authorization as soon as practicable after the bill's effective date.

Investigational Treatments: SB 984 by Sen. Bettencourt & Rep. King

SB 984 allows health care facilities to provide investigational treatments to patients if the facility is operating under a federal assurance for the protection of human subjects. The patient is eligible to access the treatment if they have a life-threatening or debilitating illness, has considered all other treatment options, and consented to the treatment. A health benefit plan or governmental agency may, but is not required to, provide coverage for the investigational treatment.

Pharmacies and PBMs

PBM Data Offshoring: HB 3233 by Rep. Harris & Sen. Kolkhorst

HB 3233 prohibits a pharmacy benefit manager (PBM) from storing or processing patient data for a resident of the state at a location outside of the United States or its territories. Applicable to EPO/PPO, HMO, and Medicaid, but only to a contract entered into or renewed on or after the effective date.

Prohibits Prescription Drug Gag Clauses: SB 493 by Sen. Kolkhorst & Rep. Wharton

This bill prohibits a PBM from prohibiting or restricting a pharmacist from informing a patient that their out-of-pocket cost for a prescription drug may be lower if they forgo submitting a claim under the patient's prescription drug coverage. These types of gag clauses are already prohibited by federal and state law for most types of plans. The bill also makes a pharmacy network contract unenforceable if it restricts a pharmacy or pharmacist from communicating with plan sponsors or administrators regarding prescription drug benefits, network access and adequacy, partnership opportunities, or prescription claim reimbursement. Applies to commercial plan contracts entered into, amended, or renewed on or after the effective date.

Pharmacy Lowest-Price Disclosure: SB 1098 Sen. Blanco & Rep. Hull

SB 1098 expands state law that requires pharmacies to offer a patient the option of paying for a drug at the lower price when the price of a drug is lower than the amount of the patient's copayment under the plan by ensuring pharmacies disclose to patients the lowest available cash price at their pharmacy for each prescribed drug.

PBM Contract Requirements: SB 1236 by Sen. Hughes & Rep. Hefner

SB 1236 addresses PBM practices and audits and makes changes to how PBMs recoup overpayments, make changes to a contract and provide access to contract information. The bill applies to EPO/PPO, HMO, MEWA, Small Group, ERS/TRS/University, and Medicaid.

Medical Billing

Paper Access to Itemized Medical Bills: HB 216 by Rep. Harris Davila & Sen. Hughes

HB 216 allows facilities to provide the itemized bill electronically through a patient portal, via hard copies through mail, or in person and sets requirements associated with each mode of delivery.

Direct Primary Care: HB 541 by Rep. Shaheen & Sen Zaffirini

HB 541 broadens the current "direct primary care" law by allowing any physician or health care practitioner to enter into a "direct patient care" agreement. A direct patient care agreement would be defined as a signed written agreement under which a physician or health care practitioner would agree to provide health care services to a patient in exchange for a direct fee for a period of time. These agreements are exempt from insurance regulation. The bill maintains the current prohibition on billing insurance for these "direct" services.

Price Estimate for Elective Procedures: HB 1314 by Rep. Hickland & Sen. Hughes

HB 1314 revises provisions governing the billing policies of an ambulatory surgical center, birthing center, hospital, or freestanding emergency medical care facility.

Uninsured Hospital Cash Pay Price Cap: HB 1612 by Rep. Frank & Sen. Kolkhorst

HB 1612 addresses billed charges by setting limits on what hospitals can charge uninsured patients who choose to pay directly. Under the bill, an uninsured patient may request to make a direct payment within 60 days of receiving hospital services. If the patient requests this direct payment option, the hospital's charges are limited to an amount that is no greater than 25% above the hospital's "amounts generally billed," as defined by federal rules, or 50% above the hospital's lowest contracted rate with any health insurance provider (excluding rates from Medicaid, CHIP, or Medicare).

Ambulance Surprise Bills: SB 916 by Sen. Zaffirini & Rep. Spiller

SB 916 extends Texas's existing ambulance surprise billing protections through September 1, 2027. When Texas first passed surprise billing protections (SB 1264) in 2019, ambulance services were not included. In 2023, lawmakers temporarily added ambulance billing protections, but those were scheduled to expire in 2025. SB 916 continues these protections for two more years. Ambulance providers are required to accept reimbursement rates set by local governments and publicly available online. If no local rate is set, providers will be reimbursed at 325% of the Medicare rate. Local governments can adjust their rates annually, but increases must be modest, capped by inflation guidelines. The bill allows penalties against ambulance providers who repeatedly submit inaccurate bills or intentionally violate these rules.

All Health Insurance

Vision Plan Contracting: HB 3211 by Rep. Dean & Sen. Hughes

HB 3211 requires that vision care plans allow optometrists and therapeutic optometrists to join their networks if they meet credentialing criteria. The bill requires vision care plans to include on their website a method for optometrists to apply for network participation. The plan must make a contract and fee schedule available to the provider no later than the 10th business day after receiving an application and approve or deny it no later than 30 days after receipt of the application. The bill also requires all health plans, vision plans, and managed care plans to include a fee schedule and standardized codes in their contracts with optometrists.

Gender Transition Coverage Requirements: SB 1257 by Sen. Hughes & Rep. Leach

HB 1257 requires a health benefit plan that provides or has ever provided coverage for an enrollee's gender transition procedure or treatment to provide coverage for all possible adverse consequences related to the enrollee's gender transition procedure or treatment, any baseline and follow-up testing or screening necessary to monitor the mental and physical health of the enrollee on at least an annual basis and any procedure, treatment, or therapy necessary to manage, reverse, reconstruct from, or recover from the gender transition procedure or treatment. The bill also requires health plans that currently cover gender transition procedures or treatment to also provide the above coverage to any enrollee regardless of whether the enrollee was enrolled in the plan at the time of the initial gender transition procedure or treatment. Applies to EPO/PPO, HMO, MEWA, Small Group, ERS/TRS/University, and Medicaid delivered, issued for delivery, or renewed on or after January 1, 2026.

Private Insurance

Insurance Mandate Fiscal Review & APCD: HB 138 by Rep. Dean & Sen. Bettencourt

HB 138 creates a new fiscal review process to provide upfront, data-driven cost estimates of how proposed health insurance mandates affect coverage costs and accessibility in Texas by establishing the Health Impact, Cost, and Coverage Analysis Program (HICCAP) at UTHealth Houston's Center for Healthcare Data. The program will use the All-Payer Claims Database (APCD) to provide lawmakers with clear, data-driven estimates showing how proposed health insurance mandates will affect costs, coverage, and overall health outcomes in Texas. Program costs will be funded through annual fees assessed on health benefit plans and collected by the Comptroller. These fees will be based on the number of covered lives in state-regulated plans. The bill also fully funds the All-Payer Claims Database (APCD).

Texas Responsible Artificial Intelligence Governance Act: HB 149 by Rep. Capriglione & Sen. Schwertner

HB 149 establishes prohibited uses for AI but clarifies that the section is not applicable to an insurance entity that is subject to insurance laws related to unfair discrimination. The Attorney General will have enforcement authority over the chapter, and it requires the creation of an internet website for consumers to submit complaints. The bill also creates the Texas Artificial Intelligence Council, which will identify laws that impede innovation, analyze opportunities to improve government efficiency, and offer guidance. Effective January 1, 2026.

Coordination of Benefits: HB 388 by Rep. Harris Davila & Sen. Hughes

HB 388 establishes a uniform questionnaire to simplify and streamline the coordination of benefits process, which is how insurers determine which plan pays first when a patient has coverage from multiple sources. Currently, these questionnaires vary across plans, creating administrative complexity. The bill directs the Texas Department of Insurance (TDI) to collaborate with stakeholders to develop this standard questionnaire. Insurers offering plans with coordination of benefits must use this standardized form and make it available to health care providers **by February 1, 2026**. Applies to EPO/PPO, HMO, MEWA, Small Employer, CC, TRS/ERS/University, and Medicaid plans.

Out of State Telemedicine Coverage: HB 1052 by Rep. Bhojani & Sen. Blanco

HB 1052 requires insurers to provide coverage for telemedicine medical services, teledentistry dental services, or telehealth services provided out-of-state if the patient primarily resides in Texas and the health care provider providing the service is licensed in Texas. Essentially, the bill clarifies that the current coverage requirement for telehealth services extends to a patient/provider that is temporarily out-of-state when receiving or providing the service. Coverage must be provided on the same basis as if the procedure were provided in the state. Effective for health plans issued or renewed on or after January 1, 2026.

Value-Added Services: HB 2221 by Rep. Hull & Sen. Hancock

HB 2221 allows insurers, health plans, and agents to offer value-added services that relate directly to the insurance coverage and primarily help manage risk, improve health outcomes, lower claims costs, or provide health and financial wellness benefits. Currently, providing additional services not explicitly listed

in a policy could be considered illegal rebating under Texas law. This bill removes that uncertainty. Applies to all commercial health plans and is effective September 2025.

Value-Based Payments: HB 2254 by Rep. Hull & Sen. Sparks

HB 2254 allows PPO and EPO health plans to contract with primary care providers under certain value-based payment agreements Texas Medicaid, Medicare, and self-funded employer plans already utilize value-based payment models to drive quality of health care vs quantity of care provided.

CAR-T Provider and Coverage Requirements: HB 3057 by Rep. Landgraf & Sen. Sparks

HB 3057 requires health plans to cover medically necessary chimeric antigen receptor T-cell (CAR-T) therapy. Plans are prohibited from imposing additional provider-based restrictions or limitations beyond these qualifications. Effective for health plans issued or renewed on or after January 1, 2026, and applies to EPO/PPO, HMO, MEWA, Small Group, CC, and ERS/TRS/University plans.

Dental Anesthesia Coverage: SB 527 by Sen. Schwertner & Rep. Oliverson

SB 527 requires insurers to cover medically necessary general anesthesia in connection with dental services provided to individuals under 13 years of age if the patient is unable to undergo dental treatment without it. Applies to all health plans issued or renewed on or after January 1, 2026 including EPO/PPO, HMO, MEWA, small group, consumer choice, and ERS/TRS/University plans.

Newborn Coverage: by SB 896 by Sen. Blanco & Rep. Cole

SB 896 extends automatic initial newborn coverage from 31 days to 61 days for employer-based group plans and requires individual plans offering newborn coverage to provide at least 61 days of initial coverage. The bill also gives parents 60 days (instead of 31 days) after birth to notify their insurer and enroll their newborn, ensuring continuous coverage. These changes align Texas law more closely with federal ACA enrollment timelines and help parents avoid coverage gaps during the critical first weeks after childbirth.

Shopping Incentives: SB 926 by Sen. Hancock & Rep. Frank

SB 926 allows insurers to offer patients incentives, such as lower copays, deductibles, and other reduced cost-sharing, when they select certain in-network providers for the benefit of patients or group plan holders. Insurers must ensure out-of-network emergency care cost-sharing is not higher than in-network emergency care cost-sharing. The bill 926 also modernizes how insurers can publicly rank providers based on quality or cost and outlines requirements. If insurers repeatedly violate these requirements, TDI can prohibit them from using provider rankings for at least 12 months. Applies to EPO/PPO and HMO plans.

Medicaid Coverage and Programs

Medicaid In-Lieu of Nutrition Support Services: HB 26 by Rep. Hull & Sen. Kolkhorst

HB 26 directs HHSC to add nutrition counseling and instruction services as in-lieu of services (ILOS) to the Uniform Medicaid Managed Care Contract, permitting MCOs the option to offer these services in-lieu of existing services and settings if clinically appropriate and cost-effective. The bill prohibits HHSC from including home-delivered meals, food prescriptions, or grocery support as an ILOS but establishes a pilot

to test the impact of medically tailored meals and other nutrition support services for the Medicaid pregnant population.

The pilot allows MCOs to offer medically tailored meals, or other evidence-based nutrition support services designed to improve maternal and infant health, as an ILOS for recipients who are pregnant and diagnosed with a chronic health condition or disease that may contribute to a high-risk pregnancy or birth complication. The pilot requires the medically tailored meals to be coupled with nutrition counseling. It further directs HHSC to collect and analyze specific data on the impact of the ILOS and prepare a report as soon as practicable after the end of the pilot, which terminates August 31, 2030.

Medicaid Lactation Consultation Services: HB 136 by Rep. Hull & Sen. Alvarado

HB 136 directs HHSC to add lactation consultation as a stand-alone Medicaid benefit. This bill follows federal guidance aimed at increasing breastfeeding rates and duration. The bill allows existing certified providers to bill for the service and directs HHSC to add lactation consultants as a Medicaid provider type so they may independently bill for the service.

Medicaid Cranial Remolding Orthosis Coverage: HB 426 by Rep. Bernal & Sen. West

HB 426 require Medicaid and CHIP to cover the full cost of a cranial remolding orthosis for a child diagnosed with craniostenosis, plagiocephaly, or brachycephaly if the child is between 3-18 months, has failed to respond to conservative therapy for at least 2 months, and meets additional indications.

Medicaid Newborn Coverage Education: HB 3940 Rep. Johnson & Sen. Kolkhorst

Federal Medicaid laws mandate that states automatically cover newborns when their mother is eligible for Medicaid. HB 3940 requires HHSC to annually provide written notice to each MCO and health care provider to remined them that when a newborn child of a recipient has not been assigned a Medicaid identification number, the provider may accept or use the mother's Medicaid identification number on any claim for reimbursement under Medicaid. The notice will also encourage education for mothers that they may use the Medicaid identification number until the recipient's newborn child is enrolled in Medicaid. The bill also requires facilities to provide new mothers information on enrolling in Medicaid upon delivery of an infant. HHSC must develop the notice by December 1, 2025, and facilities will be required to provide information to new mothers starting January 1, 2026.

Medicaid Maternal Opioid Care Model: HB 5155 by Rep. Rose & Sen. Kolkhorst.

HB 5155 extends the maternal opioid misuse (MOM) model until September 1, 2029, or until federal funds are no longer available. The model helps help pregnant women who have Medicaid get treatment for opioid use disorder (OUD) during and after their pregnancy. In Texas, the MOM Model services are available in the Houston area at Harris Health System's Ben Taub Hospital, in partnership with Baylor College of Medicine and Santa Maria Hostel.

Other Medicaid

Medicaid Fraud Protections: HB 142 by Rep. Noble & Sen. Perry

Texas currently uses Recovery Audit Contractors (RACs) to identify Medicaid overpayments and underpayments in fee-for-service programs. HB 142 expands RAC authority, allowing them to also audit

claims in Medicaid managed care. Under this bill, RACs can identify and recover managed care overpayments from either MCOs or providers. Currently, MCOs have a two-year window to recover non-fraudulent claims. Under this bill, during the first year after payment, only the MCO may audit and recover claims. In the second year, both the MCO and the RAC can perform audits and recover overpayments. The bill also removes two requirements: an annual, random statistical audit by HHSC of Medicaid claims for fraud, waste, and abuse, and mandatory preliminary investigations by OIG for every fraud or abuse allegation to determine if a full investigation is warranted.

Medicaid Provider Background Checks: HB 4643 by Rep. Dorazio & Sen. Hagenbuch

HB 4643 expands HHSC's authority to conduct criminal background checks of a person enrolled as or applying to be a provider in the Medicaid program to include persons with 5% or greater ownership in a provider, a person who owns 5% or more of a mortgage or other obligation secured by the provider, an officer or director of a provider, or a partner or managing employee of a provider.

Medicaid Nursing Facility Regulations: SB 457 by Sen. Kolkhorst & Rep. Frank

SB 457 makes changes to Medicaid requirements for nursing facilities, including ownership disclosures and reimbursement rules. When a nursing facility has a pending change of ownership (CHOW), this bill ensures Medicaid payments continue uninterrupted. New owners must clearly identify anyone holding at least a 5% ownership interest in the nursing facility and describe their ownership stake. Facilities must promptly inform HHSC if any ownership details change. SB 457 also requires NFs to spend at least 80% of their Medicaid reimbursement directly on patient care. HHSC may recover Medicaid funds from facilities that fail to meet this 80% requirement, except if the facility has at least a four-star quality rating from CMS, has occupancy rates at or below 75%, or experienced expenses due to a natural disaster.

MCO Education on Private Coverage Options: SB 963 by Sen. Hughes & Rep. Manuel

SB 963 clarifies that Medicaid MCOs can inform current and former Medicaid members about affordable private health plans, including qualified health plans through the federal marketplace (HealthCare.gov). SB 963 requires that when MCOs provide information about private market plans, they clearly communicate potential out-of-pocket costs, including deductibles, copayments, and other cost-sharing requirements. The bill also prohibits MCOs from offering financial incentives or material gains to individuals as inducements to enroll in these private plans.

Medicaid Fraud Definitions and Penalties: SB 1038 by Sen. Sparks & Rep. Noble

SB 1038 defines additional actions that constitute Medicaid fraud or abuse and increasing penalties for violations. The bill expands violations to include knowingly making misrepresentations or failing to disclose necessary information when applying for Medicaid benefits, seeking certification or recertification (including facilities), or submitting claims for payment. The bill also clarifies violations for MCOs if they fail to provide required information to HHSC or other appropriate state agencies. Additionally, it specifies that each day a person obstructs the OIG from performing its duties counts as a separate violation, potentially increasing penalties. The bill clarifies deadlines for appeals and increases the potential award given to individuals who report Medicaid fraud.

Medicare

Medicare Supplement Insurance (Medigap) Coverage: HB 2516 Rep. Guillen & Sen. Schwertner

HB 2516 gives Texans under age 65 who qualify for Medicare due to ALS or End-Stage Renal Disease (ESRD) equal access to Medigap coverage options. If the plan is a standardized Plan A, Plan B, or Plan D Medicare supplement plan, it must be offered at the same premium rate. If it is not one of those standardized plans, the premium rate must not exceed 200 percent of the premium rate charged for the same plan to an individual 65 years of age. The bill is effective immediately and applies to Medigap plans issued on or after September 1, 2025.

Medicare & Medigap DME Balance Billing: SB 1330 by Sen. Hancock & Rep. Paul

SB 1330 prohibits durable medical equipment (DME) suppliers that do not participate in Medicare from charging Medicare enrollees more than 115% of the Medicare-approved amount for DME, orthotic devices or supplies, or prosthetic devices or supplies covered under Medicare unless the enrollee agrees in writing and either enters a rental plan or pays in full. The bill clarifies that Medicare will reimburse 80% off the Medicare-allowed amount, and a Medicare supplement benefit plan is not required to reimburse more than 115% of the Medicare-allowed amount.

HHSC

HHSC Sunset: HB 1545 by Rep Bell and Sen. Parker

HB 1545 confirms that HHSC will go through the Sunset review process next session, creating an opportunity for Medicaid and other improvements at HHSC.

Local Health Workforce Advisory Board: HB 3800 by Rep. Orr & Sen. Sparks

HB 3800 requires HHSC to establish an advisory board to develop a resource guide that facilitates collaborations among health care providers and higher education institutions in addressing workforce needs. The board includes institutions, licensing boards, and members representing hospital and long-term care associations.

HHSC Reporting Requirement Consolidation: HB 4666 by Rep. Manuel & Sen. Blanco

HB 4666 consolidates some of HHSC's current reporting requirements. The bill requires the data analysis unit to provide a report annually instead of quarterly and changes the frequency of several reports to biennially instead of annually (the report on interventions and best practices by providers, the report on the system redesign for services to IDD populations, and the quality-based outcomes measures report). Finally, the bill clarifies that every report HHSC is required to provide to the governor or members of the legislature must be submitted no later than December 1 of the year the report is due.

Report on Opioid Antagonist Programs: HB 4783 by Rep. VanDeaver & Sen. Hancock

HB 4783 directs HHSC, no later than October 1 of each even-numbered year, to prepare a report evaluating the distribution of opioid antagonists in Texas to reverse and prevent opioid overdoses. The

report will be submitted to the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives. The bill defines "opioid antagonist" as any drug that binds to opioid receptors and blocks or otherwise inhibits the effects of opioids. The bill requires HHSC, in preparing the report, to coordinate and consult with each state agency and institution of higher education that receives funding or other resources for the distribution of opioid antagonists.

Medicaid Provider Enrollment & Credentialing Support: SB 1266 by Sen. Alvarado & Rep. Button

SB 1266 addresses provider burden with navigating HHSC's enrollment and credentialing processes through the Provider Enrollment Management System (PEMS). The bill establishes a dedicated support team to help providers with enrollment and credentialing processes and requires HHSC to annually evaluate and publish finding on the team's performance and timeliness. The bill directs HHSC to create a clear process for providers to submit complaints and feedback about the support team. SB 1266 also establishes new provider disenrollment procedures and HHSC must notify providers electronically and by mail at least 30 days prior to disenrollment and allow providers an opportunity to correct any issues before disenrollment takes effect.

SHARS Medicaid Program: SB 1952 by Sen. Paxton & Rep. Hull

SB 1952 formally codifies requirements for the School Health and Related Services (SHARS) program which allows local school districts to receive Medicaid reimbursement for certain health services provided to eligible students. The bill clarifies roles between TEA and HHSC by designating HHSC as the sole agency responsible for administering the program and overseeing the participation of local education agencies as providers and directs the two agencies to enter into a memorandum of understanding clearly defining each agency's responsibilities for operating the SHARS program.

TDI

Biennial Health Coverage Reference Guide: SB 1307 by Sen. Cook & Rep. Vo

SB 1307 requires TDI to develop and publish a biennial reference guide designed to educate the public about health coverage in the state. The guide will include a shopping guide, an explanation of out-of-pocket costs, an overview of programs that may assist consumers in obtaining coverage, resolving disputes with an issuer, information on filing complaints, and information on coverage regulated by the state.

Criminal Background Checks for TDI Licenses: SB 2587 by Sen. Zaffirini & Rep. Guillen

SB 2587 expands state criminal history requirements across all state agencies, including by allowing TDI to obtain criminal history record information for applicants for a license issued by TDI, as well as corporate officers or directors of an insurance company regulated by TDI.

Other State Agencies

Health Professions Workforce Coordinating Council: HB 3801 by Rep. Orr & Sen. Cook

HB 3801 creates the Health Professions Workforce Coordinating Council, which is attached to DSHS. The Council includes members from relevant state agencies, as well as four members appointed by the governor with relevant health care experience. The council biennially develops a strategic plan, defining targeted goals and objectives for the workforce, identifying immediate needs, and proposing recommendations. The council also creates a workgroup, which would identify sources of information and build data analysis models to monitor historical growth of health professions.

Surveillance by State Contractors: HB 5061 by Rep. Leach & Sen. Schwertner

HB 5061 prohibits a contractor or subcontractor of a state agency from engaging in surveillance targeting a member of the state legislature or a person employed to support the state legislature, any of their family members, a state agency employee, or a complainant. It also prohibits engaging in acts of intimidation or coercion against any of those persons or using private or confidential information to influence a state contracting decision or proceeding. The bill establishes oversight by the state auditor's office (SAO), as well as a complaint process, allowing persons to file a complaint with the SAO through an online portal. If the SAO determines that there was a violation, the contractor could be subject to immediate termination of any contracts, administrative penalties, and being barred from future awards. The SAO is also required to submit an annual report of complaints as well as the outcome of those complaints.

The Regulatory Reform and Efficiency Act: SB 14 by Sen. King & Rep. Capriglione

SB 14 creates a new office within the Governor's office (the Texas Regulatory Efficiency Office) charged with streamlining the state's regulatory processes by identifying unnecessary and outdated rules, improving transparency and public access to regulatory information, and helping agencies reduce administrative burdens and costs. The bill also creates the Regulatory Efficiency Advisory Panel, appointed by the Governor, which will provide expertise and recommendations on ways to improve rulemaking processes, identify unnecessary regulations, and propose opportunities for reducing regulatory burdens on businesses and individuals. The bill also clarifies that courts must independently review legal questions without automatically favoring the agency's interpretation.

Other Health Care

Rural Health Stabilization and Innovation Act: HB 18 by Rep. VanDeaver & Sen. Perry

HB 18 provides funding and support to improve access to health care in rural areas. The bill establishes a State Office of Rural Hospital Finance to provide technical assistance to rural hospitals and health systems, creates a Texas Rural Hospital Officers Academy to deliver professional development and continuing education programs for rural hospital officers, establishes innovation grants to support rural hospitals at risk of financial instability, drive innovation, and respond to disasters. The bill also creates an add-on reimbursement rate for rural hospitals with a department of obstetrics and gynecology. The bill removes existing criteria for the state's rural pediatric telemedicine grant programs related to quality assurance programs, staffing, and emergency facilities, while retaining a requirement for rural hospitals to maintain records and produce reports measuring grant effectiveness. Finally, the bill creates a Rural Pediatric

Mental Health Care Access Program to expand telemedicine and telehealth programs to assist in identifying and assessing behavioral health needs and providing access to mental health care services for pediatric patients at rural hospitals. See Rider 93 for appropriations related to HB 18 grants

Texas Pharmaceutical Initiative Extension: HB 4638 by Rep. Bonnen & Sen. Kolkhorst

HB 4638 extends the TPI, originally set to expire in 2025, through 2027. The TPI was established to identify opportunities for pharmacy cost savings and best practices. The bill expands the TPI board from three to five members, creating staggered six-year terms. HB 4638 updates the schedule for TPI's required business plan to require the plan every two years, starting June 1, 2026.

AI Utilization Review Denials: SB 815 by Sen. Schwertner & Rep. Spiller

SB 815 prohibits a utilization review agent from using an "automated decision system" to make, wholly or partly, an adverse determination. The bill expressly does not prohibit the use of an algorithm, artificial intelligence system, or automated decision system for administrative support or fraud-detection functions. The bill authorizes TDI to audit and inspect at any time a utilization review agent's use of an automated decision system for utilization review. Additionally, the bill makes certain changes to the existing law relating to adverse determination notices. The notice will now need to include a description of and the source of the screening criteria and the review procedures used in making the adverse determination. Applies to all EPO/PPO, HMO, consumer choice, Medicaid and CHIP plans issued or renewed on or after January 1, 2026.

Out-of-Network Medicaid Foster Care Costs: SB 855 by Sen. Sparks & Rep. Frank

SB 855 allows foster parents or authorized caregivers to seek and pay for medical care from providers who are out-of-network and pay for out-of-network care directly. The bill clarifies that DFPS will not be financially responsible for the costs. Foster parents must notify DFPS within 10 business days after the out-of-network treatment. DFPS is then required to document this care in the child's "health passport," a comprehensive medical record maintained throughout their time in foster care.

Prohibits EHR Offshoring: SB 1188 by Sen. Kolkhorst & Rep. Harless

SB 1188 requires a covered entity to ensure that electronic health records (EHRs) under the control of the entity are physically maintained in the US. The bill also requires health record information of this state's residents is accessible only for the purposes of treatment, payment, or other health care operations and requires that EHRs of minors are available to parents or guardians. The bill also requires HHSC, the Texas Medical Board, and TDI to ensure that each EHR document an individual's biological sex at birth and information on any sexual development disorder of the individual. It only allows amending the biological sex to correct a clerical error or based on a diagnosis of a sexual development disorder that changes the individual's biological sex. If there is a credible allegation of a violation of the bill's provisions, an appropriate regulatory agency must conduct an investigation and impose disciplinary action. The bill also allows the AG to enforce the bill and applies to all coverage lines.