THE 89TH TEXAS LEGISLATURE

A Summary from the Texas Academy of Family Physicians

By Helen Kent Davis

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STATE ISSUES

The 89th Legislature adjourned *sine die* on June 2, 2025. Lawmakers filed 8,719 bills, excluding joint and concurrent resolutions, and passed 1,027, or 12% of bills filed. Governor Abbott vetoed 28 bills in addition to one line-item veto of a budget rider within the 2026-27 biennial budget, striking $60 million allocated to support implementation of summer food assistance.

On June 23, the day following the veto deadline, the governor announced a special session scheduled to begin on July 21 to address outstanding legislative issues, including regulation of THC-containing products. Governor Abbott vetoed Senate Bill 13 banning the sale of such products, a highly unexpected action. Other issues on the call that will be of interest to organized medicine include abortion, redistricting, and flood management. The governor has the purview to subsequently amend the call to add new issues.

Biennial Budget

Senate Bill 1, 2026-27 biennial budget, and House Bill 500, 2024-2025 Supplemental Funding Bill

green = new dollars; purple = increase to existing program; red = decrease; black = level funding

GR = general revenue; AF = all funds, meaning state and federal dollars

Texas' comptroller, Glen Hager, announced on January 13, 2025, that state budget writers would have $195 billion general revenue available to spend for the 2026-27 biennium, including a "once in a generation" budget surplus of $25 billion, much of which came from unexpended balances from the 2024-25 biennium.

Texas' healthy financial balance, however, belied its $18.3 billion ledger of recurring and substantial existing financial obligations, including property tax reductions, criminal justice obligations, and school funding. After deducting these expenses, budget writers were left with about $6.7 billion to allocate. Moreover, budget writers must allocate dollars according to multiple statutory and constitutional spending limits.

In addition to the above, the comptroller forecast the state's economic stabilization fund, also known as the Rainy Day account, would have $26 billion by September 1, 2025, the state of Texas' 2026 fiscal year. To

spend these dollars, a supermajority of legislators within both chambers must approve withdrawals from the fund.

Prior to the session's start, the governor and legislative leadership identified border security, property tax reductions, school vouchers, and water infrastructure as top funding priorities, leaving less available to meaningfully address Texas' growing access to care challenges. Moreover, throughout the budget debate, the backdrop of every discussion was Congress' efforts to enact deep Medicaid and other health care cuts, contributing to lawmakers' aversion to investments in Texas health care delivery.

TAFP did achieve a major budget victory: $5 million to expand family medicine obstetrics postgraduate training opportunities, among other budget gains, as outlined below.

	2026-27 Biennium SB 1	**2024-25 Biennium**	**2024-25 Biennium Supplemental Funding HB 500**
Biennial budget (federal and state funds)	$338 billion (AF) (requested: $347 billion, AF)	$332.96 billion (AF)	$13.2 billion (AF)
State general revenue	$149.1 billion (GR)	$149.1 billion (GR)	n/a
Health agencies **(HHSC, DSHS, DFPS)**	$105.7 billion (AF) (Requested $115.5 billion)	$101.65 billion (AF)	n/a
Medicaid	$82.8 billion (AF)/$32.1 billion (GR)	$80.8 billion (AF); $31.1 billion (GR)	$750 million (GR) (HB500)

HEALTH AND HUMAN SERVICES COMMISSION

Eligibility and enrollment

- $386 million (AF) to upgrade the state's aging eligibility system, the Texas Integrated Eligibility Redesign System (TIERS), to ensure state meets federal timeliness standards for Medicaid, CHIP and SNAP eligibility determinations (included within base budget; fulfills HHSC exception item request)
- $23 million (AF) and 14.7 FTEs to enhance the Medicaid Provider Enrollment Management System. (Rider 28)

Rural health

- $63 million (AF) to maintain $1,500 add-on payment for rural hospital labor and delivery services (Rider 8)

- $50 million (GR) for rural hospital innovation grants plus $50 million to maintain existing rural hospital stabilization grants. Hospitals can use dollars to recruit and retain obstetrical care physicians and to improve maternal health outcomes
- $20 million (GR) to improve rural hospital pediatric teleconnectivity
- $25 million (GR) to Texas Tech University to implement a rural cancer collaborative (HB 500)
- $4 million (GR) to West Texas A&M University to support a behavioral health workforce initiative to increase supply of mental health professionals in the Panhandle (HB 500)

Women's and maternal health

- $460.6 million (AF) women's health programs, +$10 million dedicated to caseload growth (Rider 75)
  - $268.6 million: Healthy Texas Women (HTW)
  - $152.4 million: Family Planning Program (+$7.4 m)
  - $24.6 million: Breast and Cervical Cancer (+$995k)
- $9.6 million to maintain HTW Plus
- $20 million (GR): expand mobile women's health units ($10 million increase), particularly for the panhandle, West Texas and East Texas
- $180 million (GR): (+$40 million) for Thriving Texas Families (previously Alternatives to Abortion) plus $20 million (GR) allocated within HB 500
- HTW short form application — Requires HHSC to develop a new Healthy Texas Women Short Form Application to simplify HTW enrollment, subject to federal approval (Rider 76)
- $5 million (GR) in new grant dollars support community entities working to improve maternal health outcomes (Rider 77)
- $2.75 million (GR-dedicated account, opioid abatement) to replace federal funds needed to maintain the Maternal Misuse Opioid (MOMs) pilot in Houston and expand to Dallas
- $13.6 million to increase rates for targeted Maternal Fetal Medicine Radiological Services by 10% (Rider 24)
- See also rural hospital maternity hospital add on payments (above)

SNAP and nutrition programs

- ~~$60 million (AF)~~ to implement Summer Electronic Benefits Transfer, which will allow Texas to provide grocery assistance during the summer months for families of school-aged children who are eligible for the National School Lunch Program. However, funding contingent upon Texas' federal SNAP match rate remaining the same as of May 30, 2025. If federal funding changes, the allocation becomes void. Congress is currently considering substantial SNAP funding reductions that could jeopardize Summer EBT (see federal update below). (Sec. 17.30, Article IX) ***vetoed***
- Authorizes Medicaid managed care organizations to offer nutritional support services in lieu of services within Medicaid state plan if the services are clinically appropriate and cost effective (Rider 35)

Behavioral health

- $1.45 billion (AF) for community mental health (Rider 43):
  - $804.7 million (AF) adult services, -$97.8 million
  - $263 million (AF) children's services, +$41.7 million
  - $386.8 million (AF) mental health crisis services, +$53.2 million
  - $235.5 million (AF), community mental health grants, +$4.5 million
- $500 million (AF) substance abuse treatment, -$54 million
- $100 million (AF) for community-based mental health grants, subject to availability of local matching dollars (HB 500), and limited to initiatives related to expanding jail diversion initiatives, step-down facilities, permanent supportive housing, crisis stabilization units, and crisis respite units
- $175 million (AF) for inpatient mental health capital improvements (HB 500)
- $15.85 million (GR) to establish children's hospital construction grant program to boost pediatric mental health inpatient capacity; grant funding subject availability of local matching dollars (HB 500)
- $54 million for Youth Crisis Mobile Outreach Teams, +$40 million
- $31 million to increase payments for applied behavioral analysis to improve access to autism services (Rider 30)
- Inpatient and outpatient partial hospitalization Medicaid benefit (not funded)
- $4 million (GR) to West Texas A&M University to support a behavioral health workforce initiative to increase supply of mental health professionals in the Panhandle (HB 500)

Access, coverage, and benefits

- $10 million (GR) to pilot coverage initiative for uninsured and uninsured Texans diagnosed with colorectal cancer (Rider 92)
- $61.7 million via transfer authority to implement federal Medicaid access to care rules (Rider 26)
- Diabetes Prevention Study — Directs HHSC in conjunction with DSHS to evaluate the cost-effectiveness of a diabetes prevention initiative for Medicaid patients at risk of developing Type 2 diabetes; legislative report due November 1, 2026 (Rider 38)
- $1 million (GR) 2024-25 grant to support preventive, primary and specialty care for indigent adults and children in the Houston area (discontinued)
- House proposal to improve vision screenings among children birth to 4 years old (not funded)

Payment rates

- $1.5 million (AF) to support increased licensing costs relating to forecasting and payment rate setting (HB 500)
- Medicaid dental payment rate reallocation — HHSC must reallocate payments for specified codes followed by established a uniform rate increase for others, subject to limitations (Rider 39)
- Increases base wages for personal attendants to $13/hour in addition to costs associated with increases for payroll, taxes, and benefits (Rider 23)
- Requires HHSC to conduct evaluation of pediatric extended care service rates (Rider 36, new)

Cost containment

- $550 million (AF) HHS cost containment, $100 million more than the 2024-25 biennium (Rider 33)

DEPARTMENT OF STATE HEALTH SERVICES

- $40 million (GR) to sustain FQHC incubator efforts (included within base budget)
- $10 million (GR), +$3 million (GR) to support maternal health quality and safety initiatives, including sharing models of high-risk maternal care coordination services and implementing a risk assessment tool to identify pregnant women who are at a higher risk for poor pregnancy (Rider 19)
- $5.6 million (GR) to improve timeliness of maternal and child health data (HB 500)
- $8.4 million (GR) to support efforts to combat rising rates of congenital syphilis (within DSHS Strategy A.2.2) (DSHS requested $13.3 million)
- $18.2 million for tobacco control; level funding, but $2.75 million less than DSHS budget request
- $163.7 million (GR) for adult safety net program to immunize uninsured children and adults, -$12 million less than DSHS biennial funding request
- $32.4 million for chronic disease prevention, matching DSHS budget request
- $463.9 million for HIV/STD prevention, $15.78 million less than requested

HEALTH CARE WORKFORCE

Medicine

- $304 million (GR) to sustain graduate medical education expansion, a $70 million (GR) increase (Rider 29)
- Maintains GR funding for:
  - Family Medicine Residency Program: $16.5 million
  - Primary Care Preceptorship Program: $4.85 million
  - Rural Training Tracks: $3 million
  - Family Practice Rural Rotation Programs: $227,000
- $200,000 (GR) to the Texas Higher Education Coordinating Board to study the education and retention of obstetricians and gynecologists (Rider 64)
- $5 million in new funding (GR) to support existing and invest in new family medicine obstetrics postgraduate training opportunities (Rider 67)

Behavioral health

- $5 million (GR) to fund a Behavioral Health Innovation Grant Program at THECB to support behavioral health professional recruitment, training, and retention programs via grants to public community colleges (Rider 66)

Nursing

- $46.8 million (GR) to maintain professional nursing shortage reduction program (Rider 21)
- $6 million (GR) to sustain nurse education innovation program (Rider 52)

Rural

- $30 million (GR) for the Texas A&M Rural Community Engagement Program, +$15 million (Texas A&M University System, Rider 14)

Health Care Professional Loan Repayment (Rider 42, THECB)

- $13 million (GR) new funding for nurse loan repayment
- Maintains existing GR loan repayment levels for:
  - Physicians: $35.5 million (GR)
  - Mental health professionals: $28 million (GR); however, more MH professionals will be eligible (see SB 646)
  - Nurse faculty: $7 million (GR)

Texas Child Mental Health Care Consortium

- $10.8 million (GR) increase for TCMHC, with revisions to allocations within the strategy, including:
  - $18.6 million (GR) increase for the Texas Child Access Through Telemedicine (TCATT)
  - $10.6 million (25%) (GR) decrease for the Community Mental Health Workforce expansion component of the Texas Child Mental Health Care Consortium
  - $3.7 million (GR) increase for TCMHCC funding for child and adolescent psychiatry fellowships.
- TCMHC also received carry forward authority for any unexpended balances with current biennium.

All Payer Claims Database

- $9 million (GR) to fulfill the APCD operational vision. APCD must maintain an online public portal, respond to research requests and issue biennial reports addressing 1) trends in statewide health care expenditures, with detailed analysis of medical and pharmaceutical costs; 2) trends in health care utilization and accessibility; 3) measures of health care quality; 4) incidence and prevalence of chronic diseases; and 5) comparative analysis of state-funded health care services and major cost drivers across and among state agencies providing state health care services. (Rider 12, UT Health Science Center at Houston).

Legislation

Enhancing efficiency and easing administrative burdens

- HB 38 (Rep. John Bucy) would have modernized the state's 2-1-1 system, known as the Texas Information and Referral Network (TIRN), including assessments for people with non-medical drivers of health, disaster preparedness and response. *Status: Passed House, died in the Senate.*

- HB 321 (Rep. John Bucy/Sen. Nathan Johnson) would have notified parents when their children enrolled in the Supplemental Nutrition Assistance Program appear to also qualify for Medicaid, empowering parents to enroll their children in coverage if they chose. *Status: Died in the Senate.*
- SB 921 (Senator Kevin Sparks/Rep. Candy Noble) would have prohibited Texas Medicaid *ex parte* renewals using unverified income data from the Supplemental Nutrition Assistance Program (SNAP) or other sources, a current practice. *Status: Died in the House.*
- SB 961 (Sen. Lois Kolkhorst) would have increased Medicaid fraud prevention. TPCC and its partners raised concerns about the bill, as filed, but the committee substitute resolved them. *Status: Died in the House.*
- SB 1266 (Senator Carol Alvarado) streamlines Medicaid provider enrollment and credentialing by establishing a help center within the state Medicaid agency for practices struggling to complete the enrollment or revalidation process. *Status: Effective September 1, 2025.*
- HB 3151 (Rep. Lacy Hull/Sen. Molly Cook) expedites credentialing for federally qualified health centers contracting with Medicaid managed care plans. *Status: Effective September 1, 2025.*

Advancing value-based care, accountability and transparency

- HB 2254 (Rep. Lacey Hull/Sen. Sparks) allows primary care physicians or a primary care physician group to voluntarily contract on a value-based or capitated basis with a preferred provider organization, mirroring the same opportunity for HMOs. *Status: Effective immediately.*

Improving maternal health

- HB 136 (Rep. Hull/Sen. Alvarado) establishes lactation consultants as a separate Medicaid provider type who can provide services directly to postpartum women. *Status: Effective September 1, 2025*.
- HB 1201 (Rep. Christian Manuel) would establish a Medicaid pilot to evaluate the potential clinical and cost-effectiveness benefits of allowing women to choose a doula to provide non-clinical coaching services during pregnancy and postpartum women. *Status: Died in the Senate.*
- HB 3917 (Rep. Toni Rose) would have allowed Medicaid to reimburse for up to four perinatal depression screening exams, instead of one, aligning Medicaid policy with best practices to help detect and treat mood disorders among postpartum mothers. *Status: No hearing scheduled.*

Improving mental health

- HB 1716 (Rep. Drew Darby)/SB 469 (Sparks) would allow Texas Medicaid to reimburse services provided by supervised mental health professionals seeking master's level certification, including marriage and family therapists. *Status: Died in the Senate.*
- SB 646 (Senator Royce West and Rep. Aicha Davis) Expands eligibility for the state's mental health professional loan repayment program to licensed master social workers, licensed professional counselor associates, licensed marriage and family therapist associates, and certified school counselors. *Status: Effective September 1, 2025.*

Reducing Chronic Disease

- SB 25 (Sen. Kolkhorst/Rep. Lacy Hull) Seeks to reduce chronic disease rates among Texans by establishing new Texas-specific nutrition guidelines, which will be developed by the new Texas Nutrition Advisory Council, increasing nutrition education among health care professionals and K-8 students, and students seeking an associate or bachelor's degree. The bill will also increase physical education requirements among school-aged children.

  All licensed physicians, physician assistants, and nurses who renew their Texas licenses will be required to complete CE regarding nutrition and metabolic health in accordance with the bill. For physicians, the Texas Medical Board will determine the number of hours and curriculum based on the recommendations developed by the new advisory committee. TMB must adopt rules by December 31, 2026, and apply only to license renewal applications filed on or after January 1, 2027. The bill also establishes new CE for licensed dieticians. *Status: Effective September 1, 2025.*

Treating non-medical drivers of health

- HB 26 (Rep. Hull/Sen. Kolkhorst) Allows Medicaid managed care organizations to provide evidence-based mental health and substance use services or medical nutrition counseling and education services "in lieu of" services, which are services provided as alternatives to traditional Medicaid benefits, with the goal of improving health outcomes. Furthermore, allows HHSC to establish a pilot with a Medicaid MCO evaluating use of medically necessary tailored meals for high-risk pregnant women. *Status: Effective September 1, 2025.*
- HB 821 (Rep. Diego Bernal) Would have established a Texas Grocery Access Investment Fund to provide financing to construct, rehabilitate or expand grocery stores in low- and moderate-income communities. *Status: Died in House subcommittee.*
- HB 2946 (Rep. Tom Oliverson, MD) Would have allowed Medicaid to implement nutritional support programs as well as other initiatives to improve access to nutritious foods for enrollees, with the goal of reducing chronic disease. *Status: No hearing set.*

Strengthening Texas' health care workforce

HB 3800 (Rep. Angelia Orr/Sen. Sparks) Requires the Texas Workforce Commission to create an advisory board with members from institutions of higher education, health-care-related entities, and local workforce development boards. The board will develop a resource guide to help facilitate collaborations among health care providers and such institutions to better identify and address local health care workforce needs. The bill stems from recommendations from the governor's Texas Healthcare Workforce Task Force, convened in 2024 to examine the state's health care workforce shortage. *Status: Effective September 1, 2025.*

HB 3801 (Rep. Orr/Sen. Cook) Brings relevant state agencies and other stakeholders together to conduct a comprehensive examination of the health professions workforce and develop a strategic plan for defining objectives for health care workforce planning by establishing the Health Professions Workforce Coordinating Council. Like HB 3800, the recommendation grew out of deliberations from the Texas Healthcare Workforce Task Force. *Status: Effective September 1, 2025.*

- SB 1998 (Sen. Joan Huffman/Rep. Joanne Shofner) adds pediatric subspecialties to the primary care preceptorship program to expose more medical students to pediatric subspecialty care, for which there is a statewide shortage (Texas Pediatric Society initiative). *Status: Effective immediately.*

Rural health

- HB 18 (Rep. Gary Van Deaver/Sen. Charles Perry) codifies rural hospital grant programs and provides additional resources to sustain rural hospital financial integrity. Additionally, authorizes new innovation grants to support rural hospitals with improving access to high-quality health care, including recruiting and retaining obstetrical care physicians and other programs to support rural health care delivery. Budget allocates $100 million in grants, including $50 million for innovation and $50 million for rural hospital sustainability. *Status: Effective immediately.*

Health delivery reform

- HB 138 (Rep. Jay Dean/Sen. Paul Bettencourt) establishes a new Health Impact, Cost, and Coverage Analysis Program within the Center for Health Care Data at the UT Health Science Center, Houston, which will prepare analyses on the potential impact of new mandated benefit legislation on public and private health plans' utilization, costs, quality and population health, among other criteria. The lieutenant governor, speaker of the House, or the chair or vice chair of the legislative committee of jurisdiction may request an analysis regardless of whether the legislature is in session. *Status: Effective immediately.*
- HB 139 (Rep. Dean) Establishes employer choice benefit plan, group health benefit plans for employers that partially or fully excludes mandated health benefits, but that provides "creditable coverage." *Status: Died on House floor.*
- HB 1314 (Rep. Hillary Hickland/Sen. Bryan Hughes) Requires health care facilities to provide via email an estimate of the facility's billed charges for any elective inpatient admission or nonemergency outpatient surgical procedure no later than five business days after receiving a request. The facility must include information about how to dispute final billed charges if they exceed the specified amount by more than $400. Facilities that fail to comply may not penalize the patient, such as reporting to a credit bureau. Repeals requirement that DSHS publish a web-based consumer guide to health care pricing, billing, and other related information. *Status: Effective September 1, 2025.*
- HB 3812 (Rep. Greg Bonnen/Sen. Kelly Hancock): Streamlines health plan prior authorization requirements and improves utilization review accountability. *Status: Effective September 1, 2025.*
- HB 3940 (Rep. Ann Johnson/Sen. Angela Paxton) Requires HHSC to develop an annual written notice to Medicaid MCOs and clinicians and facilities that provide treatment to pregnant women and newborns reminding them that Medicaid claims for newborn services can be submitted to the MCO using the mother's Medicaid number until the baby receives his or her own. *Status: Effective September 1, 2025.*
- SB 926 (Sen. Kelly Hancock/Rep. James Frank) Allows health plans to encourage the use of certain physicians and health care providers and rank physicians. *Status: Effective September 1, 2025.*

- SB 1318 (Sen. Charles Schwertner/Rep. Greg Bonnen) Establishes restrictions on use of covenants not to compete in employment contracts with physicians, dentists, nurses and physician assistants, specifying, among other changes, that such covenants cannot be enforced unless 1) the practitioner is offered a buyout not greater than their total annual salary and wages at time of termination; 2) expires no later than one year after termination of the contract; and 3) no more than a 5 mile radius of the clinician's primary practice location at time of employment termination. *Status: Effective September 1, 2025.*

Health care workforce

- HB 2856 (Rep. Howard/Sen. Judith Zaffirini) Requires Texas Higher Education Coordinating Board to evaluate the feasibility of developing regional portals to assist nurses and other health professionals reserve clinical rotations at health care facilities to complete clinical training. *Status: Effective immediately.*

Maternal and child health

- HB 713 (Rep. Howard/Sen. Flores) Allows nurses to review unredacted maternal mortality and morbidity data without being reporting any potential misconduct by a health professional identified within the records. Prior to the change, nurses could face disciplinary action for failure to make such a report. The change will expedite reviews conducted by the state's Maternal Mortality and Morbidity Review Committee, which otherwise cannot review records until completion of the redaction for each record. *Status: Effective immediately.*
- HB 5155 (Rep. Rose/Sen. Kolkhorst) Continues authority for Maternal Opioid Misuse (MOMS) pilot, for which Texas received federal funds to establish program in Houston. Funding within the budget will continue Houston pilot and expand additional site to Dallas. Status: Effective September 1, 2025.
- SB 31 (Sen. Bryan Hughes/Rep. Bobby Geren) Establishes exceptions for medically necessary abortions based on a physician's reasonable medical judgment. Physicians will now be allowed to address life threatening conditions before the risk they pose becomes imminent or that the pregnant women suffer physical impairment prior to providing the abortion. "Life threatening" is defined as capable of causing death or being potentially fatal. However, the life-threatening condition must not necessarily be actively harming the patient.

  As a condition of licensure, physicians that provide obstetrical care, including emergency services, will be required to obtain CME regarding Texas laws governing pregnancy-related medical emergencies. TMB must approve or offer a free online and in-person course by Jan. 1, 2026. The bill allows courses to be developed by physician organizations, medical schools, or other approved providers. CME must address allowable exclusions to Texas' abortion prohibitions, such as ectopic pregnancies, abortion prohibitions and exceptions based on medical emergencies. what did and did not constitute an abortion, including exclusions for ectopic pregnancy and spontaneous abortion. *Status: Effective immediately.*

- SB 33 (Sen. Campbell/Rep. Candy Noble) Prohibits taxpayer resources transactions to facilitate or assist women leave Texas to obtain an abortion, meaning providing financial support, travel planning, accommodations, meals, etc.; logistical support; or collecting or distributing an abortion-inducing drug to increase access to such drugs. Additionally, the bill allows a Texas resident, in addition to the attorney general, to bring an action against an entity or individual who violates the law. *Status: Effective September 1, 2025.*

Vaccines

- HB 1586 (Rep. Hull/Sen. Kolkhorst) Directs DSHS to make a printable version of the state's school-based vaccine exemption form available to the public on its website, making it easier for parents to assert a religious or conscientious objection. Under current law, parents must request a copy via mail. The printable form will no longer contain a seal or other security device to prevent reproduction of the form, but DSHS will track the number of times the form is accessed (however, without a security device, it will be easy to print the document without downloading it again). DSHS will continue to track exemption requests. *Status: Effective September 1, 2025.*
- HB 3441 (Rep. Shelley Luther/Sen. Bob Hall) Establishes new cause of action for vaccine manufacturers that advertise a harmful vaccine. *Status: Effective September 1, 2025.*
- HB 4535 (Rep. John McQueeney/Sen. Hancock) Requires clinicians to obtain informed consent prior to administering COVID-19 vaccine using a state-developed standardized form specifying the benefits and risks, including side effects, among other disclosures. Failure to comply can result in disciplinary action by a health professional's licensing board. *Status: Effective September 1, 2025.*

Scope of practice/licensure

- HB 479 (Rep. Frank/Sen. Brent Hagenbuch) Establishes a licensing pathway with reduced requirements for former military physicians who left service within the past 12 months. *Status: Effective September 1, 2025.*
- HB 2038 (Rep. Oliverson/Sen. Sparks) Establishes new Texas Medical Board licensing requirements for the practice of medicine by international medical graduates and physician graduates (physicians who do not successfully match for residency). *Status: Effective September 1, 2025.*
- HB 3794 (Rep. Darby) Would have authorized independent practice by advanced practice registered nurses. *Status: Died in House committee.*
- SB 911(Sen. Blanco) Would have authorized independent practice by advanced practice registered nurses for APRNs meeting specified collaborative practice and training requirements. *Status: No hearing scheduled.*
- SB 2695 (Sen. Kolkhorst) Would have established a Rural Admission Medical Program RAMP, like the Joint Admission Medical Program, to recruit and support highly qualified rural high school students in counties of 25,000 or fewer seeking to attend medical school. Initially included a pathway to medical school for APRNs with specified rural experience, but provision removed. *Status: Died on House calendar.*

- SB 3055 (Sen. Middleton) Similar to SB 911, authorizing independent APRN practice subject to meeting specified collaborative practice hours and training. *Status: Died in Senate committee.*

Mandatory continuing education for physicians and health care professionals

- HB 5114 (Rep. Cunningham) would have required mandatory CME for physicians on adoption laws. *Status: Died. No hearing set.*
- SB 2357 (Sen. Perry) would have mandated maternal health training for physicians and other clinicians regarding inpatient maternal safety initiatives, similar to those already included within the TexasAIM maternal health safety bundles adopted by the majority for Texas' maternity care hospitals. *Status: Passed Senate, died in House Public Health Committee.*
- SB 2626 (Sen. Donna Campbell, MD) would have required physicians and nurses to obtain at least one hour of CME/CNE on ectopic pregnancy, pregnancy-related medical emergencies and other pregnancy complications. *Status: Died in House Public Health Committee.*
- SB 2826 (Sen. Tan Parker) Would have required CME for all physicians regarding medical child abuse education. *Status: Heard in Senate Health and Human Services Committee but left pending.*

Texas Legislative Interim – Sunset Review of Health and Human Service Agencies

State law requires all state agencies to undergo periodic review by the Sunset Advisory Commission to determine whether the agency should be maintained, abolished, or consolidated with another. The commission consists of 12 members — five senators, five representatives, and two members of the public. During the 2025-26 legislative interim, the commission will review each health-related agency.

- Texas Health and Human Services Commission
- Department of State Health Services
    - Maternal Mortality and Morbidity Review Committee
    - Perinatal Advisory Council
- Department of Family and Protective Services
- Texas Health Services Authority

In developing its recommendations, the commission will solicit public input, beginning with invitation-only stakeholder interviews in the fall of 2025 followed by public hearings in early 2026. The commission will submit its legislative report to lawmakers in late 2026 from which lawmakers will develop sunset legislation pertaining to each agency's continuation or not.

FEDERAL ISSUES

On July 4, President Trump signed into law the One Big Beautiful Bill Act (OBBBA). Over the next decade, it will cut nearly $2 trillion from health care and nutrition programs.

Specifically, the bill cuts at least $863 billion from Medicaid and the Children's Health Insurance Program (CHIP), $300 billion from the Affordable Care Act (ACA), $500 billion from Medicare, and another $300 billion from the Supplemental Nutrition Assistance Program (SNAP).

Medicaid, CHIP, and the ACA insure 25% of Texans, offering comprehensive benefits such as preventive and primary care, maternity care, specialty services, and hospital care. Specifically:

- Texas Medicaid and CHIP covers 4.1 million Texans, 83% of whom are children, pregnant and postpartum mothers, parents living in extreme poverty, and uninsured women diagnosed with breast or cervical cancer. The remainder are people with disabilities and seniors.
- ACA plans cover 3.97 million Texans, a 255% increase since 2020 — the highest gain in the country.

OBBBA is a complicated bill, using a spider web of red tape and wonky financing restrictions to curtail coverage. Some provisions impact only Medicaid expansion states, such as new mandatory Medicaid work requirements, while others apply to all states. Nationwide, 10.9 million would lose ACA, Medicaid, or CHIP health insurance due to enactment of OBBBA.[1] However, ACA-related regulatory changes would add another 4.2 million to that figure, for a total of 16 million.

Here at home, an estimated **1.9 million Texans will lose coverage over the next decade,** mostly due to ACA provisions, including failure to extend enhanced premium tax credits and shorter enrollment period. Millions more would face higher monthly health insurance premiums and out-of-pocket costs.

The bill will increase the national deficit by more than $3 trillion. As a result, the bill will trip statutory PAYGO — pay as you go — cuts in Medicare, amounting to 4% beginning in 2026. OBBBA did not exempt Medicare from the PAYGO impact though could address it later. Moreover, the bill will cut Medicare benefits for eligible green card enrollees currently enrolled and who pay into the system.

Combined, the uncompensated care costs triggered by the bill will steadily increase for Texas' health care safety net clinics and facilities as they cope with more uninsured patients. These clinics and facilities already operate on thin financial margins. Many have not regained their financial footing following the pandemic. As a result, for many, keeping their doors open will require painful decisions, such as limiting services. Some will close regardless. Safety-net systems benefit all Texans, providing primary care, maternity care, trauma services, and mental health care, so all Texans would feel the brunt.

SNAP cuts will result in as many as 800,000 Texans becoming at risk of losing some or all food assistance, including 683,000 Texans in families with children and 123,000 Texans ages 54 to 64. The estimate does not consider any additional impact if Texas declines to pay additional costs.[2]

OBBBA proponents argued the bill's intent was to reduce wasteful and fraudulent spending in Medicaid, CHIP, ACA, and SNAP. While no one disagrees with efforts to ensure judicious use of taxpayer dollars, there is not $1.1 trillion in waste, fraud, or abuse in these programs.

Below are highlights of major provisions within the bill that would directly impact Texas.

MEDICAID AND CHIP PROVISIONS

Halt rules streamlining Medicaid eligibility and enrollment

The Centers for Medicaid and Medicare Services adopted two sets of rules over the past two years to remove barriers to Medicaid enrollment and renewals. Together, the rules are known as the Eligibility and Enrollment Final Rule, with provisions that impact every type of Medicaid beneficiary. To give states time to comply, CMS set the effective date of many reforms in 2026 or later. OBBBA precludes the Secretary of Health from implementing the rules until 2034, impacting Texans by:

- preserving the CHIP 90-day waiting period, forcing families to wait three months before their child gains coverage. As of July 2025, Texas was one of only two states with this policy;
- retaining CHIP annual and life-time benefit limits, impacting families whose children have complex medical needs or sustain a traumatic injury resulting in large medical expenses; and
- hindering low-income seniors and people with disabilities covered by Medicare from getting financial help from Medicaid to pay for Medicare premiums and copays.

The final bill provided an exception, allowing provisions of the rule already implemented to continue, including auto-enrollment of certain SSI recipients into the Qualified Medicare Beneficiary group.

Curtail Medicaid help for Texans with high medical bills

Under current law, if a person who enrolls in Medicaid incurred high medical costs in the three months prior to enrollment, Medicaid will retroactively pay them (if it is a Medicaid benefit), such as when a low-income woman incurred costs for treatment of breast or cervical cancer or for a child who needed surgery and inpatient care for a traumatic injury. For non-expansion states, OBBBA shortens this coverage to two months.

Freeze and limit supplemental funding dollars generated via provider taxes

Forty-nine states use provider taxes to supplement state Medicaid spending, using the dollars to offset hospital uncompensated care costs and to sustain critical services, such as rural maternal health and pediatric specialty care. OBBBA freezes these taxes at 2025 levels for the next decade, hindering Texas from adapting its Medicaid funding to the health care needs of a rapidly growing population, while also putting safety net facilities in financial peril.

The bill also will grandfather and rollback payments made via directed payment programs (DPPs). Medicaid managed care organizations pay eligible contracted facilities and providers for DPPs approved by CMS. Texas operates multiple DPPs, benefiting rural and children's hospitals, behavioral health systems, rural health clinics and physicians practicing within academic health systems. Under OBBBA, DPP payments paid at

average commercial rates will be reduced by 10% each year beginning January 1, 2028, until they equal Medicare rates plus 10% for non-expansion states.

ACA-RELATED PROVISIONS

End Enhanced Premium Tax Credits (EPTCs)

In 2021, Congress enacted legislation to enhance and expand EPTCs, making affordable coverage available to more people in more income brackets. EPTCs fueled ACA enrollment growth, particularly helping rural Texans, small business owners and entrepreneurs. Yet, EPTCs will expire at the end of 2025 and OBBBA does not extend them. Congress could still do so separately. On average, Texas premiums would increase 75% to 183% and more than double in 28 of 38 congressional districts.[3]

Reinstate cost sharing reduction (CSR) payments to Marketplace plans

The ACA requires participating plans to offset out-of-pocket costs for people with low to moderate incomes. However, in 2017, those payments ended when the first Trump administration argued Congress made no appropriation for them. After cutting CSR payments, Marketplace plans raised premiums for certain products to offset their costs for reducing cost-sharing as required by law. Yet, this paradoxically resulted in lower premium costs for most people because premium tax credits also simultaneously increased. OBBBA reinstates the CSR payments.[4]

Eliminate the special enrollment period (SEP)

Today, Texans with incomes below $24,000 (150% FPL for an individual) can enroll in the ACA at any time, helping Texans who may frequently change jobs or work seasonally get coverage when they need it. Without SEP, people must wait until the next open enrollment to gain coverage.

Prohibit use of "passive reenrollment" for people receiving Advance Premium Tax Credits (APTC)

Under current rules, people enrolled in a Marketplace plan and receiving financial assistance — the majority of enrollees — will be reenrolled into the same plan during the open enrollment period to promote continuity of coverage. However, OBBBA requires patients to actively choose a plan to continue receiving the APTC. Yet, without the APTC, most people will not be able to afford their coverage.

Shorten annual ACA open enrollment

Today, open enrollment runs Nov. 1 to Jan 15. OBBBA (and separately, adopted rules) will close open enrollment on Dec. 15, right in the middle of busy holiday schedules, increasing the likelihood more people would miss the deadline. Rules implementing the change took effect in June.

Preclude enrollment by certain lawfully present immigrants, including refugees and asylum seekers

RURAL HEALTH TRANSFORMATION

Establishes a $50 billion Rural Health Transformation Fund

This provision allocates $50 billion to CMS to distribute to states between fiscal years 2026 and 2030. Half of the dollars must be distributed equally among all states, though to receive funding a state must submit and receive approval for a grant. The remaining $25 billion will be distributed based on a formula that considers a state's rural population, percent of all rural health facilities located in the state, and hospitals that serve a disproportionate number of low-income patients with special needs.

Grants are not exclusive to rural hospitals. They can be used to promote health care interventions, pay for services, expand health care workforce, and provide technical or operational assistance to promote system transformation.

This provision became effective upon enactment, with funding first available in fiscal year 2026. States must submit initial grants by Dec. 31, 2025.

MEDICARE PROVISIONS

Mandatory sequestration cuts of $500 billion

Current law triggers mandatory cuts to Medicare and other programs if a spending bill increases the federal deficit, which OBBBA will do, adding more than $3 trillion over 10 years. If Congress takes no additional action to halt the cuts, CMS will be required to reduce Medicare spending by 4% or $500 billion over 10 years, beginning with about $45 billion in reductions in 2026.

Restricts Medicare eligibility

Eliminates Medicare eligibility for certain people currently covered, including people with temporary protected status, refugees and asylum seekers.

Physician payment increase

Doctors will see a temporary increase in the physician fee schedule conversion factor by 2.5% for all services furnished between January 1, 2026, and January 1, 2027. The bill does not include the House-backed provision to provide a Medicare physician payment update built into baseline Medicare rates.

DIRECT PRIMARY CARE

Clarifies direct primary care (DPC) arrangements are not health plans

Beginning January 1, 2026, specified DPCs will not be considered health plans, allowing individuals covered by these arrangements to be eligible for a health savings account. However, the bill stipulates this will only apply if the fixed periodic fees for DPC do not exceed $150 monthly, or $300 monthly where more than one individual is covered. DPCs not considered health plans are limited to those offering primary care services, and do not include:

- services that require general anesthesia,
- prescription drugs, except for vaccines, and
- laboratory services not typically administered in an ambulatory primary care setting.

DPC fees will be considered a medical expense rather than the payment of insurance, allowing them to be paid for with HSA funds.

PHYSICIAN AND HEALTH PROFESSIONAL LOAN FORGIVENESS

Caps federal graduate student loans

OBBBA will replace the Grad PLUS loans with a $200,000 aggregate borrowing limit for medical school, well below the average cost to attend.

SNAP PROVISIONS

Reduce SNAP federal funding by 30% over 10 years

This will be the largest decrease in history, with states expected to pay the difference. This will increase Texas' share of administrative costs from 50% to 75%, costing Texas $87 million per year. It also requires Texas to pay a portion of SNAP benefits for the first time, estimated to be 15% or $1.08 billion per year beginning in 2028. Costs to states would vary based on the administrative "error rate."

Amend existing work requirements

SNAP recipients must work, go to school, or volunteer, with exceptions. OBBBA amends the standards, redefining parents with dependent children to mean those whose children ages 6 or younger instead of age 18. The bill also would require older Texans to continue to work through the age of 64 instead of 54.

Preclude state waivers from work requirements

Today, states can seek waivers for work requirements for communities with high unemployment rates. OBBBA removes that option.

Disqualifies refugees and lawfully present immigrants

Eliminates SNAP-ED

This provides families education on nutrition, but OBBBA would halt funding for this activity.

Eliminates regular updates to the Thrifty Food Plan

The U.S. Department of Agriculture creates four food plans to model the cost of buying food on a limited budget while still eating healthily. The thrifty plan is the thriftiest. USDA by law must update the reference pricing every five years. OBBBA eliminates this requirement.

1. How Will the 2025 Reconciliation Bill Affect the Uninsured Rate in Each State? Allocating CBO's Estimates of Coverage Loss | KFF
2. Expanded Work Requirements in House Republican Bill Would Take Away Food Assistance from Millions: State and Congressional District Estimates | Center on Budget and Policy Priorities
3. Congressional District Interactive Map: How Much Will ACA Premium Payments Rise if Enhanced Subsidies Expire? | KFF
4. Effects of Alternative Insurer Responses to Discontinued Federal Cost-Sharing Reduction Payments: Broad Loading as an Alternative to Silver Loading