

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 15, 2009

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

IN RE: HB1888 by Davis, John (Relating to standards required for certain rankings of physicians by health benefit plans.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would implement a recommendation in the Legislative Budget Board (LBB) *Government Effectiveness and Efficiency Report* entitled, "Require Health Plans That Rank Physicians To Meet National Standards."

The bill would require that health benefit plans which rank physicians to meet standards as prescribed by rule by the Commissioner of Insurance. The bill would require that the Commissioner of Insurance consider national standards and performance measures emphasizing quality of health care in adopting the required rules.

The bill would require that a health benefit plan that ranks physicians must use the nationally recognized standards and guidelines required by rule, disclose the standards and measurements by which each physician is ranked to the physician, and provide affected physicians with due process for the physician to dispute the ranking. The bill provides for sanctions or disciplinary actions against health benefit plans or physicians if they violate the provisions of the bill.

It is not anticipated that these requirements would have any significant fiscal impact to the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, KJG, JI, HC