

AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

SUBCHAPTER J. HEALTH IMPACT, COST, AND COVERAGE ANALYSIS PROGRAM

Sec. 38.451. DEFINITIONS. In this subchapter:

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

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

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

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

(5) "Health benefits coverage" does not include workers' compensation.

(6) "Health care provider" means a physician, facility, or other person who is licensed, certified, registered, or otherwise authorized to provide a health care service in this

1 state.

2 (7) "Health care service" means a service, procedure,
3 drug, or device to diagnose, prevent, alleviate, cure, or heal a
4 human disease, injury, or unhealthy or abnormal physical or mental
5 condition, including a service, procedure, drug, or device related
6 to pregnancy or delivery.

7 (8) "Mandate" means a provision contained in a
8 legislative document that requires a health benefit plan issuer or
9 administrator, with respect to health benefits coverage, to:

10 (A) provide coverage for a health care service;

11 (B) increase or decrease payments to health care
12 providers for a health care service; or

13 (C) implement a new contractual or
14 administrative requirement.

15 Sec. 38.452. ESTABLISHMENT OF HEALTH IMPACT, COST, AND
16 COVERAGE ANALYSIS PROGRAM. The center shall establish the Health
17 Impact, Cost, and Coverage Analysis Program to prepare analyses of
18 legislative documents that would impose new mandates on health
19 benefit plan issuers or administrators in this state.

20 Sec. 38.453. REQUEST FOR ANALYSIS OF PROPOSED LEGISLATION.

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

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

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

5 Sec. 38.454. IMPACT ANALYSIS OF LEGISLATION ON HEALTH
6 COVERAGE COSTS. (a) Except as provided by Subsection (b), on
7 receiving a request under Section 38.453, the analysis program
8 shall, using data compiled by the statewide all payor claims
9 database established under Subchapter I and scientific or
10 peer-reviewed academic literature, conduct an analysis of, as
11 applicable, and prepare an estimate of, as applicable, the extent
12 to which:

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

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

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

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

27 (5) the legislation is expected to increase or

1 decrease spending by all persons in the private sector, by public
2 sector entities, including state or local retirement systems and
3 political subdivisions, by employers or plan sponsors, and by
4 individuals purchasing individual health insurance or health
5 benefit plan coverage in this state;

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

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

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

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

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

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

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

27 (D) determinations made by the United States

1 Preventive Services Task Force; and

2 (E) nationally recognized clinical practice
3 guidelines; and

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

8 (A) the short term by estimating costs or savings
9 for the first calendar year after the legislation takes effect; and

10 (B) the long term by estimating costs or savings
11 for at least the first two calendar years after the legislation
12 takes effect.

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

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

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

26 (b) The comptroller may not assess a fee under this section:

27 (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:

(1) determine the amount of the fee assessed under this section, which must be:

(A) based on the estimate developed by the center under Subsection (f); and

(B) prorated based on the number of covered lives attributed to each health benefit plan issuer subject to an assessment under this section, as determined by the department under Subsection (g); and

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

(A) based on an estimate developed by the center under Subsection (f), 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 may adopt rules to administer this section.

(f) Not later than March 1 of each year, the center shall

1 develop and submit to the comptroller an estimate of the amount
2 necessary to fund the actual necessary expenses of implementing
3 this subchapter for each fiscal biennium.

4 (g) Not later than March 1 of each year, the department
5 shall submit to the comptroller a report on the number of covered
6 lives attributed to each health benefit plan issuer subject to an
7 assessment under this section for the preceding calendar year.

8 (h) Notwithstanding Subsection (d), a health benefit plan
9 issuer shall pay a fee assessed by the comptroller under this
10 section during the 2025 calendar year as soon as practicable after
11 the date the comptroller assesses the fee. This subsection expires
12 January 1, 2027.

13 Sec. 38.456. SPECIAL DATA CALL ON ADMINISTRATIVE EXPENSES.

14 (a) The commissioner shall issue a special data call for an
15 estimate of administrative expenses related to specific
16 legislation analyzed by the analysis program not later than:

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

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

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

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

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

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

11 (2) a date determined by the center.

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

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

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

18 Sec. 38.457. REPORT. (a) Not later than the 60th day after
19 the date the analysis program receives a request under Section
20 38.453, or, if the analysis program receives a request under that
21 section during a regular legislative session, not later than the
22 30th day after the date the analysis program receives the request,
23 the center shall prepare a written report containing the results of
24 the analysis performed under Section 38.454 and:

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

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

3 (b) The report:

4 (1) may not disclose a health benefit plan issuer's
5 individual response to a special data call issued under Section
6 38.456; and

7 (2) must include:

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

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

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

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

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

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

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

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

26 SECTION 2. (a) Notwithstanding Section 38.455(f),
27 Insurance Code, as added by this Act, as soon as practicable after

1 the effective date of this Act, the Center for Health Care Data at
2 The University of Texas Health Science Center at Houston shall
3 develop and submit to the comptroller of public accounts a cost
4 estimate, as required by that section, for the first state fiscal
5 biennium in which the Health Impact, Cost, and Coverage Analysis
6 Program will operate under Subchapter J, Chapter 38, Insurance
7 Code, as added by this Act.

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

13 SECTION 3. Notwithstanding Section 38.455(g), Insurance
14 Code, as added by this Act, as soon as practicable after the
15 effective date of this Act, the Texas Department of Insurance shall
16 submit a report of the calendar year 2024 covered lives to be used
17 for the fee assessed for 2025 to the comptroller of public accounts,
18 as required by that section.

19 SECTION 4. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I certify that H.B. No. 138 was passed by the House on May 1, 2025, by the following vote: Yeas 141, Nays 3, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 138 on May 28, 2025, by the following vote: Yeas 128, Nays 4, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 138 was passed by the Senate, with amendments, on May 21, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor