

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 14, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3022 by Taylor (Relating to availability of preferred providers.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require reasonable access and availability of preferred providers only, thus eliminating reasonable access and availability of non-preferred providers. Enactment of the bill could cause an increase in filings with the Department of Insurance (TDI). The agency has required that health benefit plans pay a minimum coinsurance amount of 50 percent. Additionally, a non-preferred provider deductible in excess of two times the preferred provider deductible has been viewed as unduly restricting an insured's freedom of choice of providers. Many carriers would probably refile policy forms to take advantage of permissible lower coinsurance amounts and higher deductibles; therefore, TDI could anticipate an increase in the number of filings.

It is anticipated that any costs associated with the bill could be absorbed within current resources and that any revenue gain from increased fee collections would be offset by a decrease in collections from the Insurance Maintenance Tax.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

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