

1-1 By: Dean, et al. H.B. No. 138  
1-2 (Senate Sponsor - Bettencourt, et al.)  
1-3 (In the Senate - Received from the House May 5, 2025;  
1-4 May 5, 2025, read first time and referred to Committee on Health &  
1-5 Human Services; May 19, 2025, reported adversely, with favorable  
1-6 Committee Substitute by the following vote: Yeas 8, Nays 0;  
1-7 May 19, 2025, sent to printer.)

1-8 COMMITTEE VOTE

1-9		Yea	Nay	Absent	PNV
1-10	Kolkhorst	X			
1-11	Perry	X			
1-12	Blanco	X			
1-13	Cook	X			
1-14	Hall	X			
1-15	Hancock	X			
1-16	Hughes			X	
1-17	Miles	X			
1-18	Sparks	X			

1-19 COMMITTEE SUBSTITUTE FOR H.B. No. 138 By: Perry

1-20 A BILL TO BE ENTITLED  
1-21 AN ACT

1-22 relating to the establishment of the Health Impact, Cost, and  
1-23 Coverage Analysis Program; authorizing a fee.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Chapter 38, Insurance Code, is amended by adding  
1-26 Subchapter J to read as follows:

1-27 SUBCHAPTER J. HEALTH IMPACT, COST, AND COVERAGE ANALYSIS PROGRAM

1-28 Sec. 38.451. DEFINITIONS. In this subchapter:

1-29 (1) "Analysis program" means the Health Impact, Cost,  
1-30 and Coverage Analysis Program established under Section 38.452.

1-31 (2) "Center" means the Center for Health Care Data at  
1-32 The University of Texas Health Science Center at Houston.

1-33 (3) "Enrollee" means an individual who is enrolled in  
1-34 a health benefit plan, including a covered dependent.

1-35 (4) "Health benefit plan issuer" means an insurer,  
1-36 health maintenance organization, or other entity authorized to  
1-37 provide health benefits coverage under the laws of this state,  
1-38 including a Medicaid managed care organization. The term does not  
1-39 include an issuer of workers' compensation insurance.

1-40 (5) "Health benefits coverage" does not include  
1-41 workers' compensation.

1-42 (6) "Health care provider" means a physician,  
1-43 facility, or other person who is licensed, certified, registered,  
1-44 or otherwise authorized to provide a health care service in this  
1-45 state.

1-46 (7) "Health care service" means a service, procedure,  
1-47 drug, or device to diagnose, prevent, alleviate, cure, or heal a  
1-48 human disease, injury, or unhealthy or abnormal physical or mental  
1-49 condition, including a service, procedure, drug, or device related  
1-50 to pregnancy or delivery.

1-51 (8) "Mandate" means a provision contained in a  
1-52 legislative document that requires a health benefit plan issuer or  
1-53 administrator, with respect to health benefits coverage, to:

1-54 (A) provide coverage for a health care service;

1-55 (B) increase or decrease payments to health care  
1-56 providers for a health care service; or

1-57 (C) implement a new contractual or  
1-58 administrative requirement.

1-59 Sec. 38.452. ESTABLISHMENT OF HEALTH IMPACT, COST, AND  
1-60 COVERAGE ANALYSIS PROGRAM. The center shall establish the Health  
1-61 Impact, Cost, and Coverage Analysis Program to prepare analyses of  
1-62 legislative documents that would impose new mandates on health

benefit plan issuers or administrators in this state.

Sec. 38.453. REQUEST FOR ANALYSIS OF PROPOSED LEGISLATION.

(a) Regardless of whether the legislature is in session, the lieutenant governor, the speaker of the house of representatives, or the chair or vice chair of the appropriate committee in either house of the legislature may submit a request to the analysis program to prepare and develop an analysis of proposed legislation that imposes a new mandate on health benefit plan issuers or administrators in this state.

(b) A request may not be submitted under this section for an analysis of legislation that has already been enacted.

(c) A request submitted under this section must include a copy of the relevant legislative document.

Sec. 38.454. IMPACT ANALYSIS OF LEGISLATION ON HEALTH COVERAGE COSTS.

(a) Except as provided by Subsection (b), on receiving a request under Section 38.453, the analysis program shall, using data compiled by the statewide all payor claims database established under Subchapter I and scientific or peer-reviewed academic literature, conduct an analysis of, as applicable, and prepare an estimate of, as applicable, the extent to which:

(1) based on a review of scientific or peer-reviewed academic literature, the legislation is expected to impact public health in this state and the health of communities in this state, including by reducing hospitalizations and instances of communicable disease and by providing other benefits of prevention;

(2) the legislation is expected to increase or decrease the total cost of health coverage in this state, including the estimated dollar amount of that increase or decrease;

(3) the legislation is expected to increase the use of any relevant health care service in this state;

(4) the legislation is expected to increase or decrease administrative expenses of health benefit plan issuers or administrators and expenses of enrollees, plan sponsors, policyholders, and health care providers;

(5) the legislation is expected to increase or decrease spending by all persons in the private sector, by public sector entities, including state or local retirement systems and political subdivisions, by employers or plan sponsors, and by individuals purchasing individual health insurance or health benefit plan coverage in this state;

(6) the legislation is expected to reduce instances of premature death;

(7) health benefit plans offered or administered in this state currently deny access to a relevant benefit or service;

(8) coverage for any relevant health care service is, without the legislation, generally available or used, including an analysis and identification of the plans in the group and individual insurance markets in this state that, without the legislation, already offer coverage for the relevant health care service;

(9) any relevant health care service is supported by existing medical and scientific evidence, including:

(A) the extent to which, based on a review of scientific or peer-reviewed academic literature, the health care service is recognized by the medical community as being effective in the screening, diagnosis, treatment, or amelioration of a condition or disease;

(B) determinations made by the United States Food and Drug Administration;

(C) coverage determinations made by the Centers for Medicare and Medicaid Services;

(D) determinations made by the United States Preventive Services Task Force; and

(E) nationally recognized clinical practice guidelines; and

(10) the legislation is expected to increase or decrease the cost of any relevant benefit or health care service in this state, including an estimate of the impact of the legislation on anticipated costs or savings for:

(A) the short term by estimating costs or savings

for the first calendar year after the legislation takes effect; and  
 (B) the long term by estimating costs or savings  
 for at least the first two calendar years after the legislation  
 takes effect.

(b) If, in conducting an analysis under this section, the  
 analysis program determines that the analysis program is unable to  
 provide a reliable assessment of a factor described by Subsection  
 (a), the analysis program shall include in the analysis a statement  
 providing the basis for that determination.

(c) In conducting an analysis under this section, the  
 analysis program may consult with the Legislative Budget Board or  
 other persons with relevant knowledge and expertise, including  
 independent actuaries.

Sec. 38.455. FUNDING OF ANALYSIS PROGRAM; FEE. (a) Except  
 as provided by Subsection (b), the comptroller shall assess an  
 annual fee on each health benefit plan issuer subject to Chapter [843](#)  
 or [1301](#) in the amount necessary to implement this subchapter.

(b) The comptroller may not assess a fee under this section:  
 (1) for a health benefit plan issued under Chapter  
[1551](#), [1575](#), [1579](#), or [1601](#); or

(2) on a health benefit plan issuer operating solely  
 as a Medicaid managed care organization.

(c) The comptroller shall, in consultation with the center:

(1) determine the amount of the fee assessed under  
 this section; and

(2) adjust the amount of the fee assessed under this  
 section for each state fiscal biennium to address any:

(A) estimated increase in costs to implement this  
 subchapter; or

(B) deficits incurred during the preceding year  
 as a result of implementing this subchapter.

(d) Not later than August 1 of each year, a health benefit  
 plan issuer shall pay the fee assessed under this section to the  
 comptroller. The legislature may appropriate money received under  
 this section only to the center to be used by the center to  
 administer the center's duties under this subchapter.

(e) The comptroller shall adopt rules to administer this  
 section.

Sec. 38.456. SPECIAL DATA CALL ON ADMINISTRATIVE EXPENSES.  
 (a) The commissioner shall issue a special data call for an  
 estimate of administrative expenses related to specific  
 legislation analyzed by the analysis program not later than:

(1) except as provided by Subdivision (2), the 30th  
 day after the date the commissioner receives a request from the  
 center; or

(2) if the commissioner receives a request from the  
 center during a regular legislative session, the 10th day after the  
 date the commissioner receives the request.

(b) The commissioner shall provide the special data call  
 issued under this section to health benefit plan issuers affected  
 by the legislation subject to the special data call under  
 Subsection (a), to the extent determined necessary by the  
 commissioner.

(c) A special data call issued under this section must be  
 organized in standardized fields and categories of information and  
 ensure that responses to the special data call enable a valid  
 comparison among health benefit plan issuers.

(d) A health benefit plan issuer to which the commissioner  
 provides a special data call under Subsection (b) shall submit a  
 response to the special data call in the form and manner prescribed  
 by the commissioner before the later of:

(1) the 10th day after the date the commissioner  
 issues the special data call; or

(2) a date determined by the center.

(e) A response to a special data call issued under this  
 section:

(1) must disclose the calculation methodology used by  
 the health benefit plan issuer to develop the response; and

(2) is not subject to disclosure under Chapter [552](#),  
 Government Code.

Sec. 38.457. REPORT. (a) Not later than the 60th day after

the date the analysis program receives a request under Section 38.453, or, if the analysis program receives a request under that section during a regular legislative session, not later than the 30th day after the date the analysis program receives the request, the center shall prepare a written report containing the results of the analysis performed under Section 38.454 and:

(1) deliver the report to the lieutenant governor, the speaker of the house of representatives, and the appropriate committees in each house of the legislature; and

(2) make the report available on a generally accessible Internet website.

(b) The report:

(1) may not disclose a health benefit plan issuer's individual response to a special data call issued under Section 38.456; and

(2) must include:

(A) a copy of the special data call; and

(B) the aggregated responses to the special data call in their entirety, which must:

(i) be organized by category and field in the same manner as the special data call; and

(ii) include any calculation methodology disclosed in a response to the special data call.

Sec. 38.458. CONFLICT OF INTEREST. (a) The center shall ensure that employees of the center who are assigned to the analysis program:

(1) are not simultaneously employed by a health benefit plan issuer or administrator; and

(2) do not possess an ownership or other personal interest in a health benefit plan issuer or administrator.

(b) The center may require an employee assigned to the analysis program to file a conflict of interest statement and a statement of ownership interests with the center to ensure compliance with this section.

SECTION 2. (a) As soon as practicable after the effective date of this Act, the Center for Health Care Data at The University of Texas Health Science Center at Houston shall develop a cost estimate of the amount necessary to fund the actual and necessary expenses of implementing Subchapter J, Chapter 38, Insurance Code, as added by this Act, for the first state fiscal biennium in which the Health Impact, Cost, and Coverage Analysis Program will operate under that subchapter.

(b) Not later than January 1, 2026, the Center for Health Care Data at The University of Texas Health Science Center at Houston shall establish the Health Impact, Cost, and Coverage Analysis Program as required by Section 38.452, Insurance Code, as added by this Act.

SECTION 3. Not later than January 1, 2026, the comptroller of public accounts shall adopt rules as required by Section 38.455, Insurance Code, as added by this Act.

SECTION 4. The Center for Health Care Data at The University of Texas Health Science Center at Houston is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money for that purpose, the center may, but is not required to, implement a provision of this Act using other money available for that purpose.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.

\* \* \* \* \*