

1-1 By: Oliverson, et al. (Senate Sponsor - Hancock) H.B. No. 3414  
1-2 (In the Senate - Received from the House May 1, 2023;  
1-3 May 1, 2023, read first time and referred to Committee on Health &  
1-4 Human Services; May 15, 2023, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;  
1-6 May 15, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 3414 By: Hancock

1-19 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to the statewide all payor claims database.  
1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-23 SECTION 1. Section 38.402(7), Insurance Code, is amended to  
1-24 read as follows:  
1-25 (7) "Payor" means any of the following entities that  
1-26 pay, reimburse, or otherwise contract with a health care provider  
1-27 for the provision of health care services, supplies, or devices to a  
1-28 patient:  
1-29 (A) an insurance company providing health or  
1-30 dental insurance;  
1-31 (B) the sponsor or administrator of a health or  
1-32 dental plan;  
1-33 (C) a health maintenance organization operating  
1-34 under Chapter 843;  
1-35 (D) the state Medicaid program, including the  
1-36 Medicaid managed care program operating under Chapter 533,  
1-37 Government Code;  
1-38 (E) a health benefit plan offered or administered  
1-39 by or on behalf of this state or a political subdivision of this  
1-40 state or an agency or instrumentality of the state or a political  
1-41 subdivision of this state, including:  
1-42 (i) a basic coverage plan under Chapter  
1-43 1551;  
1-44 (ii) a basic plan under Chapter 1575; ~~and~~  
1-45 (iii) a primary care coverage plan under  
1-46 Chapter 1579; and  
1-47 (iv) a plan providing basic coverage under  
1-48 Chapter 1601; or  
1-49 (F) any other entity providing a health insurance  
1-50 or health benefit plan subject to regulation by the department.  
1-51 SECTION 2. Section 38.403, Insurance Code, is amended by  
1-52 amending Subsections (b) and (d) and adding Subsection (e) to read  
1-53 as follows:  
1-54 (b) The advisory group created under this section must be  
1-55 composed of:  
1-56 (1) the state Medicaid director or the director's  
1-57 designee;  
1-58 (2) a member designated by the Teacher Retirement  
1-59 System of Texas;  
1-60 (3) a member designated by the Employees Retirement

2-1 System of Texas; and  
 2-2 (4) 13 [~~12~~] members designated by the center,  
 2-3 including:  
 2-4 (A) two members representing the business  
 2-5 community, with at least one of those members representing small  
 2-6 businesses that purchase health benefits but are not involved in  
 2-7 the provision of health care services, supplies, or devices or  
 2-8 health benefit plans;  
 2-9 (B) two members who represent consumers and who  
 2-10 are not professionally involved in the purchase, provision,  
 2-11 administration, or review of health care services, supplies, or  
 2-12 devices or health benefit plans, with at least one member  
 2-13 representing the behavioral health community;  
 2-14 (C) two members representing hospitals that are  
 2-15 licensed in this state;  
 2-16 (D) two members representing health benefit plan  
 2-17 issuers that are regulated by the department;  
 2-18 (E) two members who are physicians licensed to  
 2-19 practice medicine in this state, one of whom is a primary care  
 2-20 physician; [~~and~~]  
 2-21 (F) two members who are not professionally  
 2-22 involved in the purchase, provision, administration, or review of  
 2-23 health care services, supplies, or devices or health benefit plans  
 2-24 and who have expertise in:  
 2-25 (i) health planning;  
 2-26 (ii) health economics;  
 2-27 (iii) provider quality assurance;  
 2-28 (iv) statistics or health data management;  
 2-29 or  
 2-30 (v) medical privacy laws; and  
 2-31 (G) one member representing an institution of  
 2-32 higher education.  
 2-33 (d) Except as provided by Subsection (e), members [~~Members~~]  
 2-34 of the stakeholder advisory group serve fixed terms as prescribed  
 2-35 by commissioner rules adopted under this subchapter.  
 2-36 (e) A member representing an institution of higher  
 2-37 education under Subsection (b)(4)(G) serves a term of one year.  
 2-38 SECTION 3. Section 38.404, Insurance Code, is amended by  
 2-39 adding Subsection (c-1) to read as follows:  
 2-40 (c-1) Notwithstanding Subsection (c), the center may not  
 2-41 require a payor to collect or otherwise obtain from individuals  
 2-42 covered by the payor data that is not included in a standard claim  
 2-43 form, though the center may require submission of such data if it is  
 2-44 otherwise collected by the payor, including provider and  
 2-45 eligibility files.  
 2-46 SECTION 4. Section 38.405(c), Insurance Code, is amended to  
 2-47 read as follows:  
 2-48 (c) Any information or data that is accessible through the  
 2-49 portal created under this section:  
 2-50 (1) must be segmented by type of insurance or health  
 2-51 benefit plan in a manner that does not combine payment rates  
 2-52 relating to different types of insurance or health benefit plans;  
 2-53 (2) must be aggregated by like Current Procedural  
 2-54 Terminology codes and health care services in a statewide,  
 2-55 regional, metropolitan statistical, zip-code, or geozip area; and  
 2-56 (3) may not identify a specific patient, health care  
 2-57 provider, health benefit plan, health benefit plan issuer, or other  
 2-58 payor.  
 2-59 SECTION 5. Subchapter I, Chapter 38, Insurance Code, is  
 2-60 amended by adding Section 38.4055 to read as follows:  
 2-61 Sec. 38.4055. APPLICATION FOR ACCESS TO CERTAIN DATA OR  
 2-62 INFORMATION IN DATABASE. (a) An entity seeking to access data or  
 2-63 information that is contained in the database but not accessible  
 2-64 through the portal described by Section 38.405 must submit an  
 2-65 application to the center for access to that data or information.  
 2-66 The application must include:  
 2-67 (1) the sources and identity of all funding and  
 2-68 funders of the research the entity will perform;  
 2-69 (2) the names of all individuals who may have access to

3-1 the data or information that is contained in the database but not  
 3-2 accessible through the portal described by Section 38.405, and any  
 3-3 affiliations those individuals have with entities other than the  
 3-4 entity submitting the application;  
 3-5 (3) the proposed study, research, or project that the  
 3-6 entity plans to undertake and the purpose of the study, research, or  
 3-7 project, including any anticipated final product from the study,  
 3-8 research, or project;  
 3-9 (4) how the proposed research will further the  
 3-10 purposes of this subchapter, improve the quality of care, or reduce  
 3-11 the cost of care;  
 3-12 (5) a description of the proposed methodology;  
 3-13 (6) a description of the publication method of the  
 3-14 manuscripts, reports, or other forms of output from the research;  
 3-15 and  
 3-16 (7) for access to data that would require such an  
 3-17 approval, an institutional review board determination letter that  
 3-18 is an approval or an approval with modifications.  
 3-19 (b) The center shall review and make a determination on all  
 3-20 applications in a timely manner.  
 3-21 (c) If the center denies an application, the center must  
 3-22 identify with particularity the deficiencies in the application.  
 3-23 SECTION 6. Sections 38.406(a) and (b), Insurance Code, are  
 3-24 amended to read as follows:  
 3-25 (a) Information that may identify a patient is confidential  
 3-26 and subject to applicable state and federal law relating to records  
 3-27 privacy and protected health information, including Chapter 181,  
 3-28 Health and Safety Code, and is not subject to disclosure under  
 3-29 Chapter 552, Government Code. Except as provided by Subsection  
 3-30 (b), any [Any] information that may identify a [patient,] health  
 3-31 care provider, health benefit plan, health benefit plan issuer, or  
 3-32 other payor is confidential and subject to applicable state and  
 3-33 federal law relating to records privacy and protected health  
 3-34 information, including Chapter 181, Health and Safety Code, and is  
 3-35 not subject to disclosure under Chapter 552, Government Code.  
 3-36 (b) A qualified research entity with access to data or  
 3-37 information that is contained in the database but not accessible  
 3-38 through the portal described in Section 38.405:  
 3-39 (1) may use the data or information contained in the  
 3-40 database only for purposes consistent with the purposes of this  
 3-41 subchapter and must use the data or information in accordance with  
 3-42 standards, requirements, policies, and procedures established by  
 3-43 the center in consultation with the stakeholder advisory group;  
 3-44 (2) may not sell or share any data or information  
 3-45 contained in the database; and  
 3-46 (3) may report or publish data or information that  
 3-47 identifies one or more health care providers, health benefit plans,  
 3-48 health benefit plan issuers, or other mandatory payors only if the  
 3-49 report or publication is made available to the public at no cost  
 3-50 [not use the information contained in the database for a commercial  
 3-51 purpose].  
 3-52 SECTION 7. Section 38.408, Insurance Code, is amended to  
 3-53 read as follows:  
 3-54 Sec. 38.408. REPORT TO LEGISLATURE. Not later than  
 3-55 September 1 of each even-numbered year, the center shall submit to  
 3-56 the legislature a written report containing:  
 3-57 (1) an analysis of the data submitted to the center for  
 3-58 use in the database;  
 3-59 (2) information regarding the submission of data to  
 3-60 the center for use in the database and the maintenance, analysis,  
 3-61 and use of the data;  
 3-62 (3) recommendations from the center, in consultation  
 3-63 with the stakeholder advisory group, to further improve the  
 3-64 transparency, cost-effectiveness, accessibility, and quality of  
 3-65 health care in this state; ~~and~~  
 3-66 (4) an analysis of the trends of health care  
 3-67 affordability, availability, quality, and utilization;  
 3-68 (5) a list of approved applications;  
 3-69 (6) a list of disapproved applications with the

4-1 justification required by Section 38.4055(c); and  
4-2 (7) a list of all applications that were neither  
4-3 approved nor disapproved by the 91st day after the application was  
4-4 submitted, including the particular reasons why each application  
4-5 was not approved or disapproved within that timeframe.

4-6 SECTION 8. The Center for Healthcare Data at The University  
4-7 of Texas Health Science Center at Houston is required to implement a  
4-8 provision of Subchapter I, Chapter 38, Insurance Code, as amended  
4-9 by this Act, only if the legislature appropriates money  
4-10 specifically for that purpose. If the legislature does not  
4-11 appropriate money specifically for that purpose, the center may,  
4-12 but is not required to, implement a provision of that subchapter  
4-13 using other money available for that purpose.

4-14 SECTION 9. This Act takes effect immediately if it receives  
4-15 a vote of two-thirds of all the members elected to each house, as  
4-16 provided by Section 39, Article III, Texas Constitution. If this  
4-17 Act does not receive the vote necessary for immediate effect, this  
4-18 Act takes effect September 1, 2023.

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