

1-1 By: Shaheen (Senate Sponsor - Zaffirini) H.B. No. 541
 1-2 (In the Senate - Received from the House May 9, 2025;
 1-3 May 12, 2025, read first time and referred to Committee on Health &
 1-4 Human Services; May 26, 2025, reported favorably by the following
 1-5 vote: Yeas 8, Nays 0; May 26, 2025, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
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 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the provision of direct patient care by physicians and
 1-20 health care practitioners.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter F, Chapter 162, Occupations Code, is
 1-23 transferred to Subtitle A, Title 3, Occupations Code, redesignated
 1-24 as Chapter 117, Occupations Code, and amended to read as follows:

1-25 CHAPTER 117 [SUBCHAPTER F]. DIRECT PATIENT [PRIMARY] CARE

1-26 Sec. 117.001 [162.251]. DEFINITIONS. In this chapter
 1-27 [subchapter]:

1-28 (1) "Direct fee" means a fee charged by a physician or
 1-29 health care practitioner to a patient or a patient's designee for
 1-30 health [primary medical] care services provided by, or to be
 1-31 provided by, the physician or practitioner to the patient. The term
 1-32 includes a fee in any form, including a:

- 1-33 (A) monthly retainer;
- 1-34 (B) membership fee;
- 1-35 (C) subscription fee;
- 1-36 (D) fee paid under a direct patient care [medical
 1-37 service] agreement; or

1-38 (E) fee for a service, visit, or episode of care.

1-39 (2) "Direct patient [primary] care" means a health
 1-40 [primary medical] care service provided by a physician or health
 1-41 care practitioner to a patient in return for payment in accordance
 1-42 with a direct fee. The term includes telemedicine medical services
 1-43 and telehealth services, as those terms are defined by Section
 1-44 111.001, provided using a technology platform.

1-45 (3) "Direct patient care agreement" means a signed
 1-46 written agreement under which a physician or health care
 1-47 practitioner agrees to provide health care services to a patient in
 1-48 exchange for a direct fee for a period of time that is entered into
 1-49 by the physician or practitioner and:

- 1-50 (A) the patient;
- 1-51 (B) the patient's legal representative,
 1-52 guardian, or employer on behalf of the patient; or
- 1-53 (C) the patient's legal representative's or
 1-54 guardian's employer on behalf of the patient.

1-55 (4) "Health care practitioner" means an individual who
 1-56 holds a license, certificate, permit, or other authorization issued
 1-57 under this title to engage in a health care profession and who
 1-58 provides health care in the ordinary course of business or practice
 1-59 of a profession. The term does not include a physician.

1-60 (5) "Health care service" means any care, service, or
 1-61 procedure provided by a physician or health care practitioner. The

2-1 term includes any medical or psychological diagnosis, treatment,
 2-2 evaluation, advice, or other service that affects the structure or
 2-3 function of the human body [~~"Medical service agreement" means a~~
 2-4 ~~signed written agreement under which a physician agrees to provide~~
 2-5 ~~direct primary care services for a patient in exchange for a direct~~
 2-6 ~~fee for a period of time that is entered into by the physician and:~~

2-7 [~~(A) the patient,~~
 2-8 [~~(B) the patient's legal representative,~~
 2-9 ~~guardian, or employer on behalf of the patient, or~~
 2-10 [~~(C) the patient's legal representative's or~~
 2-11 ~~guardian's employer on behalf of the patient].~~

2-12 (6) [~~(4)~~] "Physician" means a person licensed to
 2-13 practice medicine in this state. The term includes a professional
 2-14 association or professional limited liability company owned
 2-15 entirely by an individual licensed under Subtitle B [~~this~~
 2-16 ~~subtitle~~].

2-17 [~~(5) "Primary medical care service" means a routine or~~
 2-18 ~~general health care service of the type provided at the time a~~
 2-19 ~~patient seeks preventive care or first seeks health care services~~
 2-20 ~~for a specific health concern, is a patient's main source for~~
 2-21 ~~regular health care services, and includes:~~

2-22 [~~(A) promoting and maintaining mental and~~
 2-23 ~~physical health and wellness,~~

2-24 [~~(B) preventing disease,~~

2-25 [~~(C) screening, diagnosing, and treating acute~~
 2-26 ~~or chronic conditions caused by disease, injury, or illness,~~

2-27 [~~(D) providing patient counseling and education,~~
 2-28 ~~and~~

2-29 [~~(E) providing a broad spectrum of preventive and~~
 2-30 ~~curative health care over a period of time.]~~

2-31 Sec. 117.002 [~~162.252~~]. APPLICABILITY OF CHAPTER
 2-32 [~~SUBCHAPTER~~]. This chapter [~~subchapter~~] does not apply to workers'
 2-33 compensation insurance coverage as defined by Section 401.011,
 2-34 Labor Code.

2-35 Sec. 117.003 [~~162.253~~]. DIRECT PATIENT [~~PRIMARY~~] CARE NOT
 2-36 INSURANCE. (a) A physician or health care practitioner providing
 2-37 direct patient [~~primary~~] care is not an insurer or health
 2-38 maintenance organization, and the physician or practitioner is not
 2-39 subject to regulation by the Texas Department of Insurance for the
 2-40 direct patient [~~primary~~] care.

2-41 (b) A direct patient care [~~medical service~~] agreement is not
 2-42 health or accident insurance or coverage under Title 8, Insurance
 2-43 Code, and is not subject to regulation by the Texas Department of
 2-44 Insurance.

2-45 (c) A physician or health care practitioner is not required
 2-46 to obtain a certificate of authority under the Insurance Code to
 2-47 market, sell, or offer a direct patient care [~~medical service~~]
 2-48 agreement or provide direct patient [~~primary~~] care.

2-49 (d) A physician or health care practitioner providing
 2-50 direct patient [~~primary~~] care does not violate Section 1204.055,
 2-51 Insurance Code.

2-52 Sec. 117.004 [~~162.254~~]. BILLING INSURER OR HEALTH
 2-53 MAINTENANCE ORGANIZATION PROHIBITED. A physician or health care
 2-54 practitioner may not bill an insurer or health maintenance
 2-55 organization for direct patient [~~primary~~] care that is paid under a
 2-56 direct patient care [~~medical service~~] agreement.

2-57 Sec. 117.005 [~~162.255~~]. INTERFERENCE PROHIBITED. (a) The
 2-58 Texas Medical Board [~~board~~] or another state agency may not
 2-59 prohibit, interfere with, initiate a legal or administrative
 2-60 proceeding against, or impose a fine or penalty against:

2-61 (1) a physician or health care practitioner solely
 2-62 because the physician or practitioner provides direct patient
 2-63 [~~primary~~] care; or

2-64 (2) a person solely because the person pays a direct
 2-65 fee for direct patient [~~primary~~] care.

2-66 (b) A health insurer, health maintenance organization, or
 2-67 health care provider as that term is defined by Section 105.001
 2-68 may not prohibit, interfere with, or initiate a legal proceeding
 2-69 against:

3-1 (1) a physician or health care practitioner solely
3-2 because the physician or practitioner provides direct patient
3-3 [~~primary~~] care; or

3-4 (2) a person solely because the person pays a direct
3-5 fee for direct patient [~~primary~~] care.

3-6 Sec. 117.006 [~~162.256~~]. REQUIRED DISCLOSURE. A physician
3-7 or health care practitioner providing direct patient [~~primary~~] care
3-8 shall provide written or electronic notice to the patient that a
3-9 direct patient care [~~medical service~~] agreement for direct patient
3-10 [~~primary~~] care is not insurance, prior to entering into the
3-11 agreement.

3-12 SECTION 2. The changes in law made by this Act apply only to
3-13 an agreement entered into on or after the effective date of this
3-14 Act. An agreement entered into before the effective date of this
3-15 Act is governed by the law applicable to the agreement immediately
3-16 before the effective date of this Act, and that law is continued in
3-17 effect for that purpose.

3-18 SECTION 3. This Act takes effect immediately if it receives
3-19 a vote of two-thirds of all the members elected to each house, as
3-20 provided by Section 39, Article III, Texas Constitution. If this
3-21 Act does not receive the vote necessary for immediate effect, this
3-22 Act takes effect September 1, 2025.

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