

By: Turner

H.B. No. 1045

A BILL TO BE ENTITLED

AN ACT

relating to health benefit plan coverage of treatment for chemical dependency.

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

SECTION 1. Section 1368.001(2), Insurance Code, is amended to read as follows:

(2) "Chemical dependency treatment center" means a facility that provides a program for the treatment of chemical dependency under a written treatment plan approved and monitored by a physician and that is:

(A) affiliated with a hospital under a contractual agreement with an established system for patient referral;

(B) accredited as a chemical dependency treatment center by the Joint Commission on Accreditation of Healthcare Organizations;

(C) licensed as a chemical dependency treatment program by the Health and Human Services [Texas] Commission [on Alcohol and Drug Abuse]; or

(D) licensed, certified, or approved as a chemical dependency treatment program or center by another state agency.

SECTION 2. Sections 1368.002, 1368.003, and 1368.004, Insurance Code, are amended to read as follows:

Sec. 1368.002. APPLICABILITY OF CHAPTER. (a) This chapter applies only to a ~~[group]~~ health benefit plan that provides hospital and medical coverage or services on an expense incurred, service, or prepaid basis, including an individual or a group insurance policy or contract or self-funded or self-insured plan or arrangement that is offered in this state by:

- (1) an insurer;
- (2) a group hospital service corporation operating under Chapter [842](#);
- (3) a health maintenance organization operating under Chapter [843](#); or
- (4) an employer, trustee, or other self-funded or self-insured plan or arrangement.

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

- (1) a basic coverage plan under Chapter [1551](#);
 - (2) a basic plan under Chapter [1575](#);
 - (3) a primary care coverage plan under Chapter [1579](#);
- or
- (4) a plan providing basic coverage under Chapter [1601](#).

Sec. 1368.003. EXCEPTION. This chapter does not apply to:

- ~~(1) [an employer, trustee, or other self-funded or self-insured plan or arrangement with 250 or fewer employees or members,~~
- ~~(2) an individual insurance policy,~~
- ~~(3) an individual evidence of coverage issued by a health maintenance organization,~~

1 ~~[(4)]~~ a health insurance policy that provides only:

2 (A) cash indemnity for hospital or other
3 confinement benefits;

4 (B) supplemental or limited benefit coverage;

5 (C) coverage for specified diseases or
6 accidents;

7 (D) disability income coverage; or

8 (E) any combination of those benefits or
9 coverages;

10 (2) ~~[(5)]~~ a blanket insurance policy;

11 (3) ~~[(6)]~~ a short-term travel insurance policy;

12 (4) ~~[(7)]~~ an accident-only insurance policy;

13 (5) ~~[(8)]~~ a limited or specified disease insurance
14 policy;

15 (6) ~~[(9)]~~ an individual conversion insurance policy
16 or contract;

17 (7) ~~[(10)]~~ a policy or contract designed for issuance
18 to a person eligible for Medicare coverage or other similar
19 coverage under a state or federal government plan; or

20 (8) ~~[(11)]~~ an evidence of coverage provided by a
21 health maintenance organization if the plan holder is the subject
22 of a collective bargaining agreement that was in effect on January
23 1, 1982, and that has not expired since that date.

24 Sec. 1368.004. COVERAGE REQUIRED. (a) A ~~[group]~~ health
25 benefit plan shall provide coverage for the necessary care and
26 treatment of chemical dependency.

27 (b) Coverage required under this section may be provided:

(1) directly by the ~~[group]~~ health benefit plan issuer; or

(2) by another entity, including a single service health maintenance organization, under contract with the ~~[group]~~ health benefit plan issuer.

SECTION 3. Section 1368.005(a), Insurance Code, is amended to read as follows:

(a) Coverage ~~[Except as provided by Subsection (b), coverage]~~ required under this chapter ~~[÷~~

~~[(1)]~~ may not be less favorable than coverage provided for physical illness generally under the plan ~~[, and~~

~~[(2) shall be subject to the same durational limits, dollar limits, deductibles, and coinsurance factors that apply to coverage provided for physical illness generally under the plan].~~

SECTION 4. The heading to Section 1368.006, Insurance Code, is amended to read as follows:

Sec. 1368.006. LIFETIME LIMITATION ON COVERAGE PROHIBITED.

SECTION 5. Section 1368.006(b), Insurance Code, is amended to read as follows:

(b) Coverage ~~[Notwithstanding Section 1368.005, coverage]~~ required under this chapter may not be subject ~~[is limited]~~ to a lifetime maximum ~~[of three separate treatment series for each covered individual].~~

SECTION 6. Sections 1368.007(a) and (b), Insurance Code, are amended to read as follows:

(a) Coverage provided under this chapter for necessary care and treatment in a chemical dependency treatment center must be

1 provided at an appropriate level of ~~[as if the]~~ care ~~[and treatment~~
2 ~~were provided in a hospital]~~.

3 (b) The commissioner ~~[department]~~ by rule shall adopt
4 standards formulated and approved by the commissioner ~~[department]~~
5 and the executive commissioner of the Health and Human Services
6 Commission ~~[Texas Commission on Alcohol and Drug Abuse]~~ for use by
7 insurers, other third-party reimbursement sources, and chemical
8 dependency treatment centers.

9 SECTION 7. Sections 1368.005(b) and 1368.006(a), Insurance
10 Code, are repealed.

11 SECTION 8. The changes in law made by this Act apply only to
12 a health benefit plan that is delivered, issued for delivery, or
13 renewed on or after January 1, 2026. A health benefit plan
14 delivered, issued for delivery, or renewed before January 1, 2026,
15 is governed by the law as it existed immediately before the
16 effective date of this Act, and that law is continued in effect for
17 that purpose.

18 SECTION 9. This Act takes effect September 1, 2025.