

1-1 By: Kolkhorst, et al. S.B. No. 1040
1-2 (In the Senate - Filed February 17, 2023; March 3, 2023,
1-3 read first time and referred to Committee on Health & Human
1-4 Services; April 3, 2023, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;
1-6 April 3, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	<u>X</u>			
1-10	<u>X</u>			
1-11	<u>X</u>			
1-12	<u>X</u>			
1-13	<u>X</u>			
1-14	<u>X</u>			
1-15	<u>X</u>			
1-16	<u>X</u>			
1-17	<u>X</u>			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1040 By: Kolkhorst

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to health benefit plan coverage of a transplant of an organ
1-22 that originated from or is transplanted in a country known to have
1-23 participated in forced organ harvesting.

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

1-25 SECTION 1. Subtitle E, Title 8, Insurance Code, is amended
1-26 by adding Chapter 1380 to read as follows:

1-27 CHAPTER 1380. HUMAN ORGAN TRANSPLANT

1-28 Sec. 1380.001. DEFINITION. In this chapter, "forced organ
1-29 harvesting" means the removal of one or more organs from a living
1-30 person by means of coercion, abduction, deception, fraud, or abuse
1-31 of power or a position of vulnerability.

1-32 Sec. 1380.002. APPLICABILITY OF CHAPTER. (a) This chapter
1-33 applies only to a health benefit plan that provides benefits for
1-34 medical or surgical expenses incurred as a result of a health
1-35 condition, accident, or sickness, including an individual, group,
1-36 blanket, or franchise insurance policy or insurance agreement, a
1-37 group hospital service contract, or an individual or group evidence
1-38 of coverage or similar coverage document that is offered by:

1-39 (1) an insurance company;

1-40 (2) a group hospital service corporation operating
1-41 under Chapter 842;

1-42 (3) a health maintenance organization operating under
1-43 Chapter 843;

1-44 (4) an approved nonprofit health corporation that
1-45 holds a certificate of authority under Chapter 844;

1-46 (5) a multiple employer welfare arrangement that holds
1-47 a certificate of authority under Chapter 846;

1-48 (6) a stipulated premium company operating under
1-49 Chapter 884;

1-50 (7) a fraternal benefit society operating under
1-51 Chapter 885;

1-52 (8) a Lloyd's plan operating under Chapter 941; or

1-53 (9) an exchange operating under Chapter 942.

1-54 (b) Notwithstanding any other law, this chapter applies to:

1-55 (1) a small employer health benefit plan subject to
1-56 Chapter 1501, including coverage provided through a health group
1-57 cooperative under Subchapter B of that chapter;

1-58 (2) a standard health benefit plan issued under
1-59 Chapter 1507;

1-60 (3) a basic coverage plan under Chapter 1551;

- 2-1 (4) a basic plan under Chapter 1575;
- 2-2 (5) a primary care coverage plan under Chapter 1579;
- 2-3 (6) a plan providing basic coverage under Chapter
- 2-4 1601;
- 2-5 (7) health benefits provided by or through a church
- 2-6 benefits board under Subchapter I, Chapter 22, Business
- 2-7 Organizations Code;
- 2-8 (8) the state Medicaid program, including the Medicaid
- 2-9 managed care program operated under Chapter 533, Government Code;
- 2-10 (9) the child health plan program under Chapter 62,
- 2-11 Health and Safety Code;
- 2-12 (10) a regional or local health care program operated
- 2-13 under Section 75.104, Health and Safety Code;
- 2-14 (11) a self-funded health benefit plan sponsored by a
- 2-15 professional employer organization under Chapter 91, Labor Code;
- 2-16 (12) county employee group health benefits provided
- 2-17 under Chapter 157, Local Government Code; and
- 2-18 (13) health and accident coverage provided by a risk
- 2-19 pool created under Chapter 172, Local Government Code.

2-20 Sec. 1380.003. COVERAGE PROHIBITED. (a) A health benefit
 2-21 plan issuer may not cover a human organ transplant or
 2-22 post-transplant care if:

- 2-23 (1) the transplant operation is performed in China or
- 2-24 another country known to have participated in forced organ
- 2-25 harvesting, as designated by the commissioner of state health
- 2-26 services; or
- 2-27 (2) the human organ to be transplanted was procured by
- 2-28 a sale or donation originating in China or another country known to
- 2-29 have participated in forced organ harvesting, as designated by the
- 2-30 commissioner of state health services.

2-31 (b) The commissioner of state health services may designate

2-32 additional countries with governments that fund, sponsor, or

2-33 otherwise facilitate forced organ harvesting and shall provide

2-34 written notice to the commissioner, Teacher Retirement System of

2-35 Texas, Employees Retirement System of Texas, and executive

2-36 commissioner of the Health and Human Services Commission when the

2-37 commissioner of state health services designates an additional

2-38 country.

2-39 SECTION 2. If before implementing any provision of this Act

2-40 a state agency determines that a waiver or authorization from a

2-41 federal agency is necessary for implementation of that provision,

2-42 the agency affected by the provision shall request the waiver or

2-43 authorization and may delay implementing that provision until the

2-44 waiver or authorization is granted.

2-45 SECTION 3. Chapter 1380, Insurance Code, as added by this

2-46 Act, applies only to a health benefit plan delivered, issued for

2-47 delivery, or renewed on or after January 1, 2024.

2-48 SECTION 4. This Act takes effect September 1, 2023.

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