2025 Health Care Affordability State Policy Snapshot

TEXAS

ADDRESS CONSOLIDATION AND PROMOTE COMPETITION	**Consolidation Oversight**	**Facility Fee Limits**	**Anti-Competitive Contract Provisions**		
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HEALTHCARE VALUE HUB

State Has Active Legislation

State Does Not Have Active Legislation

The Health Care Value Hub ("the Hub") is proud to launch the 2025 Health Care Affordability Policy Snapshot ("Affordability Snapshot"). The Affordability Snapshot provides legislators, consumer advocates, regulators and other interested parties a tool to compare their state's health policies across other states.

The categories examined in this resource explore a variety of policy options that impact health care affordability. Policies were examined for whether they were active, implemented to a limited degree, or not active as of June 1, 2025. Sources for this information can be found in the downloadable **Data and Source Document available on the Dashboard page. Definitions and descriptions for each policy category can be found in the Glossary.**

The Hub offers online and hands-on support with staff dedicated to understanding health care policy and connecting advocates and other interested parties together to help build a patient-centered, high-value healthcare system. As a research-based organization, the Hub takes a comprehensive approach to improving affordability through policy analysis, translation, visualization, and collaborative engagement. We encourage advocates, legislators, and other stakeholders to share our findings to improve consumer health care affordability across the states.

Address Consolidation and Promote Competition

Consolidation Oversight

Policy	Status as of June 2025	Summary
Transaction Notification Required	⊗ Does not require health systems or providers to notify the state of consolidation transactions	
Authority to Modify or Reject Consolidation Transactions	⊗ Does not have authority to approve, set conditions, or disapprove consolidation transactions	
Affordability Criteria included in Transaction Review	⊗ Does not include consumer affordability or price growth in review criteria, approval conditions, or both	

● State Has Active Policy or Program ◉ Policy or Program Partially Implemented ⊗ State Does Not Have an Active Policy or Program ✱ No Source, or Limited Information Found

Address Consolidation and Promote Competition

Facility Fees

Policy	Status as of June 2025	Summary
Prohibits Facility Fees	State prohibits provider from charging a facility fee for specified procedures, care settings, or both	Texas prohibits providers from charging facility fees for drive-thru services at freestanding emergency departments.
Facility Fee Transparency Laws	State requires providers to disclose facility fees to consumers, requires off-campus outpatient departments to identify the physical location where care was provided on claims forms, or both	Freestanding emergency departments must disclose facility fees in multiple formats and circumstances, including in writing at the point of care, in signage at the facility, and online.
Limits Cost-Sharing for Facility Fees	The state has no laws that limit the amount a patient may be billed out-of-pocket for facility fees	

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Address Consolidation and Promote Competition

Anti-Competitive Contract Provisions

Policy	Status as of June 2025	Summary
Restricts All-or-Nothing Contract Provisions	Law restricts All-or-Nothing contract provisions	Texas prohibits All-or-Nothing clauses in contracts with providers.
Restricts Anti-Tiering and Anti-Steering Contract Provisions	Law restricts Anti-Tiering or Anti-Steering contract provisions	Texas prohibits anti-steering and anti-tiering provisions in contracts between health organizations and providers.
Restricts Physician Noncompete Clauses	Non-competes for physicians limited by statute	Texas allows noncompete agreements in physician employment contracts if it meets select criteria related to continued treatment of previous patients. Effective September 1, 2025, Texas physician noncompetes must be limited to one year, cover no more than a 5-mile radius, allow continued care for acute patients, provide access to patient lists and records, and include a buyout option (SB 1318).
Restricts Most-Favored Nation Contract Provisions	Law restricts Most Favored Nation contract provisions	Texas prohibits Most Favored Nation clauses in provider network contracts.

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Medical Debt Prevention

Balance Billing and Short-Term Insurance

Policy	Status as of June 2025	Summary
Prohibits Balance Billing for Ground Ambulance Services	Prohibits balance billing for out-of-network ground ambulance services	Texas has established balance bill protections that extend to both public and private ground ambulance services, the original bill SB 2476 was set to expire September 1, 2025. On June 20, 2025, bill SB 916 was signed into law to extend ground ambulance protections until September 1, 2027. Protections do not extend to non-emergency transport.
Prohibits Short-Term, Limited Duration Health Plans	Short-term, limited duration health plans are not prohibited or eliminated	

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Medical Debt Prevention

Charity Care and Community Benefit

Policy	Status as of June 2025	Summary
Mandated Hospital Charity Care	State law requires hospitals to provide free or discounted care to low-income patients and sets standards for eligibility (see notes)	Texas requires hospitals to establish charity care policies that provide charity care to residents whose annual income is up to 200% of the Federal Poverty Level (FPL).
Hospital Charity Care Screening Requirements	State does not require health care providers to screen patients for Medicaid, Marketplace, or charity care eligibility before collecting payment	
Hospital Charity Care Notification Requirement	State does not require health care providers to notify patients of charity care options before collecting payment	
Hospital Community Benefit Reporting Requirement	State law requires hospitals to annually report the amount of charity care provided	Texas requires hospitals to submit an annual report detailing the total amount of charity care, government-sponsored indigent health care, and community benefits provided. It also needs to show net patient revenue and whether the hospital met its charity care and community benefits requirements.

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Medical Debt Prevention

Reducing Financial Consequences

Policy	Status as of June 2025	Summary
Mandates Waiting Prior to Collections	⊗ State law does not require a waiting period before sending medical debts to collections	
Limits on Liens or Foreclosures due to Medical Debt	● State law prohibits initiating a lien or foreclosure to collect medical debt	Texas has an unlimited homestead exemption, which protects residents from losing their homes due to debt.
Limits Wage Garnishment due to Medical Debt	● State law exceeds federal wage garnishment protections for residents with medical debt	In Texas, wage garnishment is generally prohibited for consumer debts, including medical bills. However, there are specific exceptions where garnishment is allowed such as court-ordered child support payments and alimony.
Limits on the Amount of Interest Charged to Medical Debt	⊗ The state has not enacted a law to limit interest rates for medical debt	

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Curb Excess Costs in the System

Premium Rate Review

Policy	Status as of June 2025	Summary
Effective Rate Review per Centers for Medicare and Medicaid Services (CMS)	Has an effective rate review process	
Authority to Modify or Reject Premium Rate Increases	Does not have the authority to modify or reject premium rate increases	
Affordability Criteria Included in Premium Rate Review	Does not incorporate affordability criteria into premium rate review	

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Curb Excess Costs in the System

Hospital Price Regulation

Policy	Status as of June 2025	Summary
Medicare Reference-Based Pricing	⊗ State does not use reference-based pricing tied to Medicare rates to regulate hospital pricing	
Hospital Global Budgets	⊗ State has not implemented hospital global budgets	

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Curb Excess Costs in the System

Affordable Coverage

Policy	Status as of June 2025	Summary
Public Option	⊗ State does not offer an active public option insurance plan	
Public Option Includes Provider Participation Mandate	⊗ State does not does not offer a public option, with or without a participation mandate	
Basic Health Plan	⊗ State does not operate a Basic Health Plan	
State-Based Premium Subsidies	⊗ State does not offer supplementary state-funded premium subsidies	

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Curb Excess Costs in the System

Prescription Drug Pricing

Policy	Status as of June 2025	Summary
Biologic Substitution Laws: Prescriber Permission Requirements	State does not require express authorization for biologic substitution	
Biologic Substitution Laws: Prescriber Notification Requirements	Pharmacists are required to notify prescribers of biologic substitution	Pharmacists in Texas are required to notify the prescribing physician of a substitution within three business days.
Drug Purchasing Consortium	State does not participate in a drug purchasing consortium*	
Drug Coupon Prohibitions	State does not prohibit the use of drug manufacturer coupons*	
MCO Carve Out	State Medicaid carves out any drug classes from their MCO benefits (see notes)*	As of July 1, 2023, Texas carves out the following drugs/classes from MCO benefits: Hemophilia factor, hepatitis C antivirals, oncology/CAR-T drugs, spinal muscular atrophy agents, and other select drugs.
FFS Policies to Promote Generic Utilization: Mandatory Generics	Medicaid Fee-for-Service (FFS) programs and pharmacists are required to substitute a generic version of a drug	Texas has policies or tools to promote mandatory generics.

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Curb Excess Costs in the System

Prescription Drug Pricing

Policy	Status as of June 2025	Summary
Supplemental Rebate Programs	Medicaid Pharmacy Supplemental Rebate Agreement (SRA) in place	
Drug Rebate Transparency and Reporting Requirements	Pharmacy benefit managers are required to report rebate data to the state	
Spread Pricing Restrictions	State prohibits pharmacy benefit managers from engaging in spread pricing	Texas prohibits spread pricing in Medicaid MCO contracts.
Pharmacy Reimbursement and Clawbacks	State does not prohibit PBMs from retroactively reducing reimbursement to pharmacies (“clawbacks”)	
Cost-Disclosure and Gag Clause Restrictions	State law prohibits gag clauses in pharmacy contracts	
Prohibits Copay Accumulator Programs	State prohibits copay accumulator programs	

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Curb Excess Costs in the System

Medicaid Costs

Policy	Status as of June 2025	Summary
Medical Loss Ratio Remittances for Medicaid Managed Care Population	⊗ State does not require MLR remittances for its Medicaid managed care population	Texas does not have MLR remittance requirements in place.
Medicaid Site Neutral Payments	⊗ State has not enacted Medicaid site neutral payment legislation	Texas introduced HB985 to included Medicaid site natural payments, but it was not passed.

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Medicaid Services and Immigrant Coverage

Medicaid Administration

Policy	Status as of June 2025	Summary
Medicaid Managed Care	State partners with MCOs to operate their Medicaid program	Texas MCOs provide coverage to recipients enrolled in the STAR program which covers low-income children, pregnant women, and families. Additionally, MCOs provide coverage to some dual eligible recipients.
Medicaid Vendor — Eligibility and Enrollment	State contracts with a vendor for Medicaid enrollment or eligibility	
Integrated Medicaid-Medicare	State integrates Medicare-Medicaid to coordinate care for the dually eligible population	Texas has either or a combination of both highly integrated or fully integrated dual eligible special needs programs (HIDE/FIDE), as well as program of all-inclusive care for the elderly (PACE).

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Medicaid Services and Immigrant Coverage

Medicaid Covered Services

Policy	Status as of June 2025	Summary
Medicaid Coverage for Fertility Services	⊗ State Medicaid program does not cover infertility treatments or fertility preservation services	
Medicaid Coverage for Doula Services	⊗ The state Medicaid program does not reimburse doula services	
Medicaid Coverage for Abortion Care	⊗ State Medicaid program does not cover abortion care in their benefits package	
Medicaid Coverage for Transition-Related Care	⊗ State Medicaid program explicitly excludes coverage of transition-related care for adults	
Medicaid Coverage for Hearing Aids	◉ State Medicaid program covers hearing aids for some, but not all, adults (see notes)	One hearing aid device is provided to adults with at least 35 dB hearing loss in both ears once every five years.
Medicaid Coverage for Eye Exams and Glasses	◉ State Medicaid program covers only eye exams or eyeglasses but not both, or biannually or less frequently, or restricts coverage based on age or health condition (see notes)	Exams and glasses covered biannually.
Medicaid Coverage for Dental Services	◉ State Medicaid program covers some dental services for adults (see notes)	Texas Medicaid offers no dental coverage for adults unless they are enrolled in specific waivers: STAR+PLUS HCBS waiver, 1115 Demonstration Waiver, or IDD 1915c waivers (HCS, TxHmL, CLASS, DBMD).

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Medicaid Services and Immigrant Coverage

Medicaid Eligibility

Policy	Status as of June 2025	Summary
Medicaid Expansion	⊗ State has not expanded Medicaid eligibility to 138% FPL	
Retroactive Medicaid	● State retroactively extends Medicaid benefits 90 days prior to application date for all adult enrollees	
Adult Medicaid Continuous Eligibility	⊗ State has not authorized 12-month continuous eligibility for non-pregnant adult Medicaid enrollees*	
12-Month Postpartum Coverage	● State has authorized 12-month postpartum Medicaid coverage	
Medicaid Available to People who are Incarcerated	⊗ State has not authorized Medicaid coverage for justice-involved individuals while they are in a correctional setting*	
Medicaid ABD Asset Limits	⊗ State has not expanded the asset limit for Medicaid for the Elderly and Disabled eligibility beyond $2,000 for an individual applicant and $3,000 for joint applicants	
Medicaid ABD Life Insurance Exemption	⊗ Life insurance exemption limits do not exceed $1,500	
Medicaid ABD Retirement Account Exemptions	● State exempts both applicants' and spouses' retirement savings from Medicaid eligibility determinations	Applicant and/or spouse's retirement account must be in payout status (i.e. generating monthly income) in order to be exempt.

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Medicaid Services and Immigrant Coverage

Immigrant Coverage

Policy	Status as of June 2025	Summary
From Conception to End of Pregnancy (FCEP)	Covers pregnancy-related services through the CHIP From-Conception-to-End-of-Pregnancy (FCEP) Option and post-partum coverage	Texas extends postpartum coverage to 12 months for parents covered under the CHIP *From Conception to End of Pregnancy* option.
Immigrant Children without a Five-Year Bar	State offers coverage for lawfully residing immigrant children without a five-year bar	
Pregnant Immigrants without a Five-Year Bar	Does not offer coverage for lawfully residing pregnant immigrants without a five-year bar	
State-Funded Coverage for Children Regardless of Citizenship Status	Does not offer coverage for children regardless of immigration status	
State-Funded Coverage for Adults Regardless of Citizenship Status	Does not offer coverage for adults regardless of immigration status	

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Improve Oversight, Accountability, and Transparency

All-Payer Claims Database

Policy	Status as of June 2025	Summary
Established an All-Payer Claims Database (APCD)	State has a(n) all-payer or multi-payer claims database	
All-Payer Claims Database (APCD) Operated by the State	APCD is operated by the state	

Prescription Drug Affordability Board

Policy	Status as of June 2025	Summary
Established Prescription Drug Affordability Board (PDAB)	The state has not established or passed legislation to establish a prescription drug affordability board	
Prescription Drug Upper Payment Limits	The state has not established Upper Payment Limits for prescription drugs	

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Improve Oversight, Accountability, and Transparency

Price Transparency

Policy	Status as of June 2025	Summary
Service Cost Price Transparency Tool	State has a public-facing price transparency tool that reports negotiated rates	
Prescription Drug Price Reporting Requirement	Organizations are required to report prescription drug price information to a state entity	Drug manufacturers must annually report wholesale acquisition costs (WAC) for approved drugs with a WAC of at least $100 for a 30-day supply to the executive commissioner of the Department of Health and Human Services. Additionally, a manufacturer must submit pricing information for price increases of 40% or more over three years or 15% or more over one year.

Health Care Spending Oversight

Policy	Status as of June 2025	Summary
Health Care Spending Benchmark	State has not established a health care spending benchmark for providers, insurance carriers, or both	
Authority to Enforce Health Care Spending Benchmark	State has not established a health care spending benchmark, with or without enforcement mechanisms	
Hospital or Primary Care Spending Oversight Entity	State does not monitor and report hospital spending, primary care spending, or both	

State Has Active Policy or Program | Policy or Program Partially Implemented | State Does Not Have an Active Policy or Program | * No Source, or Limited Information Found

Reduce Cost-Sharing for Patients

Reduce Cost-Sharing: Prescription Drugs

Policy	Status as of June 2025	Summary
Waives or Reduces Cost-Sharing for Diabetes Medications	State has enacted legislation to limit cost-sharing for insulin, diabetes related equipment, or both	Texas caps the out-of-pocket cost for a 30-day supply of prescription insulin at $25.00, regardless of the amount or type of insulin needed to fill the prescription.
Waives or Reduces Cost-Sharing for Asthma Inhalers	State has not enacted legislation limiting cost-sharing for asthma inhalers	
Waives or Reduces Cost-Sharing for Epinephrine Auto-Injectors	State has not enacted legislation to limit cost-sharing for prescription epinephrine autoinjector(s)	
Waives or Reduces Cost-Sharing for Specialty Drugs	State has not enacted legislation to limit cost-sharing for specialty drugs	

Reduced Cost-Sharing: Behavioral Health

Policy	Status as of June 2025	Summary
Waives or Reduces Cost-Sharing for an Annual Behavioral Health Office Visit	State does not require private insurers to cover at least one annual mental health wellness exam without cost-sharing	

State Has Active Policy or Program | Policy or Program Partially Implemented | State Does Not Have an Active Policy or Program | * No Source, or Limited Information Found

Reduce Cost-Sharing for Patients

Reduced Cost-Sharing: Preventive Care

Policy	Status as of June 2025	Summary
Waives Cost-Sharing for Preventive Services Recommended by the U.S. Preventive Services Task Force (USPSTF)	⊗ State does not mandate private insurers cover USPSTF recommended preventive services without cost-sharing	

Reduced Cost-Sharing: Maternal and Reproductive Health Care

Policy	Status as of June 2025	Summary
Individual and Small Group Health Plans Required to Cover Fertility Treatment	◉ The state requires individual and small group health plans to offer coverage for fertility preservation services, but not for in-vitro fertilization	Texas requires health insurance plans to provide coverage for fertility preservation services for individuals undergoing treatments that may cause impaired fertility. Texas also requires group health plans with pregnancy related benefits to *offer* coverage for in-vitro fertilization for patients who meet specific criteria, but does not mandate that carriers provide coverage for all enrollees.
Individual and Small Group Health Plans Required to Cover Doula Services	⊗ State does not require private health insurers to cover doula services for enrollees	
Individual and Small Group Health Plans Required to Cover Abortion Services	⊗ The state does not require individual and small group health plans to cover abortion services	

● State Has Active Policy or Program ◉ Policy or Program Partially Implemented ⊗ State Does Not Have an Active Policy or Program ✱ No Source, or Limited Information Found

Reduce Cost-Sharing for Patients

Reduced Cost-Sharing: Cancer Screening and Testing Services

Policy	Status as of June 2025	Summary
Waives or Reduces Cost-Sharing for Colorectal Cancer Screenings	State law requires insurers to cover colorectal cancer screening but allows cost-sharing	Texas requires health insurance carriers operating in the state to cover all colorectal cancer examinations, preventive services, lab tests, and medically necessary follow-up colonoscopies. Cost-sharing is allowed under certain plans.
Waives or Reduces Cost-Sharing for Follow-Up Colorectal Cancer Screening Exams	State law requires insurers to cover follow-up colorectal cancer screening but allows cost-sharing	Texas requires health insurance carriers operating in the state to cover all colorectal cancer examinations, preventive services, lab tests, and medically necessary follow-up colonoscopies. Cost-sharing is allowed under certain plans.
Waives or Reduces Cost-Sharing for Lung Cancer Screenings	State law does not require coverage or waive cost-sharing for lung cancer screening exams*	

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Reduce Cost-Sharing for Patients

Reduced Cost-Sharing: Cancer Screening and Testing Services

Policy	Status as of June 2025	Summary
Waives or Reduces Cost-Sharing for Cervical Cancer Screenings	State law requires insurers to cover cervical cancer screening but allows cost-sharing	
Waives or Reduces Cost-Sharing for Breast Cancer Screenings	State law requires insurers to cover breast cancer screening but allows cost-sharing	
Waives or Reduces Cost-Sharing for Supplementary Breast Cancer Screenings	State law requires insurers to cover supplementary breast cancer screening but allows cost-sharing	Legislation introduced during Texas' 2025 session would have prohibited cost-sharing for diagnostic and supplementary breast cancer screenings, but the bill was unsuccessful.

State Has Active Policy or Program | Policy or Program Partially Implemented | State Does Not Have an Active Policy or Program | * No Source, or Limited Information Found

Reduce Cost-Sharing for Patients

Reduced Cost-Sharing: Cancer Screening and Testing Services

Policy	Status as of June 2025	Summary
Waives or Reduces Cost-Sharing for Prostate Cancer Screenings	State law requires insurers to cover prostate cancer screening but allows cost-sharing	
Waives or Reduces Cost-Sharing for Ovarian Cancer Screening	State law requires insurers to cover ovarian cancer screening but allows cost-sharing	
Waives or Reduces Cost-Sharing for Biomarker Testing for Cancer	State requires coverage of biomarker testing for cancer screening but allows cost-sharing	Texas requires health benefit plans, including individual, group, HMO, and Medicaid plans, as well as employer-sponsored and exchange plans cover biomarker testing, The law does not prohibit cost-sharing.

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