NORTON ROSE FULBRIGHT

The 89th Texas Legislature: 2025 Healthcare legislative update

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Abbreviations

AI	Artificial Intelligence
CHIP	Children's Health Insurance Program
CMS	Centers for Medicare and Medicaid Services
DME	Durable Medical Equipment
DSHS	Department of State Health Services
EHR	Electronic Health Record
EMS	Emergency Medical Services
FDA	Food and Drug Administration
FQHC	Federally Qualified Health Center
HHSC	Health and Human Services Commission
HMO	Health Maintenance Organization
ICF-IID	Intermediate Care Facility for Individuals with Intellectual Disability
LTC	Long Term Care
MCO	Managed Care Organization
MMMRC	Maternal Mortality and Morbidity Review Committee
OIG	Office of Inspector General
PBM	Pharmacy Benefit Manager
TCLR	Texas Commission of Licensing and Regulation
TDLR	Texas Department of Licensing and Regulation
TMB	Texas Medical Board
TWC	Texas Workforce Commission

Introduction

During the 140-day regular session of the 89th Texas Legislature, which adjourned on June 2, 2025, lawmakers passed a number of bills that are poised to further transform the healthcare landscape in Texas. In this 2025 Healthcare legislative update, Norton Rose Fulbright highlights the most recent laws that are driving change and shaping the future of healthcare across Texas.

Key measures enacted include new requirements for healthcare facilities to provide clear price estimates, a streamlined dispute and mediation process, more vigorous enforcement against Medicaid fraud and expanded agency oversight of public benefits providers.

Additional reforms restrict noncompete agreements applicable to physicians and practitioners and thus, impact hospital arrangements with physicians; ban pharmacy gag clauses, regulate artificial intelligence and create a new Dementia Prevention and Research Institute to fund research and prevention efforts targeting dementia, Alzheimer's disease and related disorders.

In parallel actions to the federal establishment of the Department of Government Efficiency (DOGE), the Texas Legislature established the Texas Regulatory Efficiency Office within the Office of the Governor, tasked with enhancing the rulemaking process for state agencies and improving public access to regulatory information.

Enacted bills are effective September 1, 2025, unless otherwise stated.

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Appropriations

SB 1 General Appropriations Act

There's a well-known saying in politics: "Show me the budget and I'll show you what matters." With total appropriations reaching US$338 billion in All Funds, a US$4 billion increase from the previous biennium, the Texas state budget for the 2026-27 biennium is a comprehensive statement of the policy priorities, fiscal strategies and statutory commitments of the 89th Texas Legislature.

SB 1: The General Appropriations Act

(In millions) All functions	Estimated, budgeted 2024-25	CCR SB1 2026-27	Biennial Change	Percentage Change
Article I – General Government	$21,639.1	$11,908.4	($9,730.7)	(45.0%)
Article II – Health and Human Services	$100,854.2	$105,732.8	$4,878.6	4.8%
Article III – Agencies of Education	$123.475.2	$134,664.7	$11,189.5	9.1%
Public Education	$90,965.0	$100,300.0	$9,335.0	10.3%
Higher Education	$32,510.2	$34,364.7	$1,854.5	5.7%
Article IV - Judiciary	$1,241.2	$1,232.0	($9.2)	(0.7%)
Article V – Public Safety and Criminal Justice	$19,485.3	$19,771.9	$286.6	1.5%
Article VI – Natural Resources	$11,055.8	$8,063.7	($2,992.0)	(27.1%)
Article VII – Business and Economic Development	$49,832.2	$48,477.9	($1,354.3)	(2.7%)
Article VIII - Regulatory	$5,891.9	$6,695.6	$803.7	13.6%
Article IX – General Provisions	$0.0	$930.1	$930.1	N/A
Article X - Legislature	$520.8	$540.3	$19.5	3.7%
Total, All Articles	**$333,995.6**	**$338,017.2**	**$4,021.6**	**1.2%**

Source: Appropriations for the 2026-27 Biennium, Legislative Budget Board (May 2025); the Governor's line-item veto proclamation impacting Articles VI and IX may be accessed here.

Article II funding: Key highlights

Article II of the General Appropriations Act governs funding for a broad array of programs and agencies dedicated to improving the health, safety and well-being of Texans. This includes initiatives that provide healthcare to low-income children, families, seniors and individuals with disabilities. It also addresses the growing needs in areas such as mental health, public health preparedness and regulatory oversight.

Accounting for 31 percent of the entire state budget, Article II serves as a critical reference point for understanding the legal framework, funding mechanisms and operational requirements that shape the delivery of health and human services across Texas, directly impacting agency operations, provider reimbursement and service delivery to millions of residents.

SB 1: Article II, Health and Human Services

(In millions) All functions	Estimated, budgeted 2024-25	CCR SB1 2026-27	Biennial Change	Percentage Change
Department of Family and Protective Services	$4,879.6	$4,919.4	$39.8	0.8%
Department of State Health Services	$2,967.2	$2,367.9	($599.3)	(20.2%)
Health and Human Services Commission	$91,274.2	$96,338.7	$5,064.5	5.5%
Subtotal, Health and Human Services	**$99,121.0**	**$103,626.0**	**$4,504.9**	**4.5%**
Employee Benefits and Debt Services	$2,447.2	$2,802.8	$355.7	14.5%
Less Interagency Contracts	$714.0	$696.0	($18.0)	(2.5%)
Total, All Functions	**$100,854.2**	**$105,732.8**	**$4,878.6**	**4.8%**

Source: Appropriations for the 2026-27 Biennium, Legislative Budget Board (May 2025)

For the 2026–27 biennium, appropriations for Article II total approximately US$105.7 billion, representing a 4.8 percent increase over the previous cycle, according to the Legislative Budget Board. This, notwithstanding a dramatic 20 percent reduction in federal COVID-19 pandemic-related funds for DSHS.

Funding allocated for the Texas Medicaid program is US$82.6 billion, an increase of US$6.2 billion from the previous biennial level in All Funds and US$2.7 billion in General Revenue Funds, according to the Legislative Budget Board, which breaks down as follows:

- **Medicaid client services**: US$75.9 billion is appropriated for direct client services, including physician and hospital services, prescription drugs, long-term care and other medically necessary benefits as required by federal and state law. A 10 percent Medicaid reimbursement rate increase for maternal fetal medicine radiological services is also included in the appropriated amount.
- **Other Medicaid-supported programs**: US$2.4 billion is allocated to specialized programs, such as home and community-based services waivers and targeted case management, addressing the needs of populations with complex or high-acuity conditions. Notably, the budget provides a Medicaid add-on payment for rural hospitals that have a department of obstetrics and gynecology in fiscal year 2027.
- **Administration**: US$4.3 billion is designated for the administration of Medicaid and related programs, including eligibility determination, claims processing and compliance with federal and state regulations.

SB 1 also directs that HHSC verify the residency status of clients under Medicaid and CHIP "on at least a monthly basis."

These amounts do not include the US$750 million in supplemental funding for fiscal year 2025 appropriated by HB 500. Article II also reflects a shift in funding sources, with greater reliance on state funds due to less favorable federal matching rates.

Key initiatives and special programs

Appropriations for HHS include legislative directives known as "riders." These riders are essential tools for the Legislature, allowing it to guide, restrict or clarify how various agencies, institutions or programs should utilize the allocated funds. Notable riders affecting HHS funding for the coming biennium include the following:

- **Safety net hospital payments**: Establishes targeted Medicaid add-on payments for Texas hospitals that serve a high volume of low-income, uninsured or Medicaid patients, with a particular emphasis on supporting rural and safety-net hospitals. Rural hospitals are defined based on population size, Medicare designation and bed count. HHSC is directed to develop a payment system that ensures these hospitals receive additional funds that are not in excess of their legal limits. Certain payments, such as those for non-emergency outpatient visits, are restricted to 65 percent of cost. MCOs are required to pass these funds directly to the hospitals. Any changes to the use of these funds, or any use for purposes other than rate payments, must be approved by the Legislative Budget Board. (Article IX, Rider 8)
- **Future healthcare workforce apprenticeship support funding**: Within the appropriations for DSHS, US$500,000 per year is being allocated to support hospitals in establishing apprenticeship programs aimed at training new healthcare workers. Only hospitals that participate in the Disproportionate Share Hospital Program are eligible to receive these grants. (Article II, Section 36)
- **Rural hospital stabilization grant program**: In an effort to strengthen rural healthcare and in furtherance of HB 18 discussed in detail under "Healthcare facilities" below, funding is allocated for the following initiatives: US$25 million for Rural Hospital Stabilization Grants, US$25 million for Rural Hospital Innovation Grants, US$10 million for a Pediatric Tele-Connectivity Resource Program and US$1.95 million for a Rural Hospital Financial Officers Academy. To facilitate the effective administration of these programs, SB 1 directs HHSC to streamline the grant application process. It also appropriates approximately US$5.0 million annually to HHSC and authorizes 10 new staff positions to manage these programs. Any unspent funds as of August 2026 may be used for the same purposes in the following year, but all grant funds must be awarded by August 31, 2027. (Article IX, Amended Rider 66)
- **Consolidation of data collected from hospitals**: The budget directs HHSC and DSHS to enhance hospital reporting and transparency by streamlining or modifying data collection processes, and to submit a comprehensive report detailing all hospital data requirements, any changes made to reporting and the purposes for each remaining requirement to the Legislative Budget Board and the Office of the Governor by November 1, 2026.
- **Maternal mortality and morbidity safety initiatives**: SB 1 provides US$5.0 million annually and eight new staff positions for DSHS to advance maternal health and safety across Texas. This funding is being designated to expand programs for high-risk pregnancies, enhance provider training, promote the dissemination of best practices in maternal care and increase public awareness of maternal health risks. DSHS is tasked with collecting and reporting data on postpartum depression screening and treatment within state health programs. (Article II, Section 19)
- **Diabetes prevention program for Medicaid enrollees**: HHSC, in collaboration with DSHS, is tasked with studying the feasibility and cost-effectiveness of establishing a diabetes prevention program specifically for Medicaid enrollees, as well as strategies to support individuals at risk of developing Type 2 diabetes. HHSC must submit a written report detailing the study's findings and any recommendations for future action to state leaders and legislative committees by November 1, 2026. (Article II, Section 38)
- **Whole blood pilot program funding for EMS**: The budget appropriates US$10 million to DSHS in 2026 to implement a statewide pilot program that enables EMS agencies to administer whole blood transfusions to patients in the field. The program will be developed in partnership with regional advisory councils and DSHS is required to report on the program's progress and outcomes. Any unspent funds from the initial US$10 million allocation will remain available in the second year of the biennium to continue supporting the program. (Article II, Section 35)
- **World Health Organization**: Any state agency or public university in Texas that collaborates with, is overseen by, or receives funding from the World Health Organization, or its affiliates is required to report these activities annually to HHSC. HHSC will compile a summary report for the Texas Legislature and publish it online by December 1 of each year. (Article IX, Section 7.16)

HB 500 Supplemental appropriations

In addition to appropriations made in the General Appropriations Bill for the 2026-27 biennium, HB 500 provides supplemental appropriations for fiscal year 2025 totaling US$12,532 million in All Funds and US$13,049 million in General Revenue Funds. Notably, the supplemental budget for fiscal year 2025 addresses the Medicaid shortfall from the current budget cycle by appropriating US$750 million from the General Revenue Fund.

Healthcare facilities

HB 18 Establishment and administration of rural healthcare programs

This legislation represents a significant and comprehensive effort to modernize and strengthen support for rural hospitals in Texas. It defines "rural hospitals" to include those licensed in Texas that are either located in a county with a population of 68,750 or less, designated as a rural referral center, sole community hospital or critical access hospital and are not located in a metropolitan statistical area (MSA) or have fewer than 100 beds if located within an MSA. Key provisions include the establishment of the State Office of Rural Hospital Finance within HHSC, to provide technical assistance and financial support to rural hospitals participating in Medicaid and other state or federal programs. It also creates a Rural Hospital Financial Vulnerability Index and Needs Assessment to evaluate the financial health of rural hospitals and guide the allocation of funding.

To address financial challenges, HB 18 introduces several targeted grant programs: Financial Stabilization Grants for hospitals at moderate to high financial risk, Emergency Hardship Grants for hospitals facing sudden crises such as natural disasters or payroll shortfalls, Innovation Grants to support sustainable healthcare initiatives for vulnerable populations and Rural Hospital Support Grants to ensure ongoing operational stability and long-term viability. Additionally, the Texas Rural Hospital Officers Academy will be launched to provide over 100 hours of annual training for rural hospital leaders, focusing on financial management, regulatory compliance and organizational leadership in partnership with higher education institutions.

The legislation further mandates that HHSC implement cost-based reimbursement rates, updated biennially and establish an annual add-on reimbursement for rural hospitals with obstetrics and gynecology departments. Finally, it creates the Rural Pediatric Mental Healthcare Access Program, which leverages telehealth services to identify and assess pediatric patients with mental and behavioral health needs, with the requirement of prior written consent from parents, legal guardians or adults with whom the child resides.

Effective immediately.

Practical effect: HB 18 appears to be one of the more comprehensive updates to investment in access and support for rural healthcare and rural hospitals that has passed in some time. While the devil will be in the details of how HHSC sets up and operationalizes the various new offices, reports, grants and programs, the legislation is poised to increase access and support across the state to some of the state's most vulnerable healthcare entities.

HB 37 Prenatal bereavement care provided by hospitals

Amends the Health and Safety Code to require hospitals with a maternal level of care designation to provide perinatal bereavement care counseling, as well as access to any available perinatal bereavement devices. These devices are defined as technology capable of delaying, for bereavement purposes, the deterioration of human tissue for up to 72 hours following an intrauterine fetal demise, neonatal death or stillbirth. Hospitals must offer these services to families for a period consistent with the medically recommended length of stay for a birth. DSHS must establish a perinatal bereavement care initiative aimed at improving both access to and the quality of bereavement care.

Accordingly, the agency is authorized to accept external funding for this initiative, which may include providing resources and awarding grants to hospitals. Priority for these grants and resources will be given to hospitals that either lack bereavement devices or serve a higher proportion of high-risk patients and births. As such, the legislation requires the Executive Commissioner of HHSC, in collaboration with the Perinatal Advisory Council, to develop a recognition program for hospitals that provide bereavement care training to their staff. The program will establish criteria for awarding recognition to hospitals that meet or exceed standards in bereavement care training. Finally, it authorizes the adoption of the rules necessary to implement these provisions.

Practical effect: HB 37 requires hospitals with a maternal level of care designation to offer perinatal bereavement counseling and access to bereavement devices. It directs the state to establish a perinatal bereavement care initiative with grant funding and resources prioritized for hospitals in need and creates a recognition program for hospitals that meet bereavement care training standards, with rulemaking authority to implement these provisions.

HB 216 Patient right to facility itemized bill for healthcare services and supplies

Amends the Health and Safety Code to require healthcare providers who seek to balance bill patients for amounts owed beyond what is paid by a third-party payer to submit a written, itemized bill to patients for each service and supply provided, no later than 30 days after receiving final payment from the payer. Providers may deliver these bills electronically, by mail or in person, but must ensure that patients without active online profiles receive a physical or emailed copy according to their stated preference. Patients have the right to request and receive itemized bills through their preferred method for as long as the provider is required to retain the records. Licensing authorities are directed to take disciplinary action against providers who fail to comply with these requirements, except when a mailed bill is undeliverable or sent to an outdated address in good faith. These changes apply only to itemized bills issued on or after September 1, 2025.

Practical effect: The changes in HB 216 must be layered on top of existing No Surprises Act requirements and should be carefully reviewed to determine how they may change operations in managing the coordination of benefits and avoiding patient complaints. Disciplinary action is also contemplated by the state licensing agency for failure to comply with the new law.

HB 1314 Price estimates and billing requirements for healthcare facilities

Amends the consumer pricing provisions of the Health and Safety Code to update billing requirements for hospitals, ambulatory surgical centers, birthing centers and freestanding emergency medical care facilities. The legislation requires these facilities to provide a written estimate of charges for elective inpatient admissions, non-emergency outpatient surgical procedures or other services upon request and before scheduling. An "estimate" is defined as a written statement detailing the total expected billed charges for a nonemergency elective service or procedure. Facilities must deliver the estimate by e-mail within five business days of receiving a request, shortening the previous ten-day deadline. The estimate must also include information on how consumers can dispute final charges that exceed the estimate by US$400 or more. Facilities that violate these requirements are prohibited from initiating or facilitating third-party collection actions, reporting consumers to credit bureaus or pursuing legal action against consumers regarding disputed charges. These new requirements apply prospectively to estimate requests made on or after September 1, 2025; requests made before that date remain subject to the prior law.

Practical effect: HB 1314 defines the term "estimate" and establishes specific requirements for how healthcare charges must be communicated to consumers. Facilities that fail to comply with these requirements will be prohibited from pursuing collection actions or reporting patients to credit bureaus.

HB 2187 Hospital staffing report processes and protections for nurses

Amends the Health and Safety Code to strengthen nurse staffing and overtime protections in Texas hospitals. Requires hospital chief nursing officers to attest to the accuracy of annual staffing reports and mandates that DSHS share this information with HHSC. The legislation prohibits hospitals from retaliating against nurses who report staffing violations or refuse mandatory overtime and establishes enforcement and complaint resolution procedures under HHSC, including confidentiality provisions for complaint investigations. Further HHSC is tasked with developing processes for prompt review and resolution of complaints. The Executive Commissioner must adopt necessary rules by December 31, 2025.

Practical effect: HB 2187 strengthens protections for the healthcare workforce amid continued nursing shortages and concerns vocalized by nursing organizations nationwide.

HB 1612 Direct payment for certain healthcare provided by a hospital

Adds a new section 311.006 to the Health and Safety Code, requiring that hospitals accept direct payment from patients who are not enrolled in a health benefit plan, as long as the patient requests this option within 60 days of receiving a bill or final accounting and is informed of this right on the bill itself. HB 1612 sets clear pricing limits for direct payments: hospitals may charge no more than 25 percent above the amounts generally billed for healthcare services, as defined in federal law, or no more than 50 percent above the lowest contracted rate the hospital has agreed to accept as full payment from a contracted, preferred or participating provider of a health benefit plan, excluding Medicaid, CHIP and Medicare.

It also clarifies that patients who choose to pay directly remain eligible for any charity care for which they qualify and that the option to pay directly does not impact on their access to such assistance. Finally, key terms such as "enrollee," "health benefit plan," "healthcare service" and "hospital" are defined by the legislation.

Practical effect: HB 1612 adds to the list of healthcare facility restrictions that passed this session concerning pricing, consumer notification and balance billing concerns. It sets limits on charges and the pursuit of payments that exceed the new ceiling established under this law.

HB 2358 Training for long-term care facility surveyors

The legislation serves as a "statutory clean-up" initiative to modernize and streamline training requirements for LTC facility surveyors, personnel, providers and ICF-IID program providers. SB 2358 repeals outdated or redundant training mandates and removes requirements that no longer reflect current best practices or regulatory needs. It also updates existing law regarding the training that HHSC must or may provide, ensuring that training programs remain focused and relevant.

Effective immediately.

Practical effect: HB 2358 modernizes and streamlines training requirements for LTC providers by repealing outdated mandates and updating training to reflect current best practices.

HB 2510 Assisted living facility operations and services

Amends the Health and Safety Code to establish that it is a criminal offense for a person to provide personal assistance services to residents of assisted living facilities without the required license under Chapter 142 or to operate an assisted living facility without a permit under Chapter 247. In both cases, the offense is classified as a Class A misdemeanor for a first violation. Still, it escalates to a third-degree felony if the person has a prior conviction for the same offense.

Practical effect: HB 2510 makes it a criminal offense to provide personal assistance services or operate an assisted living facility without an appropriate license.

HB 2854 Required approval of certain hospital visits

Addresses hospital safety concerns following the tragic murders of two healthcare workers, by a violent parolee at a Texas hospital, a situation in which the hospital was not notified of the parolee's visit despite his extensive history of parole violations. The legislation amends the Government Code to require parole panels to impose electronic monitoring on releasees convicted of offenses that make them ineligible for judge-ordered community supervision, including those involving deadly weapons. It also mandates that such releasees may only visit general hospitals for medical treatment and only with prior approval from their supervising parole officer, who must be informed of the date, time and reason for the visit. Upon approval, the parole officer is required to promptly notify the hospital's chief law enforcement officer or the local law enforcement agency if the hospital lacks its own officers. The legislation provides the department and general hospitals with limited immunity from liability for damages resulting from these visits, except in cases of gross negligence, recklessness or intentional misconduct, while clarifying that this immunity does not affect medical liability claims.

Practical effect: HB 2854 enhances hospital safety by requiring electronic monitoring of high-risk parolees and advance notice of their visits. It provides limited immunity for hospitals against liability during these visits, except in cases of gross negligence or intentional misconduct.

HB 2856 Statewide system for coordinating clinical training placements at healthcare facilities

Adds a new section, 61.09012, to the Education Code, directing the Texas Higher Education Coordinating Board (THECB) to conduct a study on the feasibility of creating regional portals to help students at higher education institutions reserve clinical training placements at healthcare facilities. The legislation requires the study to assess how many regions are needed to support students and institutions adequately, estimate the costs of establishing the portals and identify the maintenance, support and staffing required. THECB must also submit a written report with its findings and any recommendations for legislative or other action to key state officials and legislative committees by December 1, 2026.

Effective immediately.

Practical effect: By assessing regional needs, costs and support requirements, this study can identify ways to reduce administrative barriers and enhance access to clinical experiences, which are crucial for healthcare education. Ultimately, the findings and recommendations could shape future policies that improve the availability and coordination of clinical placements across Texas.

HB 3151 Expedited credentialing of FQHC providers by Medicaid MCOs

Amends the Government Code to establish that healthcare providers seeking expedited credentialing and payment for Medicaid reimbursement through an MCO must be members of either a FQHC or an established medical group or professional practice designated as an FQHC, both of which must have current contracts with a Medicaid MCO.

Practical effect: HB 3151 amends current law to make FQHCs and their providers with current Medicaid MCO contracts eligible for expedited credentialing, allowing them to receive in-network reimbursement for services rendered during the credentialing process.

HB 3595 Emergency preparedness for assisted living residents

Amends the Health and Safety Code to require assisted living facilities to adopt and implement an emergency preparedness and contingency operations plan, ensuring that during power outages or similar emergencies, residents have access to climate-controlled areas of refuge or rooms, specifically, at least 15 square feet per non-bedfast resident and individual climate-controlled rooms for bedfast residents, while maintaining temperatures between 68 and 82 degrees Fahrenheit. The legislation directs that facilities notify HHSC of any unplanned electric utility service interruption lasting over 12 hours. It also requires the plan to detail backup power sources, evacuation procedures and accommodation for residents who are dependent on electrically powered medical equipment. HHSC is tasked with enforcing these requirements, establishing construction and licensure standards for new facilities after September 1, 2026 and assessing penalties for noncompliance. Facilities are required to make their plans available to HHSC and provide summaries to residents or their families upon request. This legislation further provides that these requirements supersede any conflicting local regulations. Effective September 1, 2025, with compliance deadlines for existing and new facilities set for 2026 and 2027.

Practical effect: Currently, Texas law does not require assisted living facilities to provide climate-controlled refuge areas or to follow specific protocols during extended power outages. HB 3595 addresses this gap by mandating such facilities to ensure that residents have safe access to climate-controlled areas during power outages.

HB 4224 Consumer access to medical records

Amends current law relating to information regarding consumer access to healthcare records by requiring providers to prominently post clear instructions on how to request records and file complaints, both online and at their facilities.

Practical effect: HB 4224 addresses confusion and inconsistency in current processes regarding patient rights to request medical records and file complaints, as well as the procedures for exercising these rights.

HB 4454 Solicitation of patients and other prohibited marketing practices

Establishes a Task Force on Patient Solicitation within HHSC to study, report on and recommend ways to prevent and enforce against improper patient solicitation and marketing practices by treatment facilities. The legislation empowers the Task Force, comprised of eight experts in healthcare or advertising, to access confidential information and requires the Task Force to submit biennial reports to the Legislature. It also updates and clarifies rules for mental health and chemical dependency facilities, strengthening prohibitions against fraudulent or misleading marketing, restricting certain referral and marketing arrangements, increasing civil penalties for violations and directs that advertising be clearly distinguished from clinical functions. HB 4454 prohibits the misuse of confidential patient information for solicitation without consent and makes conforming changes to related statutes for consistency. The legislation specifies that these changes apply only to offenses committed on or after the September 1, 2025, effective date, while offenses occurring before that date remain governed by the previous law, which continues to apply for those cases.

Practical effect: HB 4454 amends the laws regarding patient solicitation and related criminal offenses and establishes a task force to study and recommend strategies for preventing patient exploitation and deceptive marketing practices.

HB 4643 Expanded criminal history access for public benefits providers

Amends the Government Code to expand and clarify the authority of HHSC and the OIG to obtain criminal history record information relating to providers and applicants under any public benefits program they administer, not just the medical assistance program. HB 4643 specifies that this authority extends to individuals with a direct or indirect ownership interest of five percent or more, those holding significant interests in secured obligations, corporate officers or directors, partners in partnerships, and managing employees of providers or applicants. Finally, the following key terms "managing employee," "ownership interest" and "provider" are defined by the legislation to provide clarity and consistency in the application of these provisions.

Effective immediately.

Practical effect: HB 4643 updates and expands the criteria under which criminal history information may be obtained for persons affiliated with Medicaid providers or applicants.

HB 4743 Single license for hospital and mobile stroke unit

Amends the Health and Safety Code to permit DSHS to issue a single license that covers both a hospital and its mobile stroke unit, if the mobile stroke unit is accredited by a CMS-approved organization. The legislation clarifies that the standard requirement to display a license in a conspicuous location does not apply to mobile stroke units licensed under this provision. It further provides that HHSC may adopt any rules necessary to implement these changes after the September 1, 2025, effective date.

Practical effect: HB 4743 addresses concerns that current licensing rules may limit the ability of mobile stroke units, which can improve survival and reduce long-term stroke impacts, to operate under a hospital license.

SB 33 Transactions between a governmental entity and abortion provider

Amends current law to prohibit taxpayer funds from being used to support indirectly or facilitate abortion services by explicitly prohibiting governmental transactions with abortion assistance entities for such purposes.

SB 331 Expanded healthcare cost disclosure requirements for certain facilities

Broadens the scope of healthcare facilities required to disclose healthcare cost information, expanding beyond hospitals licensed under the Texas Hospital Licensing Law (Section 327.001(7), Health and Safety Code) to include a wide range of facilities such as general and special hospitals, abortion facilities, ambulatory surgical centers, birthing centers, chemical dependency treatment facilities and others, provided they have total gross revenue of US$10 million or more. The legislation revises the administrative penalty provisions, adjusting the revenue thresholds and changing the penalty structure for violations. Facilities newly subject to these disclosure requirements are not required to begin disclosing billing information until August 31, 2029. A violation that occurs before the Act's effective date is governed by the law as it existed on the date the violation occurred.

Effective immediately.

Practical effect: SB 331 expands healthcare cost disclosure requirements to facilities with at least US$10 million in gross revenue, including hospitals, surgical centers, birthing centers, chemical dependency treatment facilities and others, and revises the administrative penalty provisions and thresholds.

SB 437 Inservice training and penalties for violations in healthcare and chemical dependency facilities

Amends the Health and Safety Code to allow required annual in-service training for employees and healthcare professionals in inpatient mental health and treatment facilities, as well as hospitals, to be delivered either in person or through live, interactive instructor-led electronic methods with real-time audiovisual interaction. The legislation revises the criteria courts and regulators must consider when assessing civil and administrative penalties for violations related to chemical dependency treatment facilities, including the violator's ability to pay, the facility's ability to continue providing services after paying the penalty if its license is not revoked and the degree of culpability. Further, it requires penalty schedules to now account for the economic impact on the facility or individual. The legislation applies only to violations occurring on or after September 1, 2025, with prior violations governed by existing law.

Practical effect: SB 437 allows annual in-service training in inpatient mental health and treatment facilities and hospitals to be conducted in person or via live, interactive electronic methods and revises the penalty assessment criteria for chemical dependency treatment facilities.

SB 457 Regulation of nursing facility licensure, Medicaid participation and reimbursement

Amends the Government, Health and Safety and Human Resources Codes to require nursing facilities and related institutions applying for a license or license renewal to disclose the names and ownership interests of all individuals holding at least a five percent direct or indirect stake in the facility or its real property and to update the HHSC of any changes to this information. The legislation directs HHSC to establish an annual patient care expense ratio for nursing facility reimbursement, allowing HHSC to recoup Medicaid payments if a facility fails to meet the required spending ratio, with certain exceptions. It further provides that Medicaid reimbursements to facilities continue without interruption during pending ownership changes, provided the new owners meet specified requirements.

Practical effect: SB 457 requires nursing facilities to disclose ownership interests of five percent or more, update the state on changes, meet an annual patient care expense ratio or risk Medicaid recoupment and ensures uninterrupted Medicaid payments during approved ownership transitions.

SB 672 Hospital emergency operations plan summary submission requirement

Amends the Health and Safety Code to require hospitals with emergency departments or those that regularly provide emergency services to submit a written summary to the HHSC detailing the part of their emergency operations plan that addresses emergency department diversions in the event of a cyberattack or electrical power outage. In the event of changes to this part of the plan, the legislation requires hospitals to update and resubmit their summary to HHSC within 30 days of receiving approval from their governing body or administrator. Submitted summaries are confidential and exempt from public disclosure under the Government Code. Hospitals subject to this legislation must comply with these requirements by December 1, 2025.

Practical effect: SB 672 requires hospitals with emergency departments to submit and update confidential summaries to HHSC detailing how they will manage emergency department diversions during cyberattacks or power outages.

SB 916 Billing by emergency medical services providers: Consumer protections

Expands the authority of the DSHS to revoke, suspend or refuse to renew the licenses or certifications of emergency medical services providers for intentionally submitting incorrect information or committing repeated payment law violations for out-of-network or non-network emergency medical services under various insurance plans. The legislation extends the expiration date for the statutory provisions relating to non-network emergency medical services payments and the balance billing rate database to September 1, 2027. It changes payment rate adjustments for the database, allowing political subdivisions to adjust rates annually by limited amounts. SB 916 applies to services provided on or after the September 1, 2025, effective date. The provision of emergency medical services prior to the effective date is governed by the law in effect immediately before the effective date, and that law is continued in effect for that purpose.

Practical effect: SB 916 grants DSHS with expanded authority to suspend or revoke the licenses of emergency medical service providers who either intentionally give false information or repeatedly break payment rules with respect to insurance coverage for out-of-network emergency care.

SB 984 Access to investigational treatments for qualifying patients

Amends the Health and Safety Code to allow healthcare facilities with federal human subject protections to provide individualized investigational treatments to patients with life-threatening or severely debilitating illnesses who have exhausted FDA-approved options and given written informed consent. The legislation details consent requirements, physician responsibilities and financial obligations and permits but does not require manufacturers to provide such treatments. It protects providers and manufacturers from liability if acting in good faith, prevents state interference with patient access, ensures that insurance coverage for routine care or clinical trials remains unchanged and provides that heirs are not liable for treatment-related debts if the patient dies.

Practical effect: SB 984 expands access to individualized investigational treatments for patients with life-threatening or severely debilitating illnesses who have no FDA-approved options, by allowing eligible healthcare facilities to provide such treatments under strict consent and liability protections, while clarifying financial responsibilities and preserving insurance coverage for routine care.

SB 1084 Mammography reports

Updates the Health and Safety Code to strengthen requirements for mammography facilities relating to how they notify patients about breast density and supplemental breast cancer screenings. The legislation requires all FDA-certified or approved mammography facilities to follow both federal and state "dense breast" reporting rules and to give patients clear, standardized notices based on the breast density identified in their mammogram. It requires that patients with non-dense breast tissue receive a notice informing them that their breast tissue is not dense and encourages them to discuss breast density and associated cancer risks with their healthcare provider. Additionally, patients with dense breast tissue must receive a notice that explains the challenges dense tissue presents for cancer detection, highlights the increased risk of breast cancer and addresses the potential need for additional imaging. The notice also recommends that these patients consult with their healthcare provider for further guidance. The legislation requires patients to be informed that their mammography results will be shared with both them and their physician and encourages them to contact their physician with any questions or concerns regarding the results. It also repeals the required notices regarding the benefits of supplemental screening and language meant to alleviate concerns about having dense breast tissue.

Practical effect: SB 1084 strengthens mammography facility requirements by mandating clear, standardized patient notifications about breast density and supplemental screenings, ensuring compliance with both federal and state rules and tailoring notices based on breast density to better inform and guide patients in consultation with their healthcare providers.

SB 1467 Hospital access to death records

Requires the establishment by DSHS of a streamlined process for providing death record information to hospitals licensed in Texas and designated as Level I Trauma Facilities, supporting their participation in the Medicaid managed care program. This process must ensure that, for each deceased individual with a death certificate filed in Texas, the hospital receives the person's county of residence, date of birth and full name. The legislation allows DSHS, if resources permit, to extend this process to other licensed hospitals not designated as Level I trauma facilities. It also provides that if federal approval is needed for any part of the Act, the relevant state agency must seek the necessary waiver or authorization and may postpone implementation until approval is received.

Practical effect: SB 1467 Streamlines the process for Texas hospitals, especially Level I trauma facilities, to receive key death record information from DSHS to support Medicaid managed care participation, with provisions for broader hospital access and federal compliance as needed.

SB 1522 Regulation of continuing care facilities

Updates the Texas Continuing Care Facility Disclosure and Rehabilitation Act by revising the definition of "continuing care" to focus on providing a living unit and related services, along with priority or discounted access to progressive healthcare services, whether offered on-site or through third parties. The legislation clarifies key terms, such as "assisted living facility," "nursing facility," "entrance fee" and "facility" and strengthens resident rights by ensuring access to disclosure statements and lifting restrictions on resident assembly. It exempts certain residential communities that meet specific fee-for-service and disclosure requirements and limits the use of the term "continuing care facility" in advertising to communities that have obtained proper certification. Additionally, it refines procedures for the escrow and return of entrance fees by establishing new rules for refunds in cases where a contract is rescinded or if a resident dies before occupying the facility. The legislation further adjusts the requirements for the release of escrow funds in new or expanded facilities. It also modifies actuarial review requirements by allowing for more frequent reviews under certain conditions and repeals outdated provisions. Applies to providers certified on or after January 1, 2026, while existing providers are governed by previous law, which continues in effect for that purpose. Effective January 1, 2026.

Practical effect: SB 1522 updates current law governing continuing care facilities by redefining key terms, strengthening resident rights, redefining financial protections, clarifying exemptions and enhancing regulatory oversight.

SB 2269 Dispute resolution and enforcement actions against long-term care facilities

Amends the Government and Health and Safety Codes to strengthen protections for certain LTC facilities in disputes with HHSC. The legislation makes decisions reached through the informal dispute resolution process binding on HHSC and prevents HHSC from overturning those decisions. It prohibits HHSC from imposing administrative penalties on nursing facilities for violations that are already subject to penalties by CMS or are under federal appeal, provided the federal and state requirements are the same, or substantially similar, and the CMS penalty does not apply. It also prohibits HHSC from retaliating against nursing facilities that, in good faith, appeal HHSC decisions or take other actions in response to HHSC actions. Further, the legislation defines "retaliate" to include any adverse action by HHSC in response to such good faith efforts. Applies to violations occurring on or after the September 1, 2025, effective date. A violation that occurs before the effective date is governed by the law as it existed immediately prior to that date, and the previous law remains in effect for the purpose of addressing such violations.

Practical effect: SB 2269 enhances protections for certain LTC facilities in disputes with HHSC by making dispute resolution decisions binding, restricting duplicate penalties and prohibiting retaliation for good faith appeals.

SB 917 Boiler inspection reports and board governance

Amends the Health and Safety Code with respect to boiler registration and inspection. The legislation specifies that reports must be filed with the Executive Director of the TDLR no later than the 10th day after an inspection certificate is issued. SB 917 repeals the provisions designating the Executive Director of TDLR as an ex officio member of the Board of Boiler Rules and removes the specific voting requirement for board decisions to take effect.

SB 1185 Registration and inspection of medical equipment and boilers

Amends the Health and Safety Code to exempt unfired pressure vessels in an autoclave, and boilers of a certain size that are a component of an FDA-regulated medical device, from boiler registration and inspection requirements.

Hospital authorities, districts, public and county hospitals

HB 913 Management of state hospitals

Amends the Health and Safety Code to clarify that DSHS encompasses community services as well as specific facilities and makes other non-substantive updates. The legislation revises the definition of "state hospital" and adds a new provision that requires HHSC to adopt rules mandating each state hospital to employ a superintendent.

HB 3788 Operations of municipal hospital authorities

Amends current law regarding the governance and operational authority of municipal hospital authorities. The legislation provides that the number of directors serving on a hospital authority's board may be changed by amending the ordinance that created the authority, unless specific resolutions or trust indentures restrict such changes. It also clarifies the process of appointing board members and sets forth eligibility requirements for those members. Additionally, the legislation expands the authority's ability to use its assets for public health and welfare initiatives. This includes the operation of administrative offices, fitness centers or educational facilities, even in cases where the authority no longer owns or operates a hospital. The authority's power to issue revenue bonds and other notes for these initiatives is broadened and the criteria for investing authority funds are adjusted based on population thresholds. Finally, the legislation repeals certain restrictions on the construction and operation of specific facilities and services. This change is intended to enhance the flexibility of hospital authorities in addressing the health needs of their communities.

SB 434 Authority for Harris County Hospital District to employ and commission peace officers

Amends the Code of Criminal Procedure and Health and Safety Code to include the board of hospital managers of the Harris County Hospital District among the hospital district boards that may employ and commission district peace officers.

Provider participation programs

HB 1327 Continuation of Harris County Hospital District provider participation program

Extends the authority of the Harris County Hospital District to administer and operate its Healthcare Provider Participation Program under Chapter 299 of the Health and Safety Code until December 31, 2027.

Effective immediately.

HB 3348 Operation of healthcare provider participation program in certain counties

Amends the Health and Safety Code to establish "county healthcare provider participation" programs for counties that meet specific population requirements and that are not served by a hospital district. HB 3348 allows counties to collect mandatory payments from each institutional healthcare provider within their jurisdiction, which will be deposited into a local provider participation fund created by the county. It also provides that the county may utilize funds collected under the provisions outlined in the legislation. HB 3348 authorizes the commissioners court of the applicable county to adopt an order that permits the county to participate in the program, within specified limitations. Further, it defines an "institutional healthcare provider" as a non-public hospital that offers inpatient services.

Effective immediately.

HB 3505 Texas Health Care Provider Participation District Act

Specifically applies to local governments that have jointly created a healthcare provider participation district by concurrent order under Chapter 300A and that meet specific population and geographic criteria outlined in the legislation. Authorizes that only these local governments may create and operate a district under Chapter 300C. HB 3505 empowers these districts to administer Medicaid supplemental payment programs by collecting mandatory payments from nonpublic hospitals within the district, with these funds designated for the nonfederal share of Medicaid payments and other authorized uses. The legislation outlines the governance structure, including the appointment, qualifications and responsibilities of board members, and establishes comprehensive procedures for district operations, financial management and dissolution. It imposes strict limitations on the use of collected funds, expressly prohibiting their use for expanding Medicaid eligibility and mandates transparency through requirements for public hearings and regular reporting to HHSC. Additionally, HB 3505 caps administrative expenses, prohibits hospitals from passing mandatory payments on to patients and establishes mechanisms for distributing remaining assets or debts among local governments and hospitals upon the dissolution of the district.

Effective immediately.

Human trafficking

HB 742 Human trafficking prevention training

Requires that a first responder (defined as "a public safety employee whose duties include responding rapidly to an emergency," including fire protection personnel and emergency medical services personnel) successfully complete a training course approved by the Executive Commissioner of HHSC on identifying, assisting and reporting victims of human trafficking. It also requires a hospital emergency department and freestanding emergency rooms to display a sign that is at least 11 inches by 17 inches, in at least 16-point font, in the form prescribed by the Attorney General with the following statements: (A) "All healthcare practitioners and first responders are required to receive human trafficking prevention training" and (B) "A hospital employee may not be disciplined, retaliated against or otherwise discriminated against for reporting in good faith a suspected act of human trafficking." Additionally, the location must be easily visible to all employees and in English, Spanish and "any other primary language spoken by 10 percent or more" of employees.

Practical effect: HB 742 establishes operational requirements for first responders, hospital emergency departments and freestanding emergency rooms to provide information about human trafficking prevention training to their employees.

HB 754 Human trafficking prevention requirements in certain facilities

Adds Chapter 328 to the Health and Safety Code to strengthen human trafficking prevention in facilities, including hospitals, ambulatory surgical centers, public health clinics, birthing centers, outpatient clinics and community health centers. The facilities are required display a sign that is at least 11 inches by 17 inches, in at least 16-point font, in the form prescribed by the Attorney General with the following statements: (A) "All healthcare practitioners and first responders are required to receive human trafficking prevention training" and (B) "A hospital employee may not be disciplined, retaliated against or otherwise discriminated against for reporting in good faith a suspected act of human trafficking." The legislation requires medical assistants to complete a human trafficking prevention training course approved by the Executive Commissioner of HHSC, which must approve and post a list of training courses, including at least one free option, and update it as needed. Additionally, the location must be easily visible to all employees and in English, Spanish and "any other primary language spoken by 10 percent or more" of employees.

Practical effect: HB 754 establishes operational requirements for facilities, including hospitals, ambulatory surgical centers, public health clinics, birthing centers, outpatient clinics and community health centers, to provide employees with information and training about human trafficking prevention training.

SB 610 Combating human trafficking

Amends the Occupations Code and provides that the TDLR may combat human trafficking by creating an anti-trafficking unit within the agency and identifying businesses within its regulated industries that are affected by human trafficking. The TDLR may coordinate with the Attorney General, law enforcement agencies at all levels and relevant nongovernmental organizations. The TDLR is granted rulemaking authority to adopt regulations for any program regulated by the TDLR, to include rules for conducting inspections and investigations. Provides that information identifying victims of human trafficking is confidential and exempt from public disclosure under Section 552.021 of the Texas Government Code.

Practical effect: SB 610 provides new authority to the TDLR to create an anti-trafficking unit to investigate, inspect and enforce the law to combat human trafficking.

SB 456 Trafficking human organs

Amends the Texas Occupations Code by requiring the TMB to revoke the license of a physician who knowingly uses a human organ in a medical procedure that was purchased in violation of the prohibition of the purchase and sale of human organs under Section 48.02 of the Texas Penal Code.

Practical effect: SB 456 provides the TMB with additional authority to take enforcement action for a physician who has purchased or sold human organs.

Insurance and managed care

HB 138 Estimating the cost of new legislative mandates on private health coverage

Establishes the Health Impact, Cost and Coverage Analysis Program (HICCAP). HB 138 tasks HICCAP with analyzing proposed legislation that would impose new mandates on health benefit plan issuers or administrators, using data from the statewide all-payor claims database and relevant academic literature.

The analysis will focus on the extent to which the proposed legislation will have an impact on certain factors, including public health; increasing or decreasing the total cost of health coverage in the state; the use of any relevant healthcare service; administrative expenses of health benefit plan issuers or administrators and expenses of enrollees, plan sponsors, policyholders and healthcare providers; and spending by all persons in the private sector, by public sector entities, including state or local retirement systems and political subdivisions, by employers or plan sponsors and by individuals purchasing individual health insurance or health benefit plan coverage in the state.

The legislation allows key legislative leaders to request such analyses. It requires the Commissioner of Insurance to issue special data calls to gather administrative expense data from affected health benefit plan issuers, ensuring standardized and comparable responses, which are kept confidential. HB 138 requires a written report to be delivered to legislative leaders and committees within specified timeframes, while maintaining the confidentiality of individual issuer data.

This legislation will be funded through the assessment of an annual fee, due no later than August 1 of each year, on health benefit plan issuers. Certain state employee, public school employee and state employee health benefit plans along with benefit plan issuers operating solely as a Medicaid MCO are exempt from the fee. The Comptroller is required to adopt rules to administer the fee, determine the amount of the assessed fee, and adjust it each state fiscal biennium to address implementation costs or deficits during the preceding year.

Effective immediately.

Practical effect: HB 138 will provide legislators with a more informed understanding of the impact of proposed health benefit plan mandates.

HB 388 Uniform coordination of benefits questionnaire for health plans

Amends the Insurance Code to require the creation and use of a standardized coordination of benefits questionnaire for certain health benefit plans that cover medical or surgical expenses. The legislation requires the Commissioner of Insurance, in collaboration with relevant stakeholders, to adopt rules to establish this uniform questionnaire, which all applicable health benefit plan issuers must use and make available to healthcare providers. HB 388 applies to a broad range of health benefit plans and programs. It requires the Commissioner of Insurance to adopt the necessary rules by January 1, 2026, with the new requirements to take effect prospectively as of February 1, 2026.

Practical effect: HB 388 will create standardization of coordination of benefits questionnaires to streamline and expedite the insurance billing process.

HB 721 Applicability of healthcare cost disclosure laws for plan issuers and administrators

Amends the Insurance Code to clarify that the cost transparency and disclosure requirements for health plan issuers and administrators in Chapter 1662 do not apply to regional or local healthcare programs operating under Section 75.104 of the Health and Safety Code, which allows regional or local healthcare programs to contract with local providers to serve employees of small businesses and their dependents.

Practical effect: HB 721 exempts regional and local healthcare programs from the healthcare cost transparency requirements.

HB 1052 Coverage of telemedicine, teledentistry and telehealth appointments

Amends the Insurance Code to require health benefit plans to cover telemedicine, teledentistry and telehealth services provided from locations outside Texas on the same basis as those provided within the state, as long as the patient primarily resides in Texas and the provider is licensed or authorized to provide services in Texas and maintains a physical office in Texas. HB 1052 clarifies and expands definitions related to telemedicine, specifically defining "distant site" and "originating site" to effect the changes. The legislation applies to plans issued or renewed on or after January 1, 2026.

Practical effect: HB 1052 improves patient access to healthcare services by requiring plans to cover telemedicine, teledentistry and telehealth services provided by certain out-of-state providers.

HB 2254 Healthcare services contract arrangements

Permits preferred and exclusive provider benefit plans to contract with primary care physicians and physician groups on a risk basis, including capitation or other risk-sharing arrangement, excluding global capitation. The legislation provides that participation in these arrangements is voluntary, and insurers cannot discriminate against physicians or groups who opt out. HB 2254 requires contracts to protect medical judgment, specifies key terms, allows for renegotiation if services or benefits change and prohibits subcontracting. It provides for the filing of discrimination complaints with the Department of Insurance.

Effective immediately.

Practical effect: HB 2254 expands scope of permissible risk arrangements to allow preferred provider organization and exclusive provider organization plans to enter into risk-sharing or value-based agreements with primary care physicians.

HB 2516 Medicare supplement plan eligibility for individuals under 65

Requires insurers that offer Medicare supplemental benefit plans to individuals 65 and older to also provide the same coverage to individuals under 65 who qualify for Medicare due to disability, end stage renal disease or amyotrophic lateral sclerosis. The legislation requires these younger individuals to be offered the same benefits and protections as those 65 and older, with standardized Plan A, B or D available at the same premium rate, and other plans capped at twice the rate for those 65 and older. HB 2516 provides that eligible individuals under 65 can enroll in these plans during a six-month period starting when they enroll in Medicare Part B, and insurers cannot deny coverage, impose waiting periods or discriminate based on health status during this time. The legislation applies to plans delivered, issued or renewed on or after September 1, 2025, and provides a special enrollment window for those already eligible when the law takes effect.

Effective immediately.

Practical effect: HB 2516 provides supplemental coverage options for individuals under 65 who qualify for Medicare.

HB 2655 Regional healthcare programs

Regional or local healthcare programs may be created to improve access to healthcare for employees of small employers and reduce the number of uninsured. Prior to the passage of HB 2655, these had to be operated by the commissioner's court of a particular county. HB 2655 amends the Health and Safety Code to allow community-based nonprofit organizations to establish or participate in regional healthcare programs that are premium assistance programs, without requiring the involvement of a county commissioner's court, provided these programs do not offer direct healthcare services or benefits. HB 2655 further clarifies that such programs may be governed directly by the participating nonprofit organization. The legislation updates the objectives for regional or local healthcare programs to ensure they focus on reducing the number of uninsured individuals and address healthcare costs for small employers and their employees, specifically within the areas served by the participating nonprofit organizations.

Practical effect: Provides greater flexibility for local or regional healthcare programs to address uninsured issues.

HB 3057 Health benefit plan coverage for chimeric antigen receptor T-cell therapy

Amends the Insurance Code to require certain health benefit plans to cover medically necessary chimeric antigen receptor T-cell (CAR T) therapy when administered by qualified, FDA-certified providers within the plan's network. HB 3057 applies to both group and individual fully insured health benefit plans, including state employee and public school employee benefit plans. It provides that the coverage requirements do not apply to Medicaid, CHIP managed care organizations or PBMs administering pharmacy benefits under those programs. The legislation directs the Commissioner of Insurance to adopt rules to implement these requirements. Applies to a health benefit plan delivered, issued, or renewed on or after January 1, 2026.

Practical effect: HB 3057 requires that medically necessary CAR T therapy be a covered benefit under most fully insured benefit plans.

HB 3211 Participation of optometrists and therapeutic optometrists in vision care or managed care plans

Amends the Insurance Code to establish clear, standardized procedures for optometrists and therapeutic optometrists to apply for participation and be credentialed in vision care plans. HB 3211 prohibits issuers from excluding optometrists based on the number of providers in a geographic area or panel. It prohibits vision care plans from excluding any optometrist or therapeutic optometrist from participating in the network if they satisfy the standard credentialing requirements and agree to the plan's contractual terms. These changes apply prospectively.

Effective immediately.

Practical effect: HB 3211 creates any willing optometrist requirements for vision and managed care plans.

HB 3812 Preauthorization and physician-directed utilization review for certain healthcare services

Amends the Insurance Code to make several key changes to the requirements for obtaining an exemption from preauthorization requirements. HB 3812 extends the evaluation period for preauthorization exemptions from six months to one year, with preauthorization requests considered across all plans and affiliates. It requires HMOs and insurers to grant exemptions to providers with a 90 percent approval rate for specific services performed at least five times, and exemptions can only be rescinded annually. The legislation directs that providers have the right to an independent review of adverse determinations and restricts HMOs and insurers from reviewing services subject to an exemption. It prohibits physicians directing utilization review agents from holding administrative medicine licenses. Requires annual reporting to TDI. This legislation applies to utilization reviews conducted on or after the September 1, 2025, effective date.

Practical effect: HB 3812 eases the burden for physicians and providers to qualify for pre-authorization exemptions.

SB 527 General anesthesia coverage for certain pediatric dental services

Amends the Insurance Code to prohibit a health benefit plan covering general anesthesia from excluding medically necessary general anesthesia services relating to dental services for a covered individual, provided the following conditions are met: (1) the individual is younger than 13 years of age and unable to undergo the dental service without general anesthesia due to a documented physical, mental or medical reason; and (2) a qualified provider of anesthesia services performs the anesthesia. The legislation specifies the types of plans to which its provisions apply and applies only to a plan that is delivered, issued for delivery or renewed on or after January 1, 2026. It expressly provides that SB 527 does not require a health benefit plan to provide coverage for dental care or procedures.

Practical effect: SB 527 ensures pediatric patients have access to general anesthesia for dental procedures.

SB 815 Use of automated systems and adverse determinations in health benefit claims

Prohibits utilization review agents from using automated decision systems, whether wholly or partially, to make adverse determinations about patient care. However, such systems may still be used for administrative support or fraud detection purposes. The legislation defines "algorithm," "artificial intelligence system" and "automated decision system," clarifying their roles in the utilization review process. It grants the Commissioner of Insurance the authority to audit and inspect the use of automated decision systems by utilization review agents. SB 815 strengthens notice requirements for adverse determinations by mandating that both the description and source of the screening criteria and review procedures used be included in the notice. Applies to health benefit plans delivered, issued or renewed on or after January 1, 2026, with prior plans remaining under the previous law.

Practical effect: SB 815 will prevent health plans and other utilization review agents from using algorithms or AI to make adverse determination decisions.

SB 896 Extended newborn health coverage enrollment

Amends the Insurance Code to extend the enrollment period for newborns under certain employer health plans by increasing the deadline to notify the plan issuer and pay any required premium from 31 to 60 days after birth. Initial coverage will end on the 61st day if notice and payment are not provided. Applies to plans delivered, issued or renewed on or after January 1, 2026.

Practical effect: SB 896 provides parents of newborns covered by certain health benefit plans more time to enroll their baby for health coverage.

SB 926 Ranking of physicians by health benefit plans

Amends the HMO and PPO Acts to permit HMOs and insurers to provide incentives, such as adjusted deductibles, copayments, coinsurance or other cost-sharing mechanisms or to use a tiered network to encourage enrollees or insureds to utilize specific physicians or providers. When using incentives or tiered network plans or assigning providers to tiers, HMOs and insurers have a fiduciary duty to engage in that conduct only for the primary benefit of the enrollee, group contract holder, insured or policyholder. Such fiduciary duty is breached if the HMO or insurer offers incentives for enrollees to use physicians or providers solely because those physicians or providers are controlled or under common control with the HMO or insurer. Further defines conduct that violates the fiduciary duty.

The legislation updates the process for ranking or tiering physicians, requiring that organizations designated by the Insurance Commissioner develop such standards and that physicians have an accessible process to dispute discrepancies in their rankings. If a physician identifies a discrepancy, the health benefit plan issuer must correct it promptly. SB 926 streamlines the Insurance Commissioner's authority in designating organizations to develop these standards by eliminating prior requirements to consider specific national organizations or guidelines.

Practical effect: SB 926 modifies provisions on use of incentives or tiered networks by HMOs and PPOs.

SB 963 Managed care organizations marketing guidelines

Amends the Government Code to prohibit HHSC from adopting marketing guidelines that prevent Medicaid MCOs from informing individuals about qualified health plans available through exchanges or from advertising Medicare Advantage plans or related benefits at community events. Medicaid MCOs must also inform the individual about potential cost-sharing requirements. SB 963 prohibits Medicaid MCOs from offering individuals material or financial incentives for enrolling in an exchange plan. It authorizes the state to request a federal waiver or authorization if needed to implement any part of the Act and allows implementation to be delayed until such approval is granted.

Practical effect: SB 963 provides Medicaid MCOs the ability to educate enrollees losing Medicaid coverage about other benefit options.

SB 1151 Insurer audit of third-party administrators

Amends the Insurance Code to eliminate the requirement that required biennial audits conducted by insurers of third-party administrators be performed on-site and allows the insurer to conduct audits virtually instead.

Practical effect: SB 1151 eliminates the requirement that audits be conducted on-site after insurers demonstrated during COVID-19 pandemic that audits of third-party administrators could be effectively conducted virtually.

SB 1257 Health benefit plan coverage for gender transition adverse effects/reversals

Amends the Insurance Code to require that health benefit plans, except for self-funded plans under ERISA, that provide or have ever provided coverage for an enrollee's gender transition procedure or treatment provide coverage for all possible adverse consequences, testing and any procedure, treatment or therapy necessary to manage, reverse, reconstruct from or recover from the enrollee's gender transition procedure or treatment, regardless of when the enrollee joined the plan or when the procedure occurred. This includes coverage for short- and long-term side effects and annual mental and physical health monitoring.

The legislation defines "gender transition" broadly to include medical, surgical, hormonal and therapeutic interventions aimed at assisting an individual in identifying as a gender different from their biological sex. Implementation may be delayed if a state agency determines that federal authorization is required. Applies only to plans delivered, issued or renewed on or after January 1, 2026.

Practical effect: SB 1257 requires plans that have ever provided gender transition coverage to provide broad coverage for adverse consequences, management, reversal or follow up related to gender transition procedure or treatment.

SB 1307 Biennial health coverage reference guide

Amends the Insurance Code to require TDI, in consultation with HHSC, to develop and publish a biennial reference guide that educates the public about health coverage in Texas. Provides that the guide must include definitions of health insurance and related terms, sources and methods for obtaining coverage, consumer rights and resources, a comprehensive shopping guide comparing various health coverage options, including noninsurance products like discount cards, and explaining costs, information on recognizing scams, the impact of federal laws like COBRA, overviews of assistance programs, dispute resolution methods, and details on regulatory authority. The legislation directs that the reference guide be available both online and in print upon request, with the first edition published by January 1, 2026.

Practical effect: SB 1307 requires TDI, with HHSC, to publish a biennial guide by January 1, 2026, that educates Texans about health coverage options, consumer rights, costs, scams, federal laws, assistance programs, and regulatory information, available online and in print.

SB 1330 Billing and reimbursement for certain DME provided to Medicare enrollees

Amends the Insurance Code to prohibit nonparticipating suppliers from charging Medicare enrollees more than 115 percent of the Medicare-approved amount for DME, orthotic devices or supplies and prosthetic devices or supplies, unless the enrollee agrees in writing to pay the additional amount and either pays in full or enters into a rental payment plan before receiving the item. The legislation provides that enrollees must receive clear written notice stating that Medicare will only reimburse 80 percent of the Medicare-approved amount and that Medicare supplement benefit plans are not required to pay any amount above the 115 percent cap. Violations of SB 1330 by nonparticipating suppliers are classified as false, misleading or deceptive acts under the Deceptive Trade Practices-Consumer Protection Act. Intentional violations are misdemeanor criminal offenses, with fines ranging from US$500 to US$1,000. The legislation applies to DME prosthetic and orthotic devices and supplies sold on or after the Act's September 1, 2025, effective date.

Practical effect: SB 1330 will make it more difficult for DME companies to charge seniors with Medicare supplemental/Medigap policies exorbitant amounts for DME, orthotics and prosthetics.

SB 1332 Waiver of premium liability for late notice of terminated group coverage

Amends the Insurance Code to permit an HMO or a preferred provider organization (PPO) to waive a group contract holder's obligation to pay premiums for an enrollee for any months following the month in which the enrollee's eligibility for group coverage ended. This waiver applies if the group contract holder informs the HMO or PPO of the termination after the end of that month, but no covered services were provided to the enrollee after their eligibility ended.

Effective immediately.

Practical effect: Following late notification by an employer, SB 1332 allows insurers to waive employer premiums for individuals no longer employed where the individual has not received any covered services.

SB 1409 Health benefits for postsecondary students and families

Amends the Insurance Code to allow postsecondary educational institutions in Texas to offer health benefits to students and their families under a new Chapter 1683, while clarifying that these institutions are not considered health insurers and are not engaging in the business of health insurance. Authorizes institutions to provide health benefits but prohibits them from requiring students to enroll in the health benefits and limits any waiting period for preexisting conditions to no more than six months. The legislation directs that institutions provide written disclosure to applicants that the benefits are not regulated insurance products, and applicants must acknowledge this in writing before enrolling. It requires postsecondary institutions offering these benefits to register with TDI and comply with certain out-of-network claim dispute resolution requirements. They are also permitted to transfer risk or obtain insurance coverage from authorized insurers. SB 1409 requires that these health benefits be administered in an actuarially sound manner, including obtaining an actuarial opinion on necessary cash reserves and stop-loss insurance and maintaining those recommended levels.

Effective immediately.

Practical effect: SB 1409 provides universities and colleges with broad authority to offer health benefits to students and their families.

SB 2544 Eligibility for mediation of certain out-of-network health benefit claims

Amends the Insurance Code to establish that out-of-network providers, health benefit plan issuers or administrators may request mandatory mediation for health benefit claims involving out-of-network facilities no later than 180 days after the provider receives an initial payment for the relevant service or supply. The legislation applies to disputes over services or supplies provided on or after its effective date. For disputes involving services or supplies provided before the Act's effective date, the previous law remains in effect if mediation is requested within 120 days after the new law takes effect; otherwise, such disputes are not eligible for mediation under the prior statutory provisions.

Effective June 20, 2025.

Practical effect: SB 2544 creates a 180-day lookback period within which out-of-network facilities must request mandatory mediation.

Maternal and child health

HB 136 Medicaid coverage and reimbursement for lactation consultation services

Amends the Human Resources Code to require Medicaid coverage and reimbursement for lactation consultants. The legislation defines "lactation consultant" as an individual certified by an international or national certification program approved by HHSC to provide lactation consultation services. It also requires HHSC to establish a separate provider type for lactation consultants for purposes of enrollment as a provider for and reimbursement under the state's Medicaid program. Effective September 1, 2025, however, the legislation provides that implementation could be delayed if federal approval is required.

Practical effect: HB 136 expands access to professional lactation support for mothers and infants by requiring Medicaid coverage and reimbursement for lactation consultants who are certified by approved programs.

HB 426 Coverage for childhood cranial remolding orthosis

Amends the Health and Safety Code to require that both the child health plan and Medicaid fully cover the cost of cranial remolding orthoses for children diagnosed with craniosynostosis, plagiocephaly or brachycephaly, provided that certain criteria are met. The legislation defines "cranial remolding orthosis" as a custom-fitted or custom-fabricated medical device that is applied to the head to correct a deformity, improve function or relieve symptoms of a structural cranial disease. It amends the Human Resources Code to require that coverage must be at least as favorable as other orthotic devices under Medicaid. Effective September 1, 2025, however, the legislation provides that implementation could be delayed if federal approval is required.

Practical effect: HB 426 requires Medicaid and the child health plan to fully cover cranial remolding orthoses for children with certain cranial conditions, ensuring coverage is at least as favorable as for other orthotic devices.

HB 713 Texas maternal mortality and morbidity review committee

Amends current law to create an exception to certain reporting requirements for healthcare providers who review selected cases for the MMMRC, a multidisciplinary committee responsible for developing recommendations to reduce pregnancy-related deaths and maternal health complications. The MMMRC reviews maternal death cases and reports its findings to the Legislature. This exception is intended to facilitate thorough and accurate reviews by the committee.

Effective immediately.

Practical effect: HB 713 exempts healthcare providers from certain mandatory professional reporting requirements when they learn of reportable conduct during case reviews for the Texas MMMRC. These exemptions should lead to more thorough and accurate reviews to help reduce pregnancy-related deaths and maternal health complications.

HB 3940 Provision of Medicaid benefit information for newborns

Amends the Human Services Code to require the HHSC to annually notify Medicaid providers that, when a newborn has not yet been assigned a Medicaid identification number, the mother's Medicaid ID can be used for claims until the child is enrolled. The legislation mandates that hospitals, birthing centers and prenatal care providers give parents or caregivers resource materials about Medicaid benefits and child development, and written notice that newborns are automatically eligible for Medicaid and may use the mother's ID for claims and requires providers to document that these materials were given. It directs that new informational requirements and notices must be developed and distributed by December 1, 2025, with compliance required by January 1, 2026.

Practical effect: HB 3940 streamlines access to Medicaid services for infants by requiring hospitals, birthing centers, and other prenatal care providers to give parents resource materials about Medicaid, including written notice that newborns are automatically eligible for Medicaid and may use the mother's ID for claims until the child is enrolled.

HB 5155 Maternal opioid misuse model of care

Amends the Government Code to continue implementing the Maternal Opioid Misuse model of care using available federal funds or resources from the opioid abatement account. The legislation provides that this authorization will remain in effect until September 1, 2029, contingent upon the availability of appropriated funds. If federal waivers or authorizations are required for the implementation of HB 5155, the relevant state agency is authorized to request them, which may delay implementation until approval is obtained.

Practical effect: HB 5155 extends the state's involvement in the Maternal Opioid Misuse model, established to address the escalating opioid crisis and its harmful impact on pregnant women and their newborns, through September 1, 2029, ensuring ongoing support and services for mothers and infants during pregnancy and the postpartum period.

SB 31 Life of the Mother Act

Clarifies and expands exceptions to Texas's abortion prohibitions when a physician, using reasonable medical judgment, determines that a pregnant woman faces a life-threatening physical condition aggravated by, caused by or arising from pregnancy that puts her at risk of death or poses a serious risk of substantial impairment of a major bodily function. The legislation specifies that such risk does not need to be imminent, the pregnant woman does not have to have suffered physical impairment, nor does the physical condition have to have already caused damage before a physician may act. SB 31 also defines "life-threatening" broadly. It requires physicians, when treating these conditions, to provide the best opportunity for the unborn child's survival unless doing so would increase the risk to the mother. SB 31 explicitly allows treatment of ectopic pregnancies and removal of a deceased fetus from spontaneous abortion and protects physicians from civil or professional liability when acting under these exceptions. It also clarifies that accidental or unintentional fetal death resulting from necessary treatment is not a violation. The legislation amends various statutes to align definitions and procedures, mandates continuing legal and medical education on these exceptions and ensures that communications and support related to these exceptions are not considered "aiding or abetting" prohibited abortions. Finally, it affirms that pregnant women themselves are not criminally liable for seeking or obtaining an abortion.

Effective immediately.

Practical effect: SB 31 expands and clarifies the exceptions to the state's abortion restrictions, allowing physicians to perform abortions when they determine that a pregnant woman has a condition that presents a serious risk to her life or to a major bodily function.

SB 855 Out-of-network care for foster care children

Aims to improve healthcare access for foster children by amending the Family Code and Government Code to allow medical consenters, those authorized to make medical decisions for foster children, to seek care from out-of-network providers and enroll children in alternative health plans if needed. The legislation clarifies that medical consenters, not state or Medicaid insurers, are financially responsible for these out-of-network costs unless a court orders otherwise, and it explicitly removes liability for such costs from MCOs. It prohibits MCOs from interfering with a foster child's access to necessary care and requires that this protection be included in their contracts, while also ensuring that Medicaid benefits for minors under conservatorship are not restricted.

Practical effect: SB 855 allows medical consenters to assume financial responsibility for out-of-network medical care provided to foster children, ensuring they receive necessary health services without limiting their access to Medicaid benefits.

SB 1044 Expanded newborn screening for Duchenne muscular dystrophy

Amends the Health and Safety Code to expand and clarify the state's newborn screening program. The legislation adds Duchenne muscular dystrophy (DMD) to the list of conditions for which all newborns must be screened, alongside phenylketonuria, hypothyroidism and other heritable diseases. It defines DMD and requires DSHS to run programs and maintain laboratories for early detection, prevention and treatment of these disorders. Physicians or other birth attendants must ensure that newborns are tested for these conditions, and if a test result is abnormal, DSHS must notify the appropriate parties, including parents and healthcare providers. Children and individuals under 21 who test positive and may qualify financially can be referred to special healthcare services. DSHS may also provide services to eligible individuals of any age who have a confirmed diagnosis.

Practical effect: SB 1044 requires DSHS to add screening for Duchenne muscular dystrophy to its newborn screening program with the aim of detecting the disorder early and improving health outcomes through prevention and treatment.

SB 1233 Perinatal palliative care

Amends the Health and Safety Code to require HHSC, in collaboration with the DSHS and the Palliative Care Interdisciplinary Advisory Council, to develop and regularly update informational materials and a geographically indexed list of perinatal palliative care providers and programs in Texas. The legislation requires that the list includes each provider's name, address and telephone number and is made publicly available online. It requires that healthcare providers give these materials and a certification form to pregnant women whose unborn children are diagnosed with life-threatening or life-limiting conditions, obtain a signed certification from the patient and keep it in the medical record, unless the form is already on file. Providers that fail to comply are subject to disciplinary action, including written warnings and administrative penalties for repeated violations, and women may file complaints with HHSC. The legislation defines perinatal palliative care as comprehensive, supportive care for women, their unborn or newborn children and families from diagnosis through the perinatal period and specifically excludes any actions intended to cause or hasten death.

Practical effect: SB 1233 mandates that healthcare providers inform pregnant women about perinatal palliative care options and obtain a signed certification confirming receipt of this information when an unborn child is diagnosed with a life-threatening or life-limiting illness.

SB 1388 Family support services for unexpected pregnancy

Amends the Health and Safety Code to strengthen and clarify the rules governing the Thriving Texas Families Program, continuing the state's alternatives to abortion efforts under HHSC. The program's focus is to provide life-affirming support for women facing unexpected pregnancies, offering services such as counseling, care coordination, educational materials, referrals to social services and practical assistance like infant supplies and housing support. As such, the legislation broadens the definitions of abortion services providers and affiliates to ensure program funds and services are not connected to abortion-related organizations or activities. It also explicitly bans the use of program funds for abortion-related services or referrals, and bars participation by certain organizations, including governmental entities, hospitals and primary medical or behavioral health providers, unless they have contracts with the program dating back to before September 1, 2023. SB 1388 requires annual written certification from all network contractors and service providers to confirm their alignment with the program's mission. To encourage involvement from smaller service providers, the legislation calls for a simplified application and reporting process and directs HHSC to develop support materials for these providers. Finally, it requires HHSC to seek feedback from network providers when developing performance measures.

Practical effect: SB 1388 aims to strengthen and clarify the Thriving Texas Families Program by expanding eligibility restrictions, enhancing support for women facing unexpected pregnancies, simplifying participation for smaller providers and requiring annual certification and provider feedback.

SB 1998 Statewide pediatric subspecialty preceptorship program for medical students

Amends the Education Code to allow the Texas Higher Education Coordinating Board to contract with qualified organizations or state-accredited medical schools to run a statewide pediatric subspecialty preceptorship program for Texas medical students. The legislation directs that to be eligible for funding, organizations must be tax-exempt under federal law or operated by a state-accredited medical school and provides that the program is open to medical students who express an interest in pursuing a career in a pediatric subspecialty. It clarifies that "medical school" includes the University of the Incarnate Word 's school of osteopathic medicine and defines "pediatric subspecialty" as any pediatric medical subspecialty certified by relevant national medical boards.

Effective immediately.

Practical effect: SB 1998 creates a statewide preceptorship program in pediatric subspecialties for Texas medical students, expanding career opportunities for physicians interested in pediatric subspecialties.

Medicaid

HB 26 Services permitted in lieu of state Medicaid plan services

Amends the Government Code to allow Medicaid MCOs to offer certain evidence-based, cost-effective services, including mental health, substance use or nutrition counseling. The legislation requires these services to be approved by the state Medicaid managed care advisory committee and provided as alternatives to services specified in the state plan. Recipients are not obligated to utilize these alternatives. HB 26 requires HHSC to report annually on the utilization of these services and take this utilization and the costs of these alternative services into account when determining capitation rates. While nutrition counseling and instruction are permitted as alternatives, home-delivered meals, food prescriptions and grocery support are explicitly excluded.

A pilot program may be established to provide enhanced nutrition support, including medically tailored meals and other evidence-based services, to pregnant Medicaid recipients with high-risk conditions. The legislation requires that the pilot program include data collection and reporting on maternal and infant health outcomes. If implemented, HB 26 provides that the pilot program will conclude in 2030, and the relevant section will expire in 2031. Applies to new or renewed contracts entered into after September 1, 2025.

Practical effect: HB 26 permits MCOs to offer nutrition counseling and instruction in lieu of other state Medicaid plan services.

HB 142 OIG and Medicaid oversight: Government Code amendments

Amends the Government Code to clarify the OIG's authority to retain expert witnesses and share oversight information with authorized entities. The legislation expands the Recovery Audit Contractor Program to managed care claims to improve Medicaid payment recovery. It removes the prohibition on the OIG conducting name-based criminal history checks, but retains a prohibition on fingerprint-based criminal history checks on already licensed Medicaid providers, except as federally required. HB 142 repeals certain timelines on the OIG for conducting preliminary investigations of fraud or abuse allegations against a provider. It requires HHSC to publicize fraud prevention efforts and gives the OIG flexibility in how to maintain a system for reporting suspected fraud. Finally, it repeals the requirement for HHSC to perform annual reviews of random samples of Medicaid claims for fraud, waste, and abuse.

Practical effect: HB 142 intends to strengthen the OIG's ability to combat fraud, waste and abuse by addressing inefficiencies in fraud reporting, restrictions on information-sharing, limitations on conducting criminal background checks and outdated requirements for reviewing Medicaid claims.

HB 2402 Determination of fees, charges and rates for certain benefits under Medicaid

Amends current law relating to the determination of drug reimbursement rates under Medicaid by clarifying that membership-based discount programs should be excluded from the Texas Medicaid program's usual and customary price calculations.

Practical effect: HB 2402 ensures that the Medicaid drug reimbursement rates accurately reflect usual and customary rates and are not artificially lowered by membership-based discount programs.

SB 1038 Medicaid fraud laws and administrative oversight

Amends the Human Resources Code to expand and clarify what constitutes fraud and abuse under the Medicaid program, aligning its provisions with other healthcare fraud statutes to enable consistent enforcement across criminal, civil and administrative domains. The legislation expands the prohibited acts to cover a much broader range of fraudulent and abusive activities, including:

- Knowingly submitting a claim containing a false statement, a misrepresentation or an omission of material fact
- Knowingly making a false statement or misrepresentation of a material fact to permit a person to receive an unauthorized benefit or payment under Medicaid
- Knowingly concealing or failing to disclose information that permits a person to receive an unauthorized benefit or payment under Medicaid
- Knowingly applying for and receiving a Medicaid benefit or payment on behalf of another person and using it for anything other than the benefit of the person on whose behalf it was received
- Knowingly making a false statement or misrepresentation of material fact concerning the condition or operation of a facility so that the facility may qualify for Medicaid certification or recertification
- Knowingly making a false statement or misrepresentation of a material fact concerning information required to be provided under a federal or state law pertaining to the Medicaid program
- Knowingly presenting a claim for payment for a product or service rendered by a person who is not licensed to provide the product or render the service, if a license is required or is not licensed in the manner claimed
- Knowingly making a claim for a service or product that has not been approved by a treating physician or healthcare practitioner, is substantially inadequate or inappropriate as compared to generally recognized medical standards within the specialty or healthcare industry or a product that has been adulterated, debased or mislabeled or that is otherwise inappropriate
- Making a claim and knowingly failing to indicate on the claim the type of license of the provider who actually provided the service
- Making a claim and knowingly failing to indicate on the claim the identification number of the licensed provider who actually provided the service
- Knowingly obstructing the OIG from carrying out its duties
- Knowingly making a false record or statement material to an obligation to pay or transmit money or property to the state under the Medicaid program
- Knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay or transmit money or property to the state

SB 1038 expands the violation for a MCO that contracts with HHSC under the Medicaid program to fail to provide HHSC information required to be provided by law to include a failure to provide information to any other appropriate agency as well. It adds definitions of knowingly and claim to align with the definitions of those terms under the federal False Claims Act.

The legislation increases the maximum penalty that can be assessed against a person who commits fraud or abuse under the Medicaid program to align with the federal False Claims Act. It amends the appeals process for a person facing fraud or abuse allegations by requiring that HHSC, in the notice provided to a person determined to have committed a violation, provide a description of the administrative and judicial due process remedies that are available and extending the deadline from 10 days to 30 days for a person to request an informal review of the determination and a hearing.

Practical effect: SB 1038 is likely to result in increased reporting and fraud allegations against providers, including by whistleblowers.

SB 1266 Medicaid provider enrollment and credentialing processes

Amends the Government Code to require HHSC to provide a support team for the centralized Internet portal used for Medicaid provider enrollment and credentialing to assist providers with enrollment and credentialing and to reduce administrative burdens. The legislation requires HHSC to annually evaluate the support team. It provides that a summary report of the performance evaluation be posted on the HHSC website by September 1 each year, with the first report due by September 1, 2026. SB 1266 directs HHSC to create an electronic procedure for providers to submit complaints and feedback about enrollment and credentialing process and the support provided by the support team. The procedure must be posted to HHSC's or HHSC's designee's website in the same location that instructions and resources for using the enrollment portal are located. The legislation requires that HHSC provide at least 30 days' written notice, electronically and by mail, before disenrolling a Medicaid provider for failing to complete the revalidation process to allow the provider to correct any issues. It allows HHSC to adopt any rules necessary to implement the changes made by the amendments to the Government Code.

Practical effect: SB 1266 provides support to providers when completing Medicaid enrollment, credentialing and revalidation. Intends to address the significant delays and costs to Medicaid providers from the current enrollment, certification and revalidation process and system.

Mental health and addiction treatment services

HB 109 Residential psychiatric treatment facilities for youth

Amends the Health and Safety Code to require DSHS to designate state facilities for use as residential treatment facilities for emotionally disturbed juveniles who are under the managing conservatorship of the Department of Family and Protective Services. Additionally, HB 109 requires the department to provide appropriate education services at these designated facilities at no cost to the clients, using funds set aside for this purpose. If a client is not a resident of the local school district where the facility is located, they may only receive education services from that district with the superintendent's approval.

Practical effect: HB 109 will create additional residential treatment facilities for emotionally disturbed juveniles and provide education services at these facilities.

SB 5 Dementia Prevention and Research Institute of Texas

Amends the Health and Safety Code to create the Dementia Prevention and Research Institute of Texas (Institute), contingent upon the constitutional amendment proposed by the 89th Legislature. The purpose of the Institute includes creating and expediting innovation in research on dementia, Alzheimer's disease, Parkinson's disease and related disorders to improve the health of the residents of the state. The Institute would be initially funded by a US$3 billion transfer from the General Revenue Fund, with the potential for additional support from legislative appropriations, gifts, grants, and other income sources. Implementation of SB 5 is dependent upon voter approval of a corresponding constitutional amendment (SJR 3), which will be submitted to voters at an election held on November 4, 2025.

Eligible grant recipients include institutions of learning, advanced medical research facilities, public or private persons and collaboratives in Texas. The program is designed to operate for 10 years, with the authority to award up to US$300 million in grants each year. The legislation imposes a five percent cap on indirect costs and includes restrictions on the use of funds for facility construction. The Institute will be governed by an Oversight Committee and supported by compliance structures to ensure transparency and accountability. A Higher Education Advisory Committee, comprised of representatives from designated Texas universities and medical institutions identified in the Act, will provide guidance and recommendations to the Oversight Committee. Grant recipients will be subject to regular audits and must maintain documentation of matching funds and expenditures to ensure compliance. SB 5 establishes comprehensive governance and operational procedures, including detailed provisions addressing compliance and the management of conflicts of interest.

Effective December 1, 2025, contingent on the passage of the constitutional amendment.

Practical effect: SB 5 establishes the Dementia Prevention and Research Institute of Texas to create and expedite innovation in research on dementia, Alzheimer's disease, Parkinson's disease and related disorders.

SB 1164 Emergency detention of persons evidencing mental illness

Amends the Health and Safety Code to revise the standards and procedures for emergency detention and court-ordered mental health services for individuals with mental illness. The legislation broadens the criteria under which peace officers and guardians may detain or transport individuals for emergency mental health evaluation, allowing for detention not only when there is a substantial risk of serious harm, but also when there is evidence of severe emotional distress, deterioration or inability to recognize symptoms or appreciate treatment risks and benefits. The new language also updates the required notification forms and procedures for emergency detention, expands the collection of information and clarifies that officers and emergency personnel are not required to remain at facilities after transferring custody. SB 1164 modifies the requirements for physician statements, medical certificates and court findings related to mental health services, ensuring that new criteria, such as inability to recognize symptoms, are considered. It repeals certain existing statutory provisions and specifies that its changes apply only to detentions and proceedings initiated on or after the effective date. Detention and proceedings that begin before the effective date are governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

Practical effect: SB 1164 creates additional avenues and authority for the detention of an individual who is experiencing an emergency mental health episode.

SB 2069 Acute psychiatric bed registry study

Directs HHSC to establish a work group to study the feasibility of implementing a statewide or regional registry of available acute psychiatric beds at inpatient mental health facilities. No later than November 1, 2027, HHSC is required to prepare and submit a written report summarizing the results of the study to each standing committee of the Texas Senate and House of Representatives having primary jurisdiction over mental health. The report would have to evaluate the effect of bed registries, include recommendations for increasing public awareness of bed registries and leveraging financial incentives and legislative, regulatory or contractual mechanisms to expedite the entry of data for bed registries, assess the effect of hospital reimbursements in increasing bed availability, evaluate psychiatric treatment capacity with bed availability, and include any other information HHSC considers necessary. The Executive Commissioner of HHSC must appoint the members to the work group established by SB 2069 as soon as practicable after the September 1, 2025, effective date. The work group is abolished, and the Act's provisions expire on November 1, 2028.

Practical effect: SB 2069 lays the groundwork for a statewide or regional registry of acute psychiatric beds and inpatient mental health facilities by requiring HHSC to establish a workgroup and provide a written report to the Legislature.

HB 2035 Facility refuses to admit a minor for voluntary treatment

Amends the Health and Safety Code to provide that if a facility denies a minor admission for voluntary treatment and rehabilitation, it shall provide written notice to the minor's parent, managing conservator, or guardian informing them of their right to seek voluntary treatment and rehabilitation for the minor at another facility.

Practical effect: HB 2035 implements a parental notification requirement for facilities that deny admission for voluntary treatment or rehabilitation.

SB 646 Repayment of mental health professional education loans

Amends the Education Code to expand the definition of "mental health professional" eligible for education loan repayment assistance to include: (1) licensed master social workers, (2) licensed professional counselor associates, (3) licensed marriage and family therapist associates and (4) certified school counselors with a relevant master's degree. The legislation permits mental health professionals to qualify for loan repayment by providing services to public school students, as an alternative to serving in state hospitals or community-based settings. Revises and increases the maximum loan repayment amounts for various mental health professions, introduces additional one-time bonuses for professionals fluent in needed languages or practicing in rural counties, and extends eligibility for extra annual payments for those serving beyond three years. The Texas Higher Education Coordinating Board is authorized to use up to US$1 million to market the program. Repeals Section 61.604(e) of the Education Code regarding the allocation of unused funds. Applies to applications submitted on or after September 1, 2025, with prior applicants remaining under the former law, which continues in effect for that purpose.

Practical effect: SB 646 attempts to expand the pool of mental health professionals in Texas by increasing eligibility for education loan repayment.

SB 1401 Texas mental health professional pipeline program

Requires the Texas Higher Education Coordinating Board (THECB) to help public junior college students transfer smoothly to participating institutions and pursue degrees or certificates for licensure in mental health fields like psychology, counseling, psychiatric nursing, social work, school psychology and marriage and family therapy. The THECB will determine eligible curricula, oversee annual reporting on program outcomes, maintain program information online and set rules for implementation. The THECB will also be required to maintain and publicize program information online and adopt necessary rules to implement the bill's provisions.

Practical effect: SB 1401 seeks to increase the mental health professional workforce by streamlining transfers from junior colleges to institutions offering degrees or certificates in mental health fields.

Pharmacy, immunizations, drugs and cannabis

HB 46 Compassionate medical use of low-THC cannabis

Amends the Health and Safety Code to revise provisions related to the licensing, regulation and operation of low-THC dispensing organizations under the Texas Compassionate-Use Program. Expands qualifying medical conditions for prescriptions of low-THC cannabis for a condition that causes chronic pain, a traumatic brain injury, Crohn's disease or other inflammatory bowel disease and a terminal illness or condition for which a patient is receiving hospice or palliative care. The legislation permits a physician to provide for a 90-day supply of low-THC cannabis per prescription with up to four refills. Physicians may submit to DSHS a request for the department to report to the Legislature that low-THC cannabis may be beneficial to treat other medical conditions. Physicians may prescribe administration of low-THC cannabis via pulmonary inhalation of an aerosol or vapor. The legislation also provides that patient confidentiality within the compassionate use registry is strictly protected, with information accessible only to authorized parties and releasable to the patient or their designee upon request.

Practical effect: The changes in HB 46 expand medical conditions eligible for prescriptions of low-dose cannabis and provide a path for physicians to recommend to the Legislature additional medical conditions that will benefit from access to low-dose cannabis.

HB 163 Possession and administration of an epinephrine auto-injector

Amends Section 773.0145 of the Health and Safety Code to make clear that the section does not apply to an entity that is required by another law to adopt and implement a policy governing the maintenance, administration and disposal of epinephrine delivery systems. For example, emergency medical services personnel under Health and Safety Code 773.014 or educational entities under the Texas Education Code.

Practical effect: HB 163 aims to eliminate duplication of requirements for certain entities regarding epinephrine systems.

HB 1586 Immunization exemption affidavit for school enrollment

Amends the Health and Safety Code to require DSHS to create and post a blank immunization exemption affidavit form in a printable format on its website and removes the previous requirement for the form to have a seal or security device to prevent reproduction. The legislation also eliminates the mandate for DSHS to track or report the number of forms distributed annually to the Legislature. DSHS must update the affidavit form within 30 days of the Act's September 1, 2025, effective date, and the new provisions will apply starting with the 2025-2026 school year.

Practical effect: HB 1586 is likely to increase the immunization exemptions by providing a standard form and eliminating the requirement for DSHS to report the number of forms distributed to the Legislature.

HB 3441 Liability of manufacturers that advertise a harmful vaccine

Amends the Health and Safety Code to establish that a manufacturer is liable to an individual if the manufacturer advertises a vaccine in Texas and the advertised vaccine causes harm or injury to that individual. Notwithstanding any other law, an individual may bring an action within three years from the date the cause of action accrues. Courts shall award prevailing claimants actual damages, as well as court costs and reasonable attorney's fees incurred in pursuing the action. These provisions apply only to causes of action that accrue on or after the effective date of September 1, 2025.

Practical effect: Vaccine manufacturers are likely to face an increase in litigation from individuals alleging adverse reactions following vaccine administration. The inclusion of attorney fees will incentivize the filing of lawsuits against vaccine manufacturers.

HB 4076 Prohibiting organ transplant discrimination based on vaccination status

Amends the Health and Safety Code to prohibit healthcare providers from the following ***solely*** on the basis of an individual's vaccination status: (1) determine an individual ineligible to receive an organ transplant; (2) deny medical or other services related to organ transplant, including evaluation, surgery, counseling and postoperative treatment; (3) refuse to refer the individual to a transplant center or other related specialist for evaluation or receipt of an organ transplant or (4) refuse to place the individual on an organ transplant waiting list or place the individual at a position lower in priority on the list than the position the individual would have been placed if not for the individual's vaccination status.

However, a healthcare provider may consider vaccination status in treatment recommendations or decisions if a physician conducts an individualized evaluation and determines that vaccine status is "medically significant" to the organ transplant. The legislation applies to all stages of the transplant process. A physician "who in good faith" determines that an individual's vaccination status is medically significant to the organ transplant does not violate the Act. A healthcare provider is permitted to develop alternative risk mitigation strategies, including antibody testing, prophylactic treatments and antiviral therapy, in lieu of requiring vaccination. A healthcare provider may also inform patients of the risks and benefits of receiving a vaccination. The legislation requires the Executive Commissioner of HHSC to adopt any rules necessary to implement these provisions not later than January 1, 2026.

Practical effect: HB 4076 seeks to prevent providers from considering vaccine status when making medical decisions relating to an organ transplant without an individualized evaluation of the patient.

HB 4535 COVID-19 vaccination administration requirements

Amends the Health and Safety Code by requiring a healthcare provider to obtain the individual's ***written informed consent*** prior to administering a COVID-19 vaccine. The healthcare providers must obtain written informed consent from the individual receiving the vaccine, or from a parent, guardian or conservator if the individual is a minor or lacks mental capacity. The informed consent must include an acknowledgment that the person giving consent has received a standardized information sheet, developed by DSHS, that includes information about the benefits and risks associated with the COVID-19 vaccine, the expedited manner in which the COVID-19 vaccine was developed, whether long-term scientific studies have been performed on the COVID-19 vaccine and whether manufacturers of the COVID-19 vaccine are subject to civil liability for any injuries caused by the vaccine, and the federal Vaccine Adverse Event Reporting System. The legislation grants the appropriate licensing authority the authority to impose disciplinary action on a healthcare provider who violates this section.

Practical effect: The written informed consent required by HB 4535 before administering a COVID-19 vaccine is intended to provide individuals with additional information about the vaccine but is likely to create a further impediment to the provision of the COVID-19 vaccine in Texas.

SB 493 Banning pharmacy gag clauses

Amends the Insurance Code to prohibit a Pharmacy Benefits Manager from, by contract or otherwise, prohibiting or restricting a pharmacist or pharmacy from informing an enrollee of any difference between the enrollee's out-of-pocket cost for a prescription drug under the enrollee's prescription drug benefit and the out-of-pocket cost without submitting a claim under the enrollee's prescription drug benefit. Any contract terms that limit a pharmacist's ability to provide this information or communicate with plan sponsors or administrators are void and unenforceable. Applies only to a contract or agreement entered, amended or renewed on or after the bill's September 1, 2025, effective date.

Practical effect: SB 493 will implement a consumer protection to ensure that consumers are not paying more for prescription drugs under their health plan than if they were to pay the cash price.

SB 670 Access to investigational sun protection products

Amends the Health and Safety Code to allow eligible patients access to investigational sun protection products, defined as products containing ingredients that have completed phase one clinical trials but are not yet approved by the FDA, if their physician determines (in consultation with the patient), after considering all FDA-approved alternatives, that such products are more effective for the patient. The physician must recommend or prescribe in writing the investigational sun protection product. A physician is required to obtain written informed consent from the patient or, if the patient is a minor or lacks capacity, from a parent or legal guardian, before recommending or prescribing these products. The TMB is permitted to adopt a form for informed consent of investigational sun products. The legislation also provides authority for a manufacturer of an investigational sun protection product to make the product available and does not require a manufacturer to make the product available to a patient. The manufacturer is permitted to provide the product without being compensated or to charge the patient the manufacturer's "costs of, or costs associated with, the manufacture of the product." SB 670 does not create a private or state cause of action against a manufacturer or "any other person or entity involved in the case of an eligible patient using the product for any harm to the eligible patient resulting from the product." The TMB is prohibited from taking a disciplinary action against physician's license based on the physician's recommendation to or prescription for an investigational sun protection product so long as the physician met the medical standard of care and requirements of the chapter.

Effective immediately.

Practical effect: SB 670 seeks to expedite access to experimental sun protection products prior to receiving FDA approval.

SB 1236 Oversight of pharmacy benefit managers

Amends the Insurance Code to strengthen protections for pharmacists and pharmacies in pharmacy benefit network contracts and health benefit plans. Limits group numbers on ID cards to relevant enrollees, prohibits retroactive claim denials or reductions except for fraud, duplicate payments or substantive errors and restricts recoupment for clerical errors to dispensing fees. A health benefit plan issuer or PBM is required to make available to any pharmacist or pharmacy in the plan or PBM's network, via a secure, online portal, all pharmacy benefit network contracts and addendums between the plan issuer or PBM and the pharmacist or pharmacy. The legislation mandates the mutual agreement of the parties for adverse material changes to the pharmacy benefit network during the contract term, providing that any unilateral adverse material change during the term of the contract is void and unenforceable. SB 1236 also provides for clear notice to the pharmacist or pharmacy of any adverse material change being proposed by a plan or PBM. A health benefit plan issuer or PBM is prohibited from charging an application or participation fee prior to providing the full proposed pharmacy benefit network contract, including all of the financial terms applicable to the contract and corresponding pharmacy benefit network. Provider manuals are required to be made readily available online via the same online portal. Health benefit plans and PBMs are prohibited from requiring or conditioning participation in a pharmacy benefit network. The new requirements and restrictions will apply to contracts entered or renewed after the bill's September 1, 2025, effective date.

Practical effect: SB 1236 continues the national trend of increasing scrutiny and regulation of PBMs and seeks to implement contractual protections for pharmacists and pharmacies.

SB 1619 Use of epinephrine delivery device

Updates the Education, Health and Safety, Human Resources and Occupations Codes by replacing references to "epinephrine auto-injector" with the broader term "epinephrine delivery device" in laws governing the storage, administration and disposal of epinephrine in schools, higher education institutions, emergency medical services, child-care facilities, amusement parks, restaurants, sports venues, youth centers and other designated entities. SB 1619 defines an "epinephrine delivery device" as any FDA-approved device that delivers a dose of epinephrine for treating anaphylaxis, including both auto-injectors and nasal sprays; and defines an "epinephrine auto-injector" as a disposable device containing a premeasured single dose of epinephrine for purposes of the Emergency Health Care Act.

Effective immediately.

Practical effect: SB 1619 makes technical changes to use the broader term "epinephrine delivery device" for laws governing the storage, administration and disposal of epinephrine in Texas statutes.

SB 2308 Grant program for ibogaine drug development trials

Establishes a Texas consortium to conduct ibogaine clinical trials for FDA approval to treat opioid use disorder and related conditions. SB 2308 requires that the consortium comprise a drug developer, a university and a hospital, with a lead institution overseeing administration and reporting. It requires that proposals to HHSC detail trial design, safety, aftercare, intellectual property, funding and provider training. The legislation stipulates that state funding is contingent upon matching non-state funds, and the allocation of revenue from the resulting intellectual property and commercialization between the state and consortium members, with 25 percent of the state's allocation being appropriated to veteran assistance programs in Texas. If FDA approval is obtained, ibogaine treatment must be administered under physician supervision in a licensed hospital or other licensed healthcare facilities while the patient is under the influence of ibogaine. Finally, the legislation directs HHSC to begin accepting proposals from consortia not later than 60 days after the effective date of the Act.

Effective immediately.

Practical effect: SB 2308 seeks to lay the groundwork for the utilization of ibogaine as a treatment for opioid use disorder and related conditions by creating a Texas consortium to conduct clinical trials.

Physicians, healthcare practitioners and workforce

HB 11 Occupational licensing reciprocity agreements

Amends the Occupations Code to require the TDLR to maximize licensing reciprocity agreements with other states. HB 11 directs the Texas Commission of Licensing and Regulation to adopt rules by January 1, 2026 establishing procedures for (1) determining whether the licensing requirements of another state are substantially equivalent to those of Texas and (2) for the department to enter into and implement reciprocity agreements with licensing authorities in other states. The legislation requires TDLR to submit a written report to the Governor and the Legislative Budget Board every two years beginning December 1, 2027, that summarizes TDLR's efforts to enhance reciprocity, identifies legal barriers, describes both successful and unsuccessful reciprocity negotiations and recommends legislative changes to facilitate more reciprocity agreements.

Effective immediately.

Practical effect: HB 11 intends to streamline the integration of medical professionals into the Texas workforce and remove burdensome requirements for those professionals who have already been licensed by other states with substantially equivalent licensing standards.

HB 541 Direct patient care

Amends the Occupations Code to expand an existing provision concerning physicians who furnish direct primary care. As amended, the provision clarifies that licensed healthcare practitioners who enter into agreements with a patient to provide healthcare services in exchange for a direct fee are not subject to regulation by the TDI as insurers or HMOs. The legislation adds new and revised definitions for "direct patient care," "direct patient care agreement," "healthcare practitioner" and "healthcare service."

Practical effect: HB 541 allows healthcare practitioners other than physicians to take advantage of an existing law that permits patients to pay an agreed upon fee to a physician without interference from insurance companies.

HB 879 Integrating military vets into the civilian healthcare workforce

Amends the Occupation Code to require the TMB, the Texas Physician Assistant Board and the Texas Board of Nursing to issue licenses to applicants who (1) are licensed in good standing in another state, (2) are veterans of the US armed forces who left military service within the past year, (3) were serving on active duty and authorized to treat military personnel or veterans at the time of leaving service, (4) were honorably discharged and (5) have passed the relevant Texas jurisprudence examination. There are exceptions for those applicants (A) whose licenses are under investigation or subject to a disciplinary order or (B) who have been convicted of or are under investigation for the commission of a felony or certain misdemeanors.

Practical effect: HB 879 creates an additional pathway for veterans who obtained medical or nursing experience while serving in the military to obtain a license in Texas.

HB 923 Expansion of the Texas Medical Disclosure Panel

Expands the Texas Medical Disclosure Panel (TMDP) from nine to thirteen members by adding independent public representatives. HB 923 preserves the physician majority by adding one physician and three public members, one of whom must have health literacy expertise. It requires that new members to the TMDP be appointed no later than January 1, 2026.

Practical effect: HB 923 is intended to increase transparency and incorporate public participation into the state panel while preserving the physician majority and physician professional oversight.

HB 1700 Telemedicine, teledentistry and telehealth services

Amends the Occupations Code to require that each agency with regulatory authority over health professionals providing telemedicine, teledentistry or telehealth services adopt rules necessary to standardize formats for and retention of records related to a patient's consent to treatment, data collection and data sharing.

Practical effect: HB 1700 requires the promulgation of new rules that will provide professionals with clarity as to what is needed to document required patient consents when providing services virtually.

HB 2038 The Decreasing Occupational Certification Timelines, Obstacles and Regulations (DOCTOR) Act

Aims to streamline the process for foreign medical license holders, recent medical graduates to practice medicine in Texas. It requires the TMB to issue provisional licenses to qualified foreign-trained physicians with job offers to practice in a facility-based or group practice setting sponsoring accredited graduate medical education programs, provided they meet specific educational, licensing, examination, language and legal work requirements and are not from countries posing national security risks. These provisional licenses are valid for two years and may be renewed for those who meet additional criteria, with practice initially limited to certain settings and, upon renewal, to underserved or rural areas. HB 2038 also creates a limited license for "physician graduates," recent medical school graduates not enrolled in residency and meeting additional specified criteria, allowing them to practice under the supervision of a fully licensed, board-certified sponsoring physician, but only in counties with populations under 100,000 and within the sponsoring physician's specialty. The legislation requires a supervising practice agreement between the supervising physician and the physician graduate. Physician graduates must disclose their status to patients, and their sponsoring physicians retain legal responsibility for their care. HB 2038 further seeks to ensure that health insurance policies may cover services provided by physician graduates. The TMB is tasked with adopting necessary rules by January 1, 2026.

Practical effect: HB 2038 provides additional paths to licensure for foreign medical graduates and physician graduates not enrolled in a residency program, subject to certain practice restrictions and/or renewal limitations.

HB 3749 Regulation of elective intravenous therapy

Known as Jenifer's Law, HB 3729 amends the Occupations Code to establish new regulations for the delegation and administration of elective intravenous (IV) therapy. The legislation defines "elective intravenous therapy." It authorizes physicians to delegate the prescribing and ordering of elective IV therapy to physician assistants and advanced practice registered nurses and of the administration of elective IV therapy to physician assistants and advanced practice registered nurses, provided there is adequate physician supervision. HB 3749 specifies that prescriptive authority agreements for elective IV therapy count toward the maximum number of such agreements a physician may have and clarifies that certain exceptions for medically underserved populations do not apply to these agreements. Applies to all relevant medical acts performed under physician delegation on or after its September 1, 2025, effective date.

Practical effect: HB 3749 establishes elective IV therapy as a medical act with the purpose of regulating IV therapy in medical spas and wellness settings.

HB 3800 Texas healthcare workforce task force advisory board

Directs the Texas Workforce Commission (TWC) to establish an advisory board to develop a resource guide that facilitates collaborations among healthcare providers and institutions of higher education in more effectively identifying and addressing local healthcare workforce needs, including training, workforce shortages and challenging workloads. The members of the board will come from various types of institutions of higher education, local workforce development boards and statewide organizations representing hospitals, healthcare professionals and community health centers. The resource guide must be submitted to the Texas Legislature no later than November 1, 2026.

Practical effect: HB 3800 facilitates additional collaboration among educational institutions, employers, physician offices, hospitals, clinics and government agencies to more effectively develop and address the needs of the healthcare workforce in Texas.

HB 3801 Health Professional Workforce Coordinating Council

Establishes the Health Professions Workforce Coordinating Council within DSHS to study and develop a strategic approach to ensure that Texas has a thriving healthcare system and health professions workforce. The Council will oversee the collection of health professions workforce data across various state agencies and develop a biennial strategic plan addressing supply, demand, production and projected need for the workforce and defining goals and objectives for the workforce. HB 3801 also establishes a workgroup (including a Nursing Advisory Committee) to examine the health professions and healthcare education programs that provide a gateway into various professions. It directs the Texas Center for Nursing Workforce Studies to form a workgroup to assess the feasibility and impact of aligning certification and career pathways for nurse aides, medication aides, personal care technicians, and persons trained in nursing during service in the US armed forces. The legislation abolishes the existing Statewide Health Coordinating Council and its Nursing Advisory Committee, as well as the authority of DSHS to impose civil penalties on hospitals that do not submit financial and utilization data to DSHS under 311.003 of the Health and Safety Code.

Practical effect: According to the author of HB 3801, the current model of healthcare workforce development has resulted in gaps in coordination and outcome disparities across the state. The new Council brings together 15 state agencies with the intent to better coordinate and participate in the education and preparation of Texas's healthcare workforce.

HB 4099 Treatment of a patient by a physical therapist without a referral

Amends the Occupations Code to extend the period during which a physical therapist may treat a patient without a referral, increasing it from 10 consecutive business days to 30 consecutive calendar days. HB 4099 eliminates the previous provision that allowed for up to 15 consecutive business days of treatment under certain circumstances, streamlining the rules so that all patients are subject to the same 30-day limit. After this period, a referral from a qualified practitioner is required for continued treatment. The Texas Board of Physical Therapy Examiners is directed to adopt the necessary rules to implement these changes by December 1, 2025.

Practical effect: HB 4099 extends the period during with a physical therapist may treat a patient without a referral to 30 consecutive days.

SB 268 Complaints against healthcare practitioners VETOED

Amends the Occupations Code to establish procedures for managing complaints against healthcare practitioners who hold licenses from different state licensing entities. SB 268 requires a licensing entity that receives a complaint concerning a practitioner who holds a license issued by a different licensing entity to forward a copy of the complaint to that licensing entity. It prohibits a licensing entity from taking disciplinary action based on such complaint, unless the entity that holds the practitioner's license refers the matter for investigation and resolution. If a licensing entity receives a complaint concerning a practitioner that credibly accuses the practitioner of conduct constituting an offense that resulted in death or serious bodily injury, the licensing entity must forward the complaint to the appropriate law enforcement agency. The legislation applies only to complaints filed on or after the bill's effective date, with earlier complaints governed by prior law.

According to the Governor's Veto Proclamation, SB 268 "would inadvertently raise hurdles to protecting public health and safety." The Governor disagreed with the prohibition on the original board that received the complaint "from taking any disciplinary actions for portions of a complaint within its jurisdiction."

SB 269 Serious adverse event reports by physicians

Amends the Health and Safety Code to require physician reporting of any serious adverse event that occurs within one year of a patient receiving an experimental, investigational or FDA emergency-authorized vaccine or drug (excluding clinical trials) to the federal Vaccine Adverse Event Reporting System or FDA MedWatch. SB 269 defines "serious adverse events" as those resulting in death, life-threatening conditions, hospitalization, significant incapacity, birth defects or other medically necessary interventions. It directs that physicians will face non-disciplinary corrective action by the TMB for a first violation, and that any subsequent violations will lead to disciplinary action. The legislation prohibits the TMB from considering violations that occurred more than three years ago when deciding on disciplinary measures but requires the TMB to maintain records of those violations. It directs the Executive Commissioner of HHSC to adopt rules necessary to implement these requirements as soon as practicable after September 1, 2025.

Practical effect: SB 269 is intended to address any underreporting of adverse events associated with emergency-use-authorized vaccines and drugs, and to ensure that data used to assess long-term safety and efficacy of such vaccines and drugs is complete.

SB 627 Dietician licensure and regulation

Amends the Occupations Code by removing the requirement for the TCLR or the TDLR to determine the "fitness" of applicants for dietician licenses or renewals (although TCLR and TDLR continue to establish qualifications for such licenses and renewals). SB 627 eliminates the title "provisional licensed dietician" from the list of protected licensure titles (TDLR ceased offering new provisional dietitian licenses in 2017) and clarifies that TCLR or TDLR may refuse to renew a license if the applicant has failed to pay certain administrative penalties.

Practical effect: SB 627 repeals outdated provisions as well as the requirement that TDLR maintain a registry of licensed dieticians.

SB 842 Ringside physician civil immunity for combative sports event

Amends the Occupations Code to grant a ringside physician immunity from civil liability arising from acts within the scope of the physician's responsibilities at a combative sports event, unless the cause of action arises from an act or omission constituting gross negligence by the physician. The legislation applies only to an action commenced on or after the bill's effective date.

Effective immediately.

Practical effect: SB 842 was introduced to address the shortage of ringside physicians at licensed combative sports events. The bill's author notes that many physicians are reluctant to participate due to concerns about civil liability. By granting immunity from civil liability except in cases of gross negligence, this legislation seeks to encourage more physicians to serve at these events.

SB 905 Licensing and regulation of speech-language pathologists and audiologists

Amends the Occupations Code by removing the requirement that the TCLR consult with specific advisory boards when establishing rules for hearing instrument sales, and revises audiologist licensing requirements by allowing applicants with a master's degree in audiology earned on or before December 31, 2007, to qualify. SB 905 eliminates the provisional licensing process for speech-language pathologists and audiologists, specifying that existing provisional licenses remain valid until expiration but cannot be renewed or extended and that any pending proceedings against such licenses terminate upon expiration. It revises provisions prohibiting a licensed audiologist from selling hearing instruments to minors unless the person or the parent or guardian of the person presents to the audiologist a written statement signed by a licensed physician, by removing the specification that the licensed physician specializes in diseases of the ear. This provision applies only to conduct that occurs on or after the effective date. Conduct that occurs before the effective date is governed by the law in effect on the date the conduct occurred, and the former law is continued in effect for that purpose.

Practical effect: SB 905 provides that provisional licensure in speech language pathology will no longer be available after September 1, 2025.

SB 912 Continuing education tracking system for healthcare practitioners

Amends the Occupations Code to require each licensing entity that issues a license to a healthcare practitioner to establish, by rule, a continuing education tracking system for use by and accessible to healthcare practitioners, licensing entity staff and applicable continuing education providers by September 1, 2026. SB 912 mandates that the tracking system may collect and use only information that directly relates to a healthcare practitioner's compliance with continuing education requirements. It requires a licensing entity to verify that the healthcare practitioner has complied with any continuing education requirements of the licensing entity prior to renewing a healthcare practitioner's license.

Practical effect: SB 912 requires licensing entities to establish or update continuing education tracking systems for healthcare practitioners. Practitioners will be responsible for ensuring that their continuing education is accurately reported.

SB 918 Licensing and regulation of orthotists and prosthetists

Amends the Occupations Code related to exemptions from or substitutes for license requirements for licensing of orthotists and prosthetists to permit the TCLR to grant exemptions from certain academic, clinical training or examination requirements for licensure in orthotics and prosthetics, based on rules it adopts, if an applicant provides evidence to the TDLR demonstrating unique qualifications to practice in the field. SB 918 deletes existing text providing that a person is entitled to an exemption. If granted an exemption, the applicant may receive a license provided all other statutory requirements are met, except those specifically exempted. The legislation provides that license holders who receive exemptions are entitled to the same privileges as fully qualified licensees and must comply with all renewal requirements except those from which they were exempted. These changes take effect prospectively on September 1, 2025.

Practical effect: SB 918 removes an Occupations Code provision that states that an individual seeking an orthotist or prosthetist license exemption is entitled to licensure exemption if they possess "unique qualifications" while allowing for a case-by-case determination.

SB 922 Electronic disclosure of certain medical information by practitioners

Amends the Occupations Code to restrict the electronic disclosure of "sensitive test results," defined as a pathology report or radiology report that has a reasonable likelihood of showing a finding of malignancy or a test result that may reveal a genetic marker, before the third day after the date the sensitive test results are finalized. SB 922 stipulates that the responsibility for implementing this restriction falls to the person who administers or controls the patient's electronic health record. It provides legal protection for individuals who fail to comply with these new provisions, ensuring they are not subject to civil, criminal, administrative or professional disciplinary action as a result. Requests made before the effective date remain subject to the previous law.

Practical effect: Under SB 922, effective September 1, 2025, individuals who administer or control a patient's electronic health record are responsible for ensuring that pathology or radiology reports with a reasonable likelihood of indicating malignancy, or test results that may reveal a genetic marker, are not posted or disclosed electronically to the patient until at least three days after the results are finalized.

SB 968 Licensing and regulation of podiatrists

Amends the Occupations Code to allow the TCLR to establish procedures for issuing residency licenses to applicants in graduate podiatric medical education programs. This change replaces the previous authority to issue temporary licenses. SB 968 repeals the provisions for limited licenses for podiatry faculty members and provisional licenses. Licenses issued under the previous law will remain valid until their expiration date, and the former law will continue to govern those licenses until they expire.

Practical effect: SB 968 repeals provisions for temporary podiatry licensure and provides for rules governing podiatry resident licensure.

SB 1254 Regulation of professional employer organizations

Revises the regulation of professional employer organizations in the Texas Labor Code by updating the definition of "license holder" to refer specifically to those licensed by the TDLR and aligning license renewal procedures with TDLR's general statutes and rules. SB 1254 establishes that if a license holder fails to renew their license, their status as employer of covered employees continues for 18 months after license expiration, after which their employer status terminates and they may face disciplinary action for providing services with an expired license. The legislation also broadens TDLR's authority to take disciplinary action against any person, licensed or not, who violates relevant provisions, including those who provide or offer professional employer services while their license is expired, suspended or inactive. Disciplinary actions are to be taken under TDLR's administrative penalty statutes. Applies to conduct occurring on or after September 1, 2025, with prior conduct governed by the previous law.

Practical effect: SB 1254 clarifies what happens when a Professional Employer Organization fails to renew its license with TDLR timely.

SB 1318 Limits on noncompete agreements for physicians and practitioners

Amends the Texas Business and Commerce Code regarding noncompete agreements for physicians and certain healthcare practitioners.

Key changes for physicians include:

- **Buyout cap**. The amount of the buy out of the non-compete must not be greater than the physician's total annual salary and wages at the time of termination of the contract or employment.
- **Time and geographic limits**. The term of the covenant cannot exceed the one-year anniversary of the date the contract or employment was terminated. The geographic radius is limited to a maximum of five miles from the location where the physician primarily practiced before the contract or employment terminated.
- **Involuntary discharges without good cause**. The covenant cannot be enforced if the physician is involuntarily discharged from the contract or employment without good cause. "Good cause" is defined as a reasonable basis for discharge of a physician from a contract or employment that is directly related to the physician's conduct, including the physician's conduct on the job or otherwise, job performance and contract or employment record.
- **Clarity of terms**. All terms and conditions must be clearly and conspicuously stated in writing.
- **Administrative role exclusion**. Clarifies that the "practice of medicine" does not include managing or directing medical services in an administrative capacity, such that noncompete agreements for such positions are not subject to the restrictions in Subsection 15.50(b).

A new Section 15.501 creates new requirements for noncompete agreements to apply to dentists, nurses (both professional and vocational) and physician assistants to be enforceable. Key changes for healthcare practitioners include:

- **Buyout option**. Noncompete agreements must provide for a buyout at no more than the practitioner's total annual salary and wages at the time of termination.
- **Time and geographic limits**. The agreement must expire within one year of termination and may not cover more than a five-mile radius from the practitioner's primary practice location.
- **Clarity of terms**. All terms and conditions must be clearly and conspicuously stated in writing.

The amendments to Section 15.52 make clear that the enforceability criteria and procedures outlined in Sections 15.50, 15.501, and 15.51 are exclusive and preempt any other law, including common law, related to noncompete agreements for covered healthcare practitioners.

The new requirements apply to noncompete agreements that are entered into or renewed on or after September 1, 2025, while agreements executed or renewed before that date remain subject to prior law.

Practical effect: SB 1318 significantly amends the Texas Business and Commerce Code regarding noncompete agreements for physicians and certain healthcare practitioners. Healthcare employers are encouraged to promptly review and update their noncompete agreements to ensure compliance with agreements entered into or which may renew, including automatic renewals, on or after September 1, 2025.

SB 2480 Texas physician health program licensure surcharge and data bank amendments

Expands the TMB requirement for continuous queries of the National Practitioner Data Bank to include all individuals authorized by the TMB to practice within their occupations, not just physicians. SB 2480 updates the surcharge collection process, specifying that surcharges to cover the cost of these queries and to support the Texas Physician Health Program will now apply to all forms of TMB-issued authorizations. The legislation clarifies that the Texas Physician Health Program is a confidential, nondisciplinary therapeutic program available to all TMB-authorized individuals, with provisions for self-referral and mandatory participation as a licensing condition. SB 2480 broadens the definition of program participants beyond physicians and physician assistants to include any individual receiving services under the program. It directs the TMB to adopt implementing rules by December 1, 2025, and specifies that the new surcharge and query requirements apply only to applications submitted on or after that date, with earlier applications governed by prior law.

Practical effect: SB 2480 authorizes TMB to receive reports from the National Practitioner Data Bank regarding both physician and non-physician licensees. It also clarifies that all TMB licensees, regardless of license type, are eligible to access and self-refer to the Texas Physician Health Program.

SB 2587 Access to and use of criminal history information by certain Texas agencies

Amends the Government Code to clarify and expand the authority of several Texas agencies to obtain criminal history record information from the FBI, the Texas Department of Public Safety and other criminal justice agencies in Texas for licensing, regulatory and employment purposes: SB 2587 (1) provides greater specificity regarding TDI's authority to access criminal history records for individuals and companies applying for or holding licenses or certificates of authority in various insurance-related fields and (2) clarifies HHSC's authority to obtain such information from all applicants for employment, volunteer positions or contracts, as well as from individuals with significant ownership or management roles in providers or applicants for public benefits programs.

Further, the legislation updates provisions for other regulatory bodies: (1) adds the Texas Behavioral Health Executive Council to the list of agencies entitled to criminal history information and (2) grants the Texas State Board of Pharmacy expanded authority to require fingerprints and obtain criminal history records from a broader range of license applicants and pharmacy personnel, with noncompliance constituting grounds for dismissal or license denial. The legislation also removes the requirement for social security numbers in hospital criminal history checks, updates licensing terminology and imposes new examination requirements for certain behavioral health licenses.

Practical effect: SB 2587 revises, clarifies and expands Texas agency access to and use of certain criminal history record information.

Privacy and confidentiality

HB 130 Texas Genomic Act of 2025

Establishes comprehensive regulations for medical facilities, research facilities, companies and nonprofit organizations involved in genome sequencing or human genome research within Texas. The legislation defines key terms and applies to entities conducting such activities in the state, with the primary purpose of preventing foreign adversaries from accessing the genetic information of Texas residents. It prohibits the use of genome sequencers or software linked to foreign adversaries, restricts the sale or transfer of genomic data to such entities during bankruptcy or reorganization and mandates that genomic data are not stored in countries considered foreign adversaries. Entities must implement robust cybersecurity measures to protect stored genomic data and ensure it is inaccessible to individuals in foreign adversary countries, except in certain research contexts. Annual compliance certification to the attorney general is required, and the attorney general is empowered to investigate violations and impose civil penalties of US$10,000 per violation, with the ability to recover associated legal costs. Additionally, Texas residents harmed by violations may bring private actions for damages up to US$5,000 per violation.

The changes introduced by HB 130 apply exclusively to causes of action that arise on or after the September 1, 2025, effective date, meaning any legal claims that accrue before this date will continue to be governed by the previous law, which remains in effect for those purposes. Additionally, the new provisions regarding the prohibition of the sale or transfer of genomic information in bankruptcy proceedings will only apply to bankruptcy filings initiated on or after the effective date.

Practical effect: HB 130 imposes comprehensive regulations on genome sequencing and human genome research activities in Texas to prevent foreign adversaries from accessing residents' genetic information. These include prohibitions on certain technologies and data transfers, mandatory cybersecurity measures, annual compliance certification and enforcement through civil penalties and private rights of action.

HB 149 Texas Responsible Artificial Intelligence Governance Act

Establishes a comprehensive state framework for the regulation of artificial intelligence (AI) in Texas, applying to any business entity that operates in Texas, offers services to Texas residents or develops AI systems that are used within the state. Among its key provisions, the legislation requires businesses to obtain informed consent before collecting or storing biometric data, such as retina or iris scans, fingerprints and voiceprints, through AI systems. Limited exemptions exist for using biometric data in AI model training and certain public safety functions.

HB 149 requires governmental agencies and healthcare services providers to disclose to consumers when they are interacting with AI. It prohibits using AI to facilitate criminal activity or to incite self-harm or harm to others. The statute also prohibits deploying AI systems in ways that infringe upon constitutional rights or engage in "social scoring," defined as the practice of evaluating individuals or groups to assign a score that could result in unequal or discriminatory treatment.

The legislation grants the Attorney General exclusive authority to enforce HB 149, except in certain circumstances where state agencies may act as specified. As such, private individuals are expressly prohibited from initiating legal actions under the Act. It also requires the Attorney General to establish an online platform for consumers to report potential violations.

Upon receipt of a complaint, the legislation provides that the Attorney General may issue a civil investigative demand to determine if a violation has occurred, in which case a notice of violation would be issued, requiring the party responsible to remedy the infraction and submit a written statement to the Attorney General. If the Attorney General determines that a violation has occurred, the alleged violator must be notified in writing, with a clear identification of the specific provisions breached. HB 149 provides a 60-day window for the violator to cure the issue, submit documentation of corrective actions and implement policy changes to prevent future violations.

If the violation is not cured within the specified period, the violator may face significant civil monetary penalties, ranging from US$10,000 to US$200,000 per violation, with additional daily fines for ongoing noncompliance. The Attorney General may also seek injunctive relief and recover legal costs. Defendants have several defenses available, including demonstrating reasonable care, compliance with recognized AI risk management frameworks or showing that the violation resulted from misuse by another party or involved in an undeployed system. If a violation is confirmed and the Attorney General recommends further action, state agencies may impose additional sanctions, such as suspending or revoking licenses of levying civil monetary penalties up to US$100,000.

The legislation establishes a "regulatory sandbox program" to foster innovation in AI while maintaining strong government oversight. This program allows AI developers and researchers to test and refine new products under real-world conditions with increased governmental oversight. Applicants for the program are chosen based on innovation, risk level, public benefit and data protection measures associated with their projects. Participants are permitted to remain in the program for a maximum of three years and must provide regular reports detailing their progress on performance, risk mitigation, and user impact. The aim of this program is to encourage the safe and innovative use of AI across various sectors.

Finally, HB 149 establishes an AI Council to serve as an advisory board to the state government. It provides that the Council's responsibilities include developing recommendations on ethics, regulatory gaps, market fairness, privacy and legal liabilities. Council members are appointed by the Governor, Lieutenant Governor and Speaker of the House, based on specific criteria. Although the Council's recommendations are not binding law, they intend to guide lawmakers in formulating AI policy in Texas.

Effective January 1, 2026.

Practical effect: HB 149 creates a comprehensive regulatory framework for artificial intelligence in Texas, requiring informed consent for biometric data use, mandating AI disclosure by government and healthcare providers, prohibiting harmful or discriminatory AI practices, granting the Attorney General exclusive enforcement authority with significant penalties for violations, establishing a regulatory sandbox to encourage safe AI innovation and forming an AI Council to advise on ethics, privacy and policy development. Public hospitals and healthcare institutions that use a public-facing AI system should also be aware of the disclosure requirements outlined in SB 1964.

HB 3233 Storage of patient data maintained by PBMs

Amends the Insurance Code to prohibit PBMs from storing or processing patient data for a Texas resident in a location outside of the United States or its territories. Applies to contracts entered into or renewed on or after September 1, 2025.

Practice effect: HB 3233 requires covered PBMs to store and process patient data in the United States.

SB 765 Confidentiality of fraud detection and deterrence information

Amends the Government Code to establish that information in the custody of a governmental body that relates to fraud detection and deterrence measures is confidential and excepted from the public availability requirement of state public information law. For these purposes, fraud detection information includes risk assessments, reports, data, protocols, technology specifications, manuals, instructions, investigative materials, crossmatches, mental impressions and communications that may reveal the methods or means by which a governmental body prevents, investigates or evaluates fraud. Establishes that this confidentiality protection does not affect the ability of a governmental body to share such specified information as authorized by other law for law enforcement and fraud detection and prevention purposes.

Practical effect: SB 765 makes information related to fraud detection and deterrence measures held by governmental bodies confidential and exempt from public disclosure, while allowing such information to be shared with law enforcement and for fraud prevention as authorized by other laws.

SB 1188 Storage of electronic health information

Amends the Texas Health and Safety Code to require that "covered entities" as defined under Section 181.001(b)(2), maintain EHRs containing patient information physically within the US or its territories, including those stored by third parties or cloud services, and to restrict access to such records to individuals needing the information for treatment, payment or healthcare operations. The legislation mandates robust administrative, physical and technical safeguards for EHRs, applies these requirements to all EHRs stored on or after January 1, 2026, and excludes certain facilities such as nursing homes and assisted living facilities from the "covered entity" definition. It requires EHRs to allow documentation of communications about metabolic health and diet for chronic disease treatment, prohibits the inclusion of credit score or voter registration data and sets standards for the use and disclosure of artificial intelligence in diagnostics, including practitioner review and patient notification.

SB 1188 ensures that parents or guardians of a minor have immediate access to EHRs unless restricted by law or court order. The legislation requires EHRs to include a designated space for recording an individual's biological sex as observed at birth and any sexual development disorders, with strict rules for amending this information. It authorizes regulatory agencies to investigate violations, impose disciplinary actions and allows the Attorney General to seek injunctive relief or civil penalties for noncompliance, with penalties escalating for negligent, knowing or financially motivated violations. Finally, the legislation provides for interagency cooperation and rulemaking to implement its provisions and allows for delayed implementation if federal waivers are needed.

Practical effect: SB 1188 requires covered entities to keep electronic health records in the United States, limit access to authorized users, set strict security and documentation rules, regulate AI use in diagnostics, ensure parents can access minors' records, enforce accurate recording of biological sex and establish penalties and enforcement for violations.

Public health initiatives

HB 107 Sickle cell disease registry

Creates a comprehensive sickle cell disease registry in Texas, requiring hospitals and other healthcare providers to report cases of sickle cell disease to DSHS. The registry is designed to function as a centralized, accurate and complete source of information to advance the treatment and potential cure of sickle cell disease, according to the legislation. HB 107 authorizes DSHS to collect, analyze and publish statistical studies based on the reported data, while maintaining strict confidentiality protections, including patient consent requirements and adherence to all applicable state and federal privacy laws. It further requires DSHS to submit annual reports to the Legislature, with the option of additional reports as needed. The Executive Commissioner is responsible for adopting rules to ensure the registry operates effectively and securely. To support implementation, SB 1 appropriates US$1 million from the General Revenue Fund to DSHS for fiscal year 2026, increases capital budget authority by the same amount and allows any unspent funds as of August 31, 2026, to be carried forward for the same purpose in the following fiscal year.

Practical effect: HB 107 aims to improve the scientific understanding of sickle cell disease and its prevalence, leading to advancements in treatment, diagnostics, clinician education and potential cures for the disease in Texas.

SB 25 Health and nutrition standards

Establishes health and nutrition standards for food labeling requirements, nutrition education coursework for students at institutions of higher education and continuing education requirements on nutrition and metabolic health for licensed physicians, physician assistants, nurses and dietitians. SB 25 outlines deadlines for implementation and rulemaking by state agencies and licensing boards. It creates the Texas Nutrition Advisory Committee to develop science-based dietary guidelines that inform curriculum and continuing education content. The legislation conditions eligibility for certain state grant funding on compliance with nutrition curriculum requirements at health-related institutions of higher education. It requires warning labels on food products containing specific additives or chemicals not recommended for human consumption in other countries, with detailed ingredient lists and labeling standards outlined in the bill. SB 25 prohibits private lawsuits for labeling violations and includes a federal preemption clause. It mandates nutrition instruction in K-12 health curricula and requires high schools to offer an elective course in nutrition and wellness. The legislation requires daily physical activity in grades K-8 and prohibits withholding recess or physical activity as punishment. SB 25 grants enforcement authority to the Attorney General, who may seek injunctions and civil penalties of up to US$50,000 per day per product per violation. It requires implementation of nutrition curriculum provisions at higher education institutions by July 1, 2027. SB 25 provides that the advisory committee and related provisions expire December 31, 2032.

Practical effect: SB 25 expands nutrition education for healthcare professionals and students. Links higher education funding to compliance with new curriculum standards. It requires (1) clear warning labels on foods with certain additives, (2) mandates daily physical activity in K-8 and prohibits using recess or physical activity as punishment, and (3) aims to improve public health through education and transparency in food labeling.

SB 1018 Trauma facility and emergency medical services account

Modifies the allocation of state traffic fine revenue by reducing the portion deposited into the undedicated general revenue fund from 70 percent to 50 percent and increasing the share allocated to the designated trauma facility and emergency medical services account from 30 percent to 50 percent. SB 1018 maintains the existing US$250 million annual cap for general revenue deposits; any revenue above that cap continues to be deposited into the Texas Mobility Fund. These changes apply only to revenue collected after the Act's effective date, with prior collections distributed in accordance with previous law.

Practical effect: SB 1018 redirects traffic fine revenue to increase funding for trauma care and emergency medical services.

SB 1677 Study on prevention and reduction of diabetes-related amputation

Directs the Texas Higher Education Coordinating Board to select a top-tier public research university to conduct a study, in collaboration with DSHS, on preventing and reducing diabetes-related amputations. The study will be conducted using existing institutional resources. SB 1677 requires the selected research institution to have a "Research 1: Very High Research Spending and Doctorate Production" classification under the 2025 Carnegie Classification of Institutions of Higher Education. In collaboration with DSHS, the selected research institution will examine trends and data related to diabetes-related amputations and develop evidence-based recommendations for preventing amputations in individuals with diabetic foot ulcers and peripheral artery disease. The research will determine best medical practices for reducing amputations, methods of increasing public awareness on the issue and policy solutions for healthcare access inequity. These policy solutions will include insurance coverage for treatment of foot ulcers, access to evidence-supported tools, technologies and services and methods to incentivize the provision of quality care.

The institution is required to consult with a range of experts, including the Commissioner of State Health Services, a licensed endocrinologist, a nurse experienced in diabetes education, a vascular surgeon and physician with expertise in amputation prevention, a podiatrist experienced in treating foot ulcers, a podiatrist or surgeon affiliated with the US Department of Veterans Affairs and any additional professionals deemed necessary. Before September 1, 2026, the selected research institution must prepare and submit a report detailing the findings of the study and its recommended legislative actions. The legislation requires DSHS to post the report on its website and include the underlying data, methodology and rationale for each recommendation.

Practical effect: SB 1677 aims to reduce the high and uneven rates of diabetes-related lower extremity amputations in Texas by enhancing prevention efforts, public education and clinical best practices.

HB 3000 Grant program for ambulance service providers in rural counties

HB 3000 amends the Local Government Code to require the Comptroller of Public Accounts to develop and administer a grant program for licensed ambulance services operating in rural counties. Eligibility is limited to counties with a population under 68,750, which may apply for a grant on behalf of a resident EMS provider to secure financial assistance for emergency response capacity. The comptroller will determine grant awards based on the proximity of the rural community to a level 1 trauma facility, the per capita taxable property value, per capita income and unemployment rate. For counties with a population under 10,000, the maximum grant award is US$500,000; for counties with populations between 10,000 and 68,750, the cap is US$350,000. Funds awarded must be used exclusively for the purchase of ambulances and approved modifications or accessories. Grants will be awarded directly to the applying counties, and each county is limited to one grant. The comptroller is responsible for establishing guidelines for the application process, deadlines for spending and disbursement and procedures for monitoring disbursement and ensuring compliance. These rules must be established by January 1, 2026, at which time the application period will become open to qualified counties. Counties have 30 days after their first fiscal day to apply. A grant award must not impact the ambulance service budget for the following fiscal year.

Practical effect: HB 3000 seeks to improve equity in emergency care by establishing targeted financial support for rural EMS providers.

State operations, oversight and regulatory reform

HB 12 Review and audit of state agency operations

Mandates that Sunset reports for regulatory agencies, including those governing healthcare, include a 10-year analysis of agency performance based on established measures and targets, with an evaluation of those measures. HB 12 directs the Sunset Advisory Commission, in consultation with the Legislative Budget Board, to recommend improvements to each agency's key performance measures, which may include adding, amending or removing them. It authorizes the Commission to recommend limited reviews of agencies before their next Sunset review. Provides that such reviews focus on public participation, conflict of interest enforcement and elimination of ineffective rules. The legislation requires each agency to report its progress on implementing adopted recommendations, with specific timelines and reporting requirements outlined in the bill. It mandates that the State Auditor, with Legislative Audit Committee approval, schedule efficiency audits for all entities subject to Sunset review and exempt those agencies from internal audits in years when such audits occur. Agencies must cover the audit costs and submit an implementation plan within 90 days, which must include justification for any recommendations they choose not to adopt and ensure that audit findings and related reports are made publicly available. Regulatory agencies must notify licensees of upcoming Sunset reviews and solicit input on agency performance.

Practical effect: HB 12 requires state agencies to undergo performance evaluations and efficiency audits to improve operations and accountability. It promotes earlier corrective action and public input in the Sunset review process and aims to eliminate waste, strengthen rulemaking and ensure agencies meet performance goals.

SB 14 The Regulatory Reform and Efficiency Act

Establishes the Texas Regulatory Efficiency Office (TREO) within the Office of the Governor to streamline state agency rulemaking, reduce unnecessary regulations and improve public access to regulatory information. SB 14 provides that TREO will work with other agencies, develop plain-language guides and be supported by an advisory panel. TREO is required to report to state leadership by December 1 of each even-numbered year and to maintain a searchable website for agency rules. The legislation increases transparency by requiring proposed rules to invite public input on costs and effects and mandates that rule texts be written in plain language. It expands procedural requirements for adopting rules, sets a two-year limit for procedural challenges and modifies judicial review standards to allow courts to review legal questions independently. Courts are explicitly ***not required*** to give deference to a state agency's legal determination regarding the construction, validity or applicability of the law or a rule adopted by the state agency. Under the General Appropriations Act, the Governor's Office is allocated more than US$8 million over the 2026-2027 biennium to establish TREO. This appropriation also authorizes 18 additional full-time staff positions each fiscal year to support the implementation of SB 14 during this period (SB 1 Art. III, Sec. 18.36).

Practical effect: SB 14 creates the Texas Regulatory Efficiency Office. Unlike federal efforts, the Texas Legislature has provided statutory authority under SB 14 to increase procedural requirements for agency rulemaking, which has the potential to increase regulatory uncertainty by explicitly providing that courts are not required to give deference to agency rules.

SB 502 HHSC OIG commissioned peace officers

Amends the Code of Criminal Procedure and the Government Code to classify officers commissioned and employed by the HHSC OIG as peace officers and state employees aligning their status, pay, and benefits with other Texas law enforcement personnel. SB 502 also extends special injury leave benefits to OIG officers injured in the line of duty and requires the State Auditor's Office to classify OIG investigators as Schedule C positions for the state budget period beginning September 1, 2025, through September 1, 2027.

Practical effect: SB 502 strengthens the enforcement capabilities of the HHSC OIG by formally recognizing OIG officers as both peace officers and state employees, enabling the agency to offer more competitive salaries and better attract and retain qualified professionals.

Tax exemption for charitable organizations

HB 2525 Property tax exemption for charitable organizations

Amends the Tax Code to limit an entity's ability to claim an exemption, for those entities that specifically provide permanent housing and related social, healthcare and educational facilities for individuals who are 62 or older. HB 2525 adds an additional requirement to qualify which sets a floor for the exemption by requiring that such an entity must provide charitable housing and services in an amount not less than four percent of the organization's net resident revenue. The legislation adds an additional requirement for continuing to qualify for such exemption by limiting it to charitable organizations that have been in existence for at least 20 years or are under common control with an organization that otherwise qualifies under the statute.

The legislation applies prospectively and is effective January 1, 2026.

Practical effect: Charitable organizations qualifying for property tax exemption under Section 11.18 of the Tax Code now must ensure that at least four percent of the organization's net resident revenue is directed towards providing the services for which the exemption is granted. Only those entities that have been in existence for 20 years or more, or which are affiliated with such an entity can continue to qualify for the exemption. This will significantly raise costs for these charitable organizations.

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