

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: HB1810 by Smithee (Relating to the regulation and prompt payment of health care providers; 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 subject health care providers to penalties of as much as \$200,000, paid to the health care provider in addition to the amount paid on the claim.

The bill would also establish a more uniform administrative penalty of up to \$1,000 per day on insurers and HMOs 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 indicates it would incur administrative costs associated with the implementation of the bill of \$170,000 in the first year of implementation and \$93,000 each year thereafter. If these costs could not be absorbed by the agency within its existing resources, insurance maintenance taxes would be increased to pay for them.

It is assumed that 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: 304 Comptroller Of Public Accounts, 454 Department Of Insurance

LBB Staff: JK, JO, JRO, WP, RB