

Law and Policy Group

GRIST



Roundup of selected state health developments, third-quarter 2025

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By the end of the third quarter, most state legislatures were adjourned for 2025, an active year that saw many developments, particularly related to prescription drugs (Rx) and pharmacy benefit managers (PBMs). Opponents of PBM laws in Arkansas and Iowa won early battles in court. Another Arkansas PBM law was upheld in court. California mandated coverage of abortion medication. Illinois and North Carolina saw expansive PBM laws. Paid family and medical leave (PFML) laws were little changed. Missouri repealed its paid sick and safe leave (PSSL) law, effective Aug. 28. Alaska issued final PSSL rules for its law, effective July 1. Three states addressed balance billing of ground ambulance services. San Francisco and Seattle announced 2026 changes to their benefit-related ordinances.

Rx

Preliminary injunctions halted Arkansas and Iowa PBM laws. A federal district court rejected an ERISA preemption challenge against a second Arkansas PBM law. A California law requires fully insured plan coverage of mifepristone. PBM laws in Illinois and North Carolina may apply to self-funded ERISA plans.

Arkansas

A lawsuit and PBM reporting grabbed the headlines:

- **Preliminary injunction.** A federal district court judge issued a preliminary injunction stopping a PBM ownership law ([2025 Act 624](#), HB 1150) from taking effect. The law bars PBMs from having a direct or indirect ownership interest in a pharmacy operating in the state, effective Jan. 1, 2026. The court concluded that the challengers were likely to succeed against the state, based on the Commerce Clause and the Supremacy Clause of the US Constitution. The law indirectly impacts fully insured and self-funded ERISA plans, as restrictions on pharmacy ownership could negatively affect networks. Specific concerns with the law centered on decreased access, disruption of care and

increased costs. Unless later modified, the preliminary injunction will remain in effect until trial. The case is currently on appeal.

- **PBM pharmacy compensation data reporting.** An Illinois district court [granted](#) the state's motion to dismiss a complaint contesting [Rule 128](#), a reporting regulation that applies to fully insured and self-funded ERISA plans. The plaintiff argued that ERISA preempted the reporting obligation. The case is currently on appeal. Meanwhile, the [Arkansas Insurance Department extended](#) the [PBM reporting deadline](#) from July 1 to July 31 for the Jan 1 – July 1, 2025, reporting period. This was the last transition filing date. The next reporting deadline is March 1, 2026, and will continue annually thereafter. As it stands now, the rule applies to fully insured and self-funded ERISA plans. The data needed for self-funded ERISA plans varies based on the number of covered lives in the state. For background on the requirements, see [Roundup of selected state health developments, first-quarter 2025](#) (April 21, 2025).

California

A California law amends several statutes in order to protect the use of mifepristone and other abortion medications, including a coverage mandate for fully insured plans and healthcare service plans (including HMOs). Of particular note for plan sponsors, [2025 Ch. 136](#) (AB 260), now in effect, prohibits applicable plans with prescription drug benefits from limiting or excluding coverage of mifepristone solely on the basis that the drug is prescribed for a use different from that which it has Food and Drug Administration (FDA) approval or that varies from an approved risk evaluation and mitigation strategy. Coverage of brand name or generic mifepristone is required even if not approved by the FDA for abortion as long as it has the approval of the World Health Organization, National Academies of Science, Engineering and Medicine or the state of California. The law applies to plans issued in California and outside of California. The law does not contain a religious or similar exception. The law also removes parental consent for abortions received by minors, abortion-related criminal penalties and other disciplinary actions. The law does not affect self-funded ERISA plans.

Illinois

The [Prescription Drug Affordability Act](#) (2025 Pub. Act 104-0027, HB 1697) imposes these requirements on PBMs:

- Prohibition against requiring participant payment greater than the lesser of cost sharing, retail price, discounted price through a no-cost drug program, a manufacturer voucher or the discounted price through a discounted healthcare services plan
- No spread pricing
- No steerage to an affiliated pharmacy (including mail order and specialty) or different cost sharing or reimbursement
- 100% rebate pass-through to the plan sponsor, covered individual or employer

- No limits on drug access by designating a drug as a specialty drug
- An annual \$15 per-enrollee fee for all health benefit plans to finance a newly created Prescription Drug Affordability Fund
- Audit of rebate and fee records at least annually by insurer or plan sponsor
- Annual reporting to the department and insurer or plan sponsor of covered drugs and individuals, claims, dosage units, wholesale acquisition costs, out-of-pocket spending, rebates, fees, total gross and net spending, among other elements

The law's application to self-funded ERISA plans is not entirely clear. On the one hand, it defines health benefit plans to include "self-funded employee welfare benefit plans except for self-funded multiemployer plans that are nonfederal government plans [i.e., union plans]." On the other hand, the terms health insurer and insurer explicitly exclude a "plan sponsor of a self-funded, single-employer employee welfare plan or self-funded multiemployer plan subject to 29 U.S.C. 1144 [the preemption portion of ERISA]."

The law generally will take effect on Jan. 1, 2026. Illinois generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state.

Iowa

A federal district court judge issued a preliminary injunction stopping these provisions in a PBM law ([SE 383](#)) from taking full effect, based on ERISA preemption:

- Anti-discrimination, any-willing-provider and specialty-drug designation provisions
- Cost-sharing obligations, particularly related to mail-order pharmacies
- Third-party financial assistance required to apply to plan deductible (with an HSA-qualifying high-deductible health plan (HDHP) exception)
- Dictated contract terms between a PBM and third-party payor
- Pharmacies' right to enforce the law against PBMs, plans and other third-party payors

The ruling also invalidated these provisions on First Amendment free speech grounds:

- Prohibition against referring participants to certain pharmacies
- Compelled PBM disclosures

The ruling left intact these provisions (effective July 1):

- 100% rebate pass-through to insurers (fully insured plans) or plan sponsors (self-funded plans)
- NADAC reimbursement rates

- Limits against steering participants toward certain pharmacies through promotional activities or cost comparisons
- Prohibition on requiring additional accreditation for network inclusion
- PBM reporting and internet publication requirements
- Appeals process provisions

While the \$10.68 dispensing fee was not preempted by ERISA, the court invalidated it because it was inseverable from other invalid provisions.

A recent US Supreme Court decision, [*Trump v. CASA*](#), curtailed universal injunctions. As a result, the preliminary injunction extends only to the named plaintiffs (including Iowa Association of Business and Industry members), as well as “contractors and agents they currently utilize for plan administration.” The plaintiffs have provided a list, which includes most of the major PBMs. The case is currently on appeal.

In late September, the Department of Insurance and Financial Services issued [Bulletin 25-06](#), confirming that it intends to fully enforce SF 383 against employers and contractors not identified in the lawsuit. The bulletin provides a useful roadmap for affected entities.

North Carolina

North Carolina passed the [Supporting Community Retail Pharmacies and Improving Transparency \(SCRIPT\) Act](#) (2025 Ch. 69, SB 479), which imposes these restrictions and standards on PBMs:

- **Pharmacy reimbursements.** PBMs cannot require independent pharmacies (10 or fewer pharmacies with common ownership) or pharmacies in a defined pharmacy desert to accept reimbursement that is less than acquisition cost.
- **Network adequacy.** Pharmacy networks must meet or exceed Medicare Part D standards.
- **Standard of conduct.** PBMs have a duty of good faith and fair dealing in the performance of contractual duties.
- **Anti-affiliate provisions.** Pharmacy reimbursements must be on par with PBM-affiliated pharmacies, taking into account all manufacturer rebates.
- **Rebates.** Cost sharing at the point of sale must be reduced by 90% of rebates received.
- **Transparency.** Every May 1, PBMs must report details about drug benefits to the state.

The law generally took effect on Oct. 1.

The new law used the [existing statutory definition](#) of a PBM (i.e., an “entity contracting with a pharmacy on behalf of an insurer or third-party administrator”), which arguably encompasses PMBs servicing self-funded ERISA plans. North Carolina generally applies its insurance laws on an extraterritorial basis to

state residents covered by fully insured plans issued in another state. For a discussion on extraterritoriality, see [Beyond state lines: A primer on insurance law extraterritoriality](#) (March 26, 2025).

PFML

Delaware made minor changes to its PFML program. Maine's highest court upheld a state Department of Labor rule. New Jersey and New York announced their 2026 contribution rates. Rhode Island added a permitted PFML use.

Delaware

Under [2025 Ch. 115](#) (HS 1 for HB 128), these new rules are now in effect:

- **Coordination of benefits.** Employers may not require use of unused accrued paid time off (PTO), vacation or sick leave before employees take PFML benefits. These benefits can be used to top off PFML benefits by mutual employee and employer agreement. Employers may offset disability insurance benefits (if the policy allows) by the amount of PFML benefits. The state is the primary payor of PFML benefits; other income replacement benefits must be coordinated according to policy terms.
- **Employee disclosure.** When applying for PFML benefits, employees must disclose any child support obligations, triggering notification to the applicable child support enforcement agency.
- **Private plans.** Employers with approved self-funded plans can start collecting contributions (effective July 30). Private plan applications are accepted on a rolling basis, with effective dates at the start of every quarter.

For details on PFML laws in Delaware and other states, see [2025 state paid family and medical leave contributions and benefits](#) (Sept. 23, 2025).

Maine

The Maine Supreme Judicial Court unanimously affirmed a provision in the PFML regulations in [Maine State Chamber of Commerce et al. v. Department of Labor](#). Plaintiffs had argued that these rules conflicted with the law by requiring all Maine employers to pay quarterly contributions to the PFML fund beginning in the first quarter of 2025, including those applying for a private plan, applications for which weren't accepted until April 1.

New Jersey

New Jersey [posted](#) rate changes for 2026. Temporary disability insurance (TDI) and family leave insurance (FLI) together constitute PFML in the state. Employers must collect and remit contributions up to the \$171,100 taxable wage base for 2026, up from \$165,400 in 2025. The 2026 maximum TDI/FLI weekly benefit rate of \$1,199 reflects an increase from \$1,081 in 2025. Employee contributions for TDI

and FLI (at 0.23% and 0.33% for 2025, respectively) have not yet been announced for 2026. Employers do not contribute toward FLI.

New York

New York's Department of Financial Services [posted](#) rates for 2026 paid family leave (PFL) benefits. Employee PFL contributions will increase from 0.388% (2025) to 0.432% (2026) of wages. The maximum annual employee contribution will be \$411.91 (2026), up from \$354.53 (2025). Employers do not contribute to the PFL fund. New York also has a disability benefits law, where employee contributions are set by statute at 0.5% of wages up to a maximum of \$0.60 per week.

Rhode Island

Rhode Island's [HB 6065/SB 829A](#) allows employees participating as a living organ or bone marrow donor to take TDI benefits under the state's PFML program. Paid leave is available to cover time for procedures, medical tests and surgeries related to the donation. The duration limit for recovery is no more than 30 business days for an organ donation and five business days for a bone marrow donation. The law will take effect on Jan. 1, 2026.

Other types of leave

Alaska and Missouri passed PSSL laws last November by ballot initiative but since then have gone in opposite directions. Alaska's mandate took effect on July 1, and the state issued final regulations. Missouri's requirement took effect on May 1, but a subsequent law repealed it, effective Aug. 28. A California court clarified a PSSL benefit calculation. Two Illinois laws expanded reasons for taking protected, unpaid leave. A Maine law addressed PSSL carryovers. Rhode Island will require a new hire notice that encompasses paid leave policies, starting next year.

Alaska

Alaska's Department of Labor and Workforce Development (DOLWD) finalized its [PSSL regulations](#) (along with overtime changes), clarifying the [2024 ballot initiative](#). Highlights include:

- **Employer size.** The law's annual leave accrual cap varies depending on whether the employer has 15 or more employees. It remains unclear whether employer size is based on state or national employee counts. The regulations use a full-time equivalent calculation for part-time employees.
- **Accrual year.** Employers have discretion to select any consecutive 52-week period. If not specified, it is a calendar year.
- **Front-loading.** This is permissible if an employer makes available the minimum number of annual sick time hours as soon as an employee becomes eligible and on the first day of every subsequent year. Front-loading enables employers to avoid carryover of unused balances.

- **Cash-out of unused balance.** Employers may also allow a cash-out to avoid a carryover, if an employee signs an acknowledgement.
- **Employee notice.** Employers may require advance notice of up to 10 calendar days for a pre-scheduled medical appointment or other foreseeable absence in a sick leave policy provided to employees. Employers may discipline employees and deny them leave for failing to provide reasonable advance notice.
- **Documentation.** The sick leave policy can require reasonable documentation to verify sick leave absences longer than three consecutive days. Employers may not require verification for leaves related to domestic violence, sexual assault, harassment or stalking.

The regulations took effect on Sept. 25. DOLWD also updated its [FAQs](#). For details on PSSSL programs in Alaska and other states, see [Roundup: State accrued paid leave mandates](#) (July 23, 2025).

California

A state appeals court [ruled](#) that the [PSSSL law](#) allows an employer to calculate exempt outside sales employees' paid leave at the base hourly rate, excluding commissions, if an employer calculates other forms of paid leave the same manner.

Illinois

The state passed leave laws addressing military leave, employee blood and organ donation, and an employee's child in neonatal intensive care:

- **[2025 Pub. Law 104-0078 \(SB 220\)](#).** This law amends the [Family Military Leave Act](#) (renamed the Military Leave Act) to provide paid leave for funeral honors details. Employers with at least 51 employees must provide up to eight hours per month of paid leave for this purpose (up to 40 hours per calendar year, or more if authorized by the employer or CBA). Authorized providers go beyond the military to include any individual or group recognized by the armed forces who augment uniformed members of a military funeral honors detail (e.g., veterans service organizations). The law took effect Aug. 1.
- **[2025 Pub. Law 104-0193 \(HB 1616\)](#).** This law amends the existing [Employee Blood and Organ Donation Leave Act](#) to require local government employers and private employers with 51 or more employees to make blood and organ donation paid leave available to part-time employees. Currently, paid leave (one hour every 56 days for blood donation and 10 days every 12 months for organ donation) is required only for full-time workers employed for at least six months. Beginning Jan. 1, 2026, paid leave must also be made available to part-time employees at a rate equivalent to average daily wages received during the previous two months.
- **[2025 Pub. Law 104-0259 \(HB 2978\)](#).** The Family Neonatal Intensive Care Leave Act requires employers with at least 16 employees to provide job-protected unpaid leave for employees with a child in the NICU. For employers with 16-50 employees, the maximum duration is 10 days. For larger

employers, the maximum duration is 20 days. Leave must be available on either a continuous or intermittent basis and may be taken after expiration of any FMLA leave. Employees can choose to use available paid leave, but employers cannot require use of paid leave during the NICU leave. Employees have a right of action, and the Illinois Department of Labor can impose civil penalties up to \$5,000. The law will take effect June 1, 2026.

Maine

A Maine law (now in effect) changes a carryover rule under the state's [PSSL law](#). Under [2025 Ch. 438](#) (LD 55), any carryover of accrued, unused leave does not reduce the annual allotment for the following year, currently capped at 40 hours or the accrual limit specified in an employer's leave policy, whichever is higher. Previously, the carryover amount counted toward next year's accrual limit. For example, an employee carrying over eight hours of paid leave will have up to 48 hours in the next year under the new law; previously, an employer could cap leave at 40 hours. Employers may still avoid carryover by front-loading 40 hours at the start of each year.

Missouri

[HB 567](#) repealed the state's PSSL law approved by a [2024 ballot initiative](#) that took effect May 1. Under HB 567, the PSSL mandate ended on Aug. 28. The November ballot initiative also made changes to the state's minimum wage. HB 567 retained the increase to \$15 per hour, extended its scope to public employers and eliminated the inflation adjustment. For perspective, see [Governors play ace cards in recent legislative showdowns](#) (July 30, 2025).

Rhode Island

Under [HB 5679/SB 70](#), employers must provide to each employee, upon hire, a written notice containing major employment information, including sick, vacation, personal leave and holiday policies; exempt/non-exempt status; and rate of pay. The first two failures to provide the notice may subject the employer to a \$400 fine each; subsequent failures risk up to one year in prison in addition to the fine. The law will take effect on Jan. 1, 2026.

Insurance

California addressed coverage of preventive services. Laws in Illinois, New Hampshire and Oregon address balance billing by ground ambulance services. A Rhode Island law restricts the use of prior authorization. These laws do not affect self-funded ERISA plans.

California

As a result of [2025 Ch. 105](#) (AB 144), fully insured plans and healthcare service plans must cover preventive care services that are either recommended by the federal government as of Jan. 1, 2025, or recommended by the California Department of Public Health, with no cost sharing or prior authorization

for health plan members. The Department of Managed Health Care (DMHC) issued [All Plan Letter \(APL\) 25-015](#) on AB 144.

Specifically, the law requires applicable plans to continue to cover preventive care services and immunizations recommended by the US Preventive Services Task Force, the Advisory Committee on Immunization Practices and the US Health Resources and Services Administration on Jan. 1, 2025. In addition, plans must cover comprehensive preventive care for children, based on recommendations adopted by the American Academy of Pediatrics as of Jan. 1, 2025. CDPH may modify or expand the list of covered preventive care services and immunizations based on guidance and recommendations from trusted medical and scientific organizations. An HDHP exception exists. The law generally took effect on Sept. 17.

California generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state, as long as both an employer's principal place of business and a majority of employees are located outside of California.

Illinois

Illinois passed insurance laws related to ground ambulance services and hippotherapy:

- **[2025 Pub. Act 104-0248 \(HB 2785\)](#)**. Plans must ensure participant costs for out-of-network emergency and urgent ground ambulance providers are the lesser of in-network cost sharing for an emergency room visit or 10% of the recognized amount. The term "recognized amount" means the lesser of the amount initially billed by the provider or the qualifying payment amount under the federal [No Surprises Act](#) (NSA), which omits ground ambulance services from its surprise billing protections. If a provider is subject to a local jurisdiction's rules, the rate is equal to the rate established by the local government entity. Otherwise, the rate is equal to the lesser of the negotiated rate between the provider and insurer; 85% of the provider's billed charges; or the average gross charge rate in effect for the date of service for base and loaded mileage charges (if applicable).
- **[2025 Pub. Act 104-0068 \(SB 69\)](#)**. Plans must cover medically necessary hippotherapy, encompassing services provided by an occupational therapist, physical therapist or speech-language pathologist, in conjunction with a professional horse handler and a therapy horse. Under the law, plans cannot exclude these services as experimental or investigational. Providers may recommend hippotherapy to treat post-traumatic stress disorder, anxiety, depression and similar types of impairments. The law indicates the use of hippotherapy to engage sensory, neuromotor and cognitive systems to promote functional outcomes. [TRICARE](#) offers this coverage for beneficiaries diagnosed with multiple sclerosis or cerebral palsy.

Both laws will take effect for plan renewals starting in 2027. Illinois generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state.

New Hampshire

[2026 Ch. 262](#) (SB 245) stops ground ambulances from balance billing participants, starting in 2026. The prohibition does not apply to scheduled inter-facility transfers if a provider satisfies notice and consent requirements under the NSA. For 2026 and 2027, the law requires insurers to reimburse ground ambulance providers at a rate of 325% of the Medicare rate. Thereafter, the insurance commissioner will set the rate. By the end of 2025, the insurance commissioner must provide a standard contract template for use by insurers and providers.

New Hampshire generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state, unless the principal worksite of state residents is in New Hampshire.

Oregon

Oregon enacted insurance laws related to network design and ground ambulance services:

- [2025 Ch. 541](#) (SB 822). The Department of Consumer and Business Services (DCBS) will develop network adequacy requirements for insured plans, consistent with [federal rules](#) (in effect on Jan. 1, 2025) applicable to Affordable Care Act (ACA) [qualified health plans](#). Specifically, networks must provide appropriate and culturally competent care to enrollees, including those with diverse cultural and ethnic backgrounds, varying sexual orientations and gender identities, disabilities or physical and mental health conditions. In addition, the network must be sufficient in number, geographic distribution and type to ensure that all covered services under the plan, including mental health, substance use disorder and reproductive healthcare and treatment, are accessible. Insurers may not use telemedicine providers to meet these standards, except as permitted by DCBS rules. Previously the network adequacy requirements applied only to individual and small group plans.
- [2025 Ch. 614](#) (HB 3243). The law bans balance billing for ground ambulance services and mandates a reimbursement rate of at least 325% of the Medicare rate if an established local rate doesn't exist. Self-funded ERISA plans may opt-in to the program with notice to the DCBS.

Both laws will take effect on Jan. 1, 2026. Oregon generally does not apply its insurance laws on an extraterritorial basis to fully insured plans issued in another state.

Rhode Island

Under [HB 5120A/SB 168B](#), a fully insured plan cannot use prior authorization for items, services and treatments (except prescription drugs) ordered by a primary care provider for three years, starting on Oct. 1. Rhode Island generally applies its insurance laws on an extraterritorial basis to state residents covered by fully insured plans issued in another state.

Other benefit-related issues

San Francisco published its Health Care Security Ordinance (HCSO) rates and Health Care Accountability Ordinance (HCAO) standards for 2026. Colorado passed a law to strengthen its state

marketplace. Illinois expanded telehealth access to physical therapy. A Texas appeals court upheld a law prohibiting local ordinances in several areas, including leaves and labor. Seattle issued the 2026 rates under its hotel industry healthcare mandate.

California — San Francisco

San Francisco announced updates related to two ordinances.

HCSO. The Office of Labor Standards Enforcement (OLSE) published its [2026 Health Care Expenditure \(HCE\) rates](#):

Employer size	Number of workers worldwide	2025 expenditure rate	2026 expenditure rate
Large	All employers with 100+ workers	\$3.85 per hour	\$4.11 per hour
Medium	Businesses with 20–99 workers Nonprofits with 50–99 workers	\$2.56 per hour	\$2.74 per hour
Small	Businesses with 0–19 workers Nonprofits with 0–49 workers	Exempt	Exempt

The exemption threshold for managerial, supervisory and confidential employees will increase from \$125,405 to \$128,861 per year. The HCSO applies to all employers required to have a San Francisco business registration certificate and with at least 20 employees in any location, as long as at least one works in San Francisco. See [San Francisco hikes 2026 Health Care Expenditure rates](#) (Aug. 12, 2025).

HCAO. OLSE announced [new health plan standards](#) for San Francisco contractors and lessees (and their subcontractors and subtenants). The only change is to the self-only out-of-pocket maximum, which increased from \$9,200 (2025) to \$10,600 (2026). As a reminder, compliant coverage must be a gold- or platinum-level plan written in California (or have at least a 76% actuarial value) and be at no cost to employees for self-only coverage. See [San Francisco updates contractor-lessee health plan standards, pay rates updated](#) (Sept. 5, 2025).

Colorado

Apparently in response to the [One Big Beautiful Bill Act](#), Colorado enacted a law to replace the EPTC established by the [American Rescue Plan Act](#) (ARPA) and continued by the [Inflation Reduction Act](#) (IRA). Without further federal action, the EPTC will expire at the end of 2025. Specifically, [HB 25B-1006](#) directs the Colorado Health Insurance Affordability Enterprise (a state government-owned business) to allocate up to \$50 million to the state’s reinsurance program and another \$50 million to insurers to reduce the cost of individual health coverage on the [state-facilitated ACA marketplace](#) for individuals who would otherwise have been eligible for EPTCs under ARPA and IRA rules. The operative provisions will take effect only if the EPTC expires.

Illinois

Under [2025 Pub. Act 104-0411](#) (SB 2153), now in effect, licensed physical therapists can perform initial evaluations via telehealth without a referral or established diagnosis, if in the physical therapist's clinical judgment, an in-person exam is not required. This replaced the higher standard that provided an initial evaluation could be provided by telehealth only if necessary to address a documented hardship (for example, geography, weather or physical conditions). In addition, a physical therapist providing telehealth must be able to facilitate a referral to in-person care within the state but no longer must have the capacity to provide the in-person care themselves. The law applies to all coverage occurring in the state, both fully insured and self-funded.

Texas

A state appeals court [rejected](#), on procedural grounds, a constitutional challenge to a [2023 Texas law](#) preempting many city and county ordinances, regulations and other laws. The Texas Regulatory Consistency Act (TRCA) prohibits cities from enacting PSSL and insurance mandates, among other things. The law (effective since Sept. 1, 2023) was enacted on the heels of the cities of Austin, Dallas and San Antonio passing PSSL mandates. Opponents called TRCA the "Death Star law." The city of Houston (later joined by San Antonio and El Paso) challenged the law based on the "home rule" doctrine in the state constitution. Finding the cities sued the wrong party (the state) and failed to allege injury, the appeals court reversed the [trial court judgment](#) that found the law unconstitutional. While the litigation continues, TRCA is still in effect, and municipalities must continue to evaluate their ordinances for consistency with the statute's preemption provisions. For background, see [Roundup of selected state health developments, second-quarter 2023](#) (Aug. 14, 2023).

Washington — Seattle

The city [announced](#) the 2026 monthly rates that covered hotel industry employers must make to or on behalf of each covered employee for healthcare:

Monthly expenditure rates (by coverage tier)	2025	2026
Employee only	\$561	\$612
Employee with only dependents	955	1,043
Employee with only a spouse or domestic partner	1,124	1,225
Employee with a spouse or domestic partner and one or more dependents	1,686	1,837

[Mun. Code Ch. 14.28](#) applies to most businesses that own, control or operate a Seattle hotel or motel with 100 or more guest rooms, as well as "ancillary hotel businesses" with 50 or more employees worldwide.

Related resources

Mercer Law & Policy resources

- [Some states look to strengthen PBM standards](#) (Sept. 25, 2025)
- [2025 state paid family and medical leave contributions and benefits \(and snapshots slide deck\)](#) (Sept. 23, 2025)
- [San Francisco contractor-lessee health plan standards, pay rates updated](#) (Sept. 5, 2025)
- [San Francisco hikes 2026 Health Care Expenditure rates](#) (Aug. 12, 2025)
- [Governors play ace cards in recent legislative showdowns](#) (July 30, 2025)
- [Roundup: State accrued paid leave mandates](#) (July 23, 2025)
- [Roundup of selected state health developments, first-quarter 2025](#) (April 21, 2025)
- [Beyond state lines: A primer on insurance law extraterritoriality](#) (March 26, 2025)
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