

AN ACT

relating to direct payment for certain health care provided by a hospital.

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

SECTION 1. Subchapter A, Chapter 311, Health and Safety Code, is amended by adding Section 311.006 to read as follows:

Sec. 311.006. DIRECT PAYMENT TO HOSPITAL. (a) In this section:

(1) "Enrollee" means an individual who is enrolled in a health benefit plan or otherwise entitled to coverage under a health benefit plan.

(2) "Health benefit plan" means any individual or group arrangement with a public or private entity under which the entity will pay for, reimburse expenses for, or otherwise contract with a health care provider for the provision of health care services, supplies, or devices to a patient. The term includes an arrangement with:

(A) an insurance company;

(B) the sponsor or administrator of a self-insured health benefit plan;

(C) a group hospital service corporation operating under Chapter 842, Insurance Code;

(D) a health maintenance organization operating under Chapter 843, Insurance Code;

1 (E) the state Medicaid program, including the
2 Medicaid managed care program operating under Chapter 540,
3 Government Code;

4 (F) a health benefit plan offered or administered
5 by or on behalf of this state or a political subdivision of this
6 state or an agency or instrumentality of the state or a political
7 subdivision of this state, including:

8 (i) a basic coverage plan under Chapter
9 1551, Insurance Code;

10 (ii) a basic plan under Chapter 1575,
11 Insurance Code;

12 (iii) a primary care coverage plan under
13 Chapter 1579, Insurance Code; and

14 (iv) a plan providing basic coverage under
15 Chapter 1601, Insurance Code; or

16 (G) any other entity providing a health insurance
17 or health benefit plan subject to regulation by the Texas
18 Department of Insurance.

19 (3) "Health care service" means a service to diagnose,
20 prevent, alleviate, cure, or heal a human illness or injury that is
21 provided to an individual by a physician or other health care
22 provider.

23 (4) "Hospital" means a public or private institution
24 licensed under Chapter 241. The term does not include an ambulatory
25 surgical center licensed under Chapter 243.

26 (b) At the request of a patient who is not an enrollee, and
27 subject to Subsection (c), a hospital must accept directly from the

patient full payment for a health care service provided by the hospital.

(c) A request under Subsection (b) must be made not later than the 60th day after the date on which the patient receives a bill for or other final accounting of the health care service provided. The bill or other final accounting must notify the patient of the ability to make a request under Subsection (b).

(d) Notwithstanding Section 552.003, Insurance Code, or any other law, in accepting payments as described by Subsection (b) for health care services provided by the hospital, a hospital may charge patients amounts that are either:

(1) not more than 25 percent greater than the amounts generally billed, as defined by 26 C.F.R. Section 1.501(r)-1, for a health care service; or

(2) not more than 50 percent greater than the lowest contracted rate for a health care service that the hospital has agreed to accept as payment in full as a contracted, preferred, or participating provider of a health benefit plan other than:

(A) the state Medicaid program, including the Medicaid managed care program operated under Chapter 540, Government Code;

(B) the child health plan program operated under Chapter 62; or

(C) Medicare benefits.

(e) Nothing in this section precludes a patient from receiving from a hospital charity care that the patient would otherwise qualify for or be entitled to.

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1 SECTION 2. This Act takes effect September 1, 2025.

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President of the Senate

Speaker of the House

I certify that H.B. No. 1612 was passed by the House on May 1, 2025, by the following vote: Yeas 139, Nays 5, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1612 was passed by the Senate on May 25, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor