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H.B. No. 1142

A BILL TO BE ENTITLED

AN ACT

relating to coverage for mental health conditions and substance use disorders under certain governmental health benefit plans.

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

SECTION 1. Section 1355.002(b), Insurance Code, is amended to read as follows:

(b) Except as otherwise provided by this subchapter, but notwithstanding [~~Notwithstanding any provision in Chapter 1575 or 1579 or~~] any other law, this subchapter [~~Section 1355.015~~] applies to:

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

SECTION 2. Section 1355.003(a), Insurance Code, is amended to read as follows:

(a) This subchapter does not apply to coverage under:

- (1) a blanket accident and health insurance policy, as described by Chapter 1251;
- (2) a short-term travel policy;
- (3) an accident-only policy;
- (4) a limited or specified-disease policy that does

not provide benefits for mental health care or similar services;

(5) ~~[except as provided by Subsection (b), a plan offered under Chapter 1551 or Chapter 1601,~~

~~(6)]~~ a plan offered in accordance with Section 1355.151; or

(6) ~~(7)]~~ a Medicare supplement benefit plan, as defined by Section 1652.002.

SECTION 3. Section 1355.015(e), Insurance Code, is amended to read as follows:

(e) Notwithstanding any other law, this section does not apply to:

(1) a standard health benefit plan provided under Chapter 1507;

(2) a basic coverage plan under Chapter 1551; or

(3) a plan providing basic coverage under Chapter 1601.

SECTION 4. Section 1355.252, Insurance Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding any other law, this subchapter 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;

and

(4) a plan providing basic coverage under Chapter 1601.

SECTION 5. Section 1355.255, Insurance Code, is amended to

1 read as follows:

2 Sec. 1355.255. COMPLIANCE. (a) Except as provided by
3 Subsection (b), the [The] commissioner shall enforce compliance
4 with Section 1355.254 by evaluating the benefits and coverage
5 offered by a health benefit plan for quantitative and
6 nonquantitative treatment limitations in the following categories:

- 7 (1) in-network and out-of-network inpatient care;
8 (2) in-network and out-of-network outpatient care;
9 (3) emergency care; and
10 (4) prescription drugs.

11 (b) With respect to a plan described by Section 1355.252(d),
12 the applicable trustee, board of trustees, or system shall enforce
13 compliance with Section 1355.254 by evaluating the benefits and
14 coverage offered by a health benefit plan for quantitative and
15 nonquantitative treatment limitations in the following categories:

- 16 (1) in-network and out-of-network inpatient care;
17 (2) in-network and out-of-network outpatient care;
18 (3) emergency care; and
19 (4) prescription drugs.

20 SECTION 6. Sections 1368.002, 1368.003, and 1368.004,
21 Insurance Code, are amended to read as follows:

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

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

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

- 9 (1) a basic coverage plan under Chapter 1551;
- 10 (2) a basic plan under Chapter 1575;
- 11 (3) a primary care coverage plan under Chapter 1579;
- 12 or
- 13 (4) a plan providing basic coverage under Chapter
- 14 1601.

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

16 ~~(1) [an employer, trustee, or other self-funded or~~

17 ~~self-insured plan or arrangement with 250 or fewer employees or~~

18 ~~members;~~

19 ~~[(2) an individual insurance policy;~~

20 ~~[(3) an individual evidence of coverage issued by a~~

21 ~~health maintenance organization;~~

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

- 23 (A) cash indemnity for hospital or other
- 24 confinement benefits;
- 25 (B) supplemental or limited benefit coverage;
- 26 (C) coverage for specified diseases or
- 27 accidents;

(D) disability income coverage; or
(E) any combination of those benefits or coverages;

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

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

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

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

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

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

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

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

(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 7. Section 1368.005(a), Insurance Code, is amended

1 to read as follows:

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

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

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

9 SECTION 8. The heading to Section 1368.006, Insurance Code,
10 is amended to read as follows:

11 Sec. 1368.006. LIFETIME LIMITATION ON COVERAGE PROHIBITED.

12 SECTION 9. Section 1368.006(b), Insurance Code, is amended
13 to read as follows:

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

18 SECTION 10. Section 1551.205, Insurance Code, is amended to
19 read as follows:

20 Sec. 1551.205. LIMITATIONS. The board of trustees may not
21 contract for or provide a coverage plan that:

22 (1) excludes or limits coverage or services for
23 acquired immune deficiency syndrome, as defined by the Centers for
24 Disease Control and Prevention of the United States Public Health
25 Service, or human immunodeficiency virus infection; or

26 (2) [~~provides coverage for serious mental illness that~~
27 ~~is less extensive than the coverage provided for any physical~~

1 ~~illness, or~~

2 ~~[(3)]~~ may provide coverage for prescription drugs to
3 assist in stopping smoking at a lower benefit level than is provided
4 for other prescription drugs.

5 SECTION 11. Section 1355.003(b), Insurance Code, is
6 repealed.

7 SECTION 12. Sections 1368.005(b) and 1368.006(a),
8 Insurance Code, are repealed.

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

16 SECTION 14. This Act takes effect September 1, 2025.