

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 9, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB620** by Eiland (Relating to the regulation of certain health care provider network contract arrangements; providing an administrative penalty; authorizing a fee.),
Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to regulation of certain health care provider network contract arrangements. The bill would add a new chapter, regarding provider network contract arrangements, to allow for the regulation of the secondary market in certain physician discounts. The bill would also require contracting entities who are not otherwise licensed and do not hold a certificate of authority to register with the Texas Department of Insurance (TDI) within 30 days of the date on which the entity begins conducting business in this state.

Based on information provided by TDI, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources. Also based on information provided by TDI, this analysis assumes that implementation of the bill would result in a one-time revenue gain (\$2,600 in fiscal year 2014) in General Revenue-Dedicated Texas Department of Insurance Fund 36 from filing fees. Since General Revenue-Dedicated Texas Department of Insurance Fund 36 is a self-leveling account, this analysis also assumes that any additional revenue resulting from the implementation of the bill would accumulate in account fund balances and that the department would adjust the assessment of the maintenance tax or other fees accordingly in the following year.

Based on information provided by the Health and Human Services Commission, the bill would have no fiscal impact to the agency.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 454 Department of Insurance, 529 Health and Human Services Commission

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