

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 19, 2007

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

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1905 by Smith, Todd (Relating to provision of health care services by health maintenance organizations and preferred provider benefit plans.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1905, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>DEPT INS OPERATING ACCT</i> 36
2008	\$3,700
2009	\$0
2010	\$0
2011	\$0
2012	\$0

Fiscal Analysis

The bill would amend the Insurance Code as it relates to health care services and notices provided to enrollees by health maintenance organizations and preferred provider benefit plans.

The bill would take effect immediately upon a two-thirds vote in each house, otherwise the bill would take effect September 1, 2007.

Methodology

Based on the analysis of Texas Department of Insurance (TDI), it is assumed there would be a one time revenue gain in fiscal year 2008. TDI estimates 37 preferred provider organizations would each file one approval filing as a result of the requirements of the bill and each pay the associated \$100 filing fee.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, JRO, MW, SK