

BILL ANALYSIS

C.S.H.B. 3502
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Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Gender transition procedures and treatments can cause adverse side effects and require long-term medical care. Consequently, some individuals may choose to reverse these procedures. C.S.H.B. 3502 seeks to require health benefit plans that provide coverage for an enrollee's gender transition procedure or treatment to also provide coverage for any short-term or long-term adverse effects, reversals of any applicable procedure or treatment, and any testing or screening necessary to monitor the enrollee's health. The bill requires this coverage to be provided to any enrollee who has undergone a gender transition procedure or treatment regardless of whether the enrollee was enrolled in the plan at the time of the procedure or treatment.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3502 amends the Insurance Code to require an applicable health benefit plan that provides coverage for an enrollee's gender transition procedure or treatment, defined by the bill as a medical procedure or treatment performed or provided for the purpose of assisting an individual with a gender transition, to provide coverage for the following:

- all possible adverse consequences related to the enrollee's gender transition procedure or treatment, including any short-term or long-term side effects of the procedure or treatment;
- any testing or screening necessary to monitor the mental and physical health of the enrollee on at least an annual basis; and
- any procedure or treatment necessary to reverse the enrollee's gender transition procedure or treatment.

The bill requires the health benefit plan to provide such coverage to any enrollee who has undergone a gender transition procedure or treatment regardless of whether the enrollee was enrolled in the plan at the time of the procedure or treatment. The bill defines "gender transition" as a medical process by which an individual's anatomy, physiology, or mental state is treated or altered, including by the removal of otherwise healthy organs or tissue, the introduction of implants or performance of other plastic surgery, hormone treatment, or the use of drugs, counseling, or therapy, for the purpose of furthering or assisting the individual's identification as a member of the opposite biological sex or group or demographic category that does not correspond to the individual's biological sex.

C.S.H.B. 3502 specifies the types of plans to which its provisions apply, including Medicaid and CHIP, and excepts from that applicability a self-funded health benefit plan as defined by the federal Employee Retirement Income Security Act of 1974. The bill further establishes that its provisions apply to coverage under a group health benefit plan provided to a Texas resident regardless of whether the group policy, agreement, or contract is delivered, issued for delivery, or renewed in Texas. The bill applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2024.

C.S.H.B. 3502 provides for the delayed implementation of any provision for which an applicable state agency determines a federal waiver or authorization is necessary for implementation until the waiver or authorization is requested and granted.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3502 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

While both the introduced and the substitute define the term "gender transition," the bill versions differ. Whereas the introduced defined the term as the process by which an individual progresses from identifying with and living as the gender that corresponds to the individual's biological sex to identifying with and living as a gender different than the individual's biological sex, the substitute defines the term as a medical process by which an individual's anatomy, physiology, or mental state is treated or altered, including by the removal of otherwise healthy organs or tissue, the introduction of implants or performance of other plastic surgery, hormone treatment, or the use of drugs, counseling, or therapy, for the purpose of furthering or assisting the individual's identification as a member of the opposite biological sex or group or demographic category that does not correspond to the individual's biological sex.

While both the introduced and the substitute specify the types of plans to which the bill's provisions apply, the substitute omits a provision from the introduced that included health benefits provided by or through a church benefits board in the list of applicable plans.