

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 18, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1280 by Lozano (Relating to contracts between dentists, optometrists, or therapeutic optometrists and health maintenance organizations or insurers.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to contracts between dentists, optometrists, or therapeutic optometrists and health maintenance organizations or insurers. The bill would add optometrists and therapeutic optometrists to existing dental health insurance policy or employee benefits plan contract requirements and dental health maintenance organization (HMO) contract requirements. The bill would also prohibit a plan from requiring a discount on a product or service that is not covered in the plan. The bill would apply to contracts after January 1, 2014.

Based on information provided by the Texas Department of Insurance (TDI), it is assumed that any costs associated with the implementation of this bill would be absorbed within existing staff and resources. Also, based on information provided by TDI, this analysis assumes that implementation of the bill would result in an increase in filings in order to disclose the information required and a one-time revenue gain (\$2,650 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 Employees Retirement System, the Teacher's Retirement System, and the University of Texas System Administration, it is assumed that any costs associated with the implementation of this bill would be absorbed within existing staff and resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 720 The University of Texas System Administration

LBB Staff: UP, AG, ER, LXH