

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 17, 2003

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB720 by Eiland (Relating to the regulation and prompt payment of health care providers under certain health benefit plans; providing penalties.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend various sections and articles of the Insurance Code relating to the regulation and prompt payment of health care providers.

The bill would also establish a more uniform administrative penalty of up to \$1,000 per day on insurers and Health Maintenance Organizations (HMO) for certain payment violations. This change to administrative penalties would not have a significant impact in comparison to the total number of fees, fines, and penalties paid to the Texas Department of Insurance (TDI).

TDI and the Office of the Attorney General indicate they would incur administrative costs associated with the implementation of the bill. It is assumed these costs could be absorbed by the agencies within their existing resources.

It is also assumed the impact to the state's primary health insurance programs, the Employees Retirement System and Teacher Retirement System, is not significant relative to the amounts appropriated to these agencies.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office Of The Attorney General, 327 Employees Retirement System, 454 Department Of Insurance

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