

1-1 By: Shaheen (Senate Sponsor - Zaffirini) H.B. No. 541
1-2 (In the Senate - Received from the House May 9, 2025;
1-3 May 12, 2025, read first time and referred to Committee on Health &
1-4 Human Services; May 26, 2025, reported favorably by the following
1-5 vote: Yeas 8, Nays 0; May 26, 2025, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Kolkhorst	X		
1-9	Perry	X		
1-10	Blanco	X		
1-11	Cook	X		
1-12	Hall	X		
1-13	Hancock	X		
1-14	Hughes		X	
1-15	Miles	X		
1-16	Sparks	X		

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the provision of direct patient care by physicians and
1-20 health care practitioners.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter F, Chapter 162, Occupations Code, is
1-23 transferred to Subtitle A, Title 3, Occupations Code, redesignated
1-24 as Chapter 117, Occupations Code, and amended to read as follows:

1-25 CHAPTER 117 [SUBCHAPTER F]. DIRECT PATIENT [PRIMARY] CARE

1-26 Sec. 117.001 [162.251]. DEFINITIONS. In this chapter
1-27 [subchapter]:

1-28 (1) "Direct fee" means a fee charged by a physician or
1-29 health care practitioner to a patient or a patient's designee for
1-30 health [primary-medical] care services provided by, or to be
1-31 provided by, the physician or practitioner to the patient. The term
1-32 includes a fee in any form, including a:

- 1-33 (A) monthly retainer;
1-34 (B) membership fee;
1-35 (C) subscription fee;
1-36 (D) fee paid under a direct patient care [medical
1-37 service] agreement; or

1-38 (E) fee for a service, visit, or episode of care.

1-39 (2) "Direct patient [primary] care" means a health
1-40 [primary-medical] care service provided by a physician or health
1-41 care practitioner to a patient in return for payment in accordance
1-42 with a direct fee. The term includes telemedicine medical services
1-43 and telehealth services, as those terms are defined by Section
1-44 111.001, provided using a technology platform.

1-45 (3) "Direct patient care agreement" means a signed
1-46 written agreement under which a physician or health care
1-47 practitioner agrees to provide health care services to a patient in
1-48 exchange for a direct fee for a period of time that is entered into
1-49 by the physician or practitioner and:

- 1-50 (A) the patient;
1-51 (B) the patient's legal representative,
1-52 guardian, or employer on behalf of the patient; or
1-53 (C) the patient's legal representative's or
1-54 guardian's employer on behalf of the patient.

1-55 (4) "Health care practitioner" means an individual who
1-56 holds a license, certificate, permit, or other authorization issued
1-57 under this title to engage in a health care profession and who
1-58 provides health care in the ordinary course of business or practice
1-59 of a profession. The term does not include a physician.

1-60 (5) "Health care service" means any care, service, or
1-61 procedure provided by a physician or health care practitioner. The

term includes any medical or psychological diagnosis, treatment, evaluation, advice, or other service that affects the structure or function of the human body [~~"Medical service agreement" means a signed written agreement under which a physician agrees to provide direct primary care services for a patient in exchange for a direct fee for a period of time that is entered into by the physician and:~~

~~[(A) the patient,~~
~~[(B) the patient's legal representative,~~
~~guardian, or employer on behalf of the patient, or~~
~~[(C) the patient's legal representative's or~~
~~guardian's employer on behalf of the patient].~~

(6) ~~[(4)]~~ "Physician" means a person licensed to practice medicine in this state. The term includes a professional association or professional limited liability company owned entirely by an individual licensed under Subtitle B [~~this subtitle~~].

~~[(5) "Primary medical care service" means a routine or general health care service of the type provided at the time a patient seeks preventive care or first seeks health care services for a specific health concern, is a patient's main source for regular health care services, and includes:~~

~~[(A) promoting and maintaining mental and physical health and wellness,~~

~~[(B) preventing disease,~~

~~[(C) screening, diagnosing, and treating acute or chronic conditions caused by disease, injury, or illness,~~

~~[(D) providing patient counseling and education,~~
~~and~~

~~[(E) providing a broad spectrum of preventive and curative health care over a period of time.]~~

Sec. 117.002 [~~162.252~~]. APPLICABILITY OF CHAPTER [~~SUBCHAPTER~~]. This chapter [~~subchapter~~] does not apply to workers' compensation insurance coverage as defined by Section 401.011, Labor Code.

Sec. 117.003 [~~162.253~~]. DIRECT PATIENT [~~PRIMARY~~] CARE NOT INSURANCE. (a) A physician or health care practitioner providing direct patient [~~primary~~] care is not an insurer or health maintenance organization, and the physician or practitioner is not subject to regulation by the Texas Department of Insurance for the direct patient [~~primary~~] care.

(b) A direct patient care [~~medical service~~] agreement is not health or accident insurance or coverage under Title 8, Insurance Code, and is not subject to regulation by the Texas Department of Insurance.

(c) A physician or health care practitioner is not required to obtain a certificate of authority under the Insurance Code to market, sell, or offer a direct patient care [~~medical service~~] agreement or provide direct patient [~~primary~~] care.

(d) A physician or health care practitioner providing direct patient [~~primary~~] care does not violate Section 1204.055, Insurance Code.

Sec. 117.004 [~~162.254~~]. BILLING INSURER OR HEALTH MAINTENANCE ORGANIZATION PROHIBITED. A physician or health care practitioner may not bill an insurer or health maintenance organization for direct patient [~~primary~~] care that is paid under a direct patient care [~~medical service~~] agreement.

Sec. 117.005 [~~162.255~~]. INTERFERENCE PROHIBITED. (a) The Texas Medical Board [~~board~~] or another state agency may not prohibit, interfere with, initiate a legal or administrative proceeding against, or impose a fine or penalty against:

(1) a physician or health care practitioner solely because the physician or practitioner provides direct patient [~~primary~~] care; or

(2) a person solely because the person pays a direct fee for direct patient [~~primary~~] care.

(b) A health insurer, health maintenance organization, or health care provider as that term is defined by Section 105.001 may not prohibit, interfere with, or initiate a legal proceeding against:

(1) a physician or health care practitioner solely because the physician or practitioner provides direct patient [primary] care; or

(2) a person solely because the person pays a direct fee for direct patient [primary] care.

Sec. 117.006 ~~[162.256]~~. REQUIRED DISCLOSURE. A physician or health care practitioner providing direct patient [primary] care shall provide written or electronic notice to the patient that a direct patient care [medical service] agreement for direct patient [primary] care is not insurance, prior to entering into the agreement.

SECTION 2. The changes in law made by this Act apply only to an agreement entered into on or after the effective date of this Act. An agreement entered into before the effective date of this Act is governed by the law applicable to the agreement immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. 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.

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