

BILL ANALYSIS

H.B. 541
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Public Health
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee that the rising cost of health care in Texas has made it increasingly difficult for patients to access quality care. State law provides for a direct primary care model, which allows patients to pay an agreed upon fee directly to a physician without interference from insurance companies, but the law currently does not apply to other health care practitioners such as nurses, dentists, or psychologists. H.B. 541 seeks to expand this model to allow for direct pay relationships with any type of health care practitioner, with the goal of improving health care access and outcomes for Texans.

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

H.B. 541 amends the Occupations Code to expand the scope of statutory provisions relating to direct primary care, which is a model under which a physician provides primary medical care services to a patient in exchange for a direct fee, to apply more broadly to direct patient care, which means any health care service provided by a physician or health care practitioner to a patient in exchange for such a fee. The statutory provisions affected by the bill do the following:

- establish the noninsurance nature of direct care;
- prohibit billing an insurer or health maintenance organization (HMO) for direct care paid under an applicable agreement;
- prohibit a state agency, health insurer, HMO, or health care provider from taking certain actions against providers of direct care or persons paying for direct care; and
- require a provider to disclose that an agreement for direct care is not insurance prior to entering into the agreement.

The bill makes corresponding changes to related definitions, including changing the name of an agreement under which direct care is provided from a medical service agreement to a direct patient care agreement and defining the following new terms:

- "health care practitioner" means an individual other than a physician who holds a license, certificate, permit, or other authorization issued under state law to engage in a health care profession and who provides health care in the ordinary course of business or practice of a profession; and
- "health care service" means any care, service, or procedure provided by a physician or health care practitioner, including any medical or psychological diagnosis, treatment,

evaluation, advice, or other service that affects the structure or function of the human body.

H.B. 541 applies only to an agreement entered into on or after the bill's effective date. An agreement entered into before that date is governed by the law applicable to the agreement immediately before the bill's effective date, and that law is continued in effect for that purpose.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.