

**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: HB1406** by Smithee (Relating to the disclosure of the calculation of out-of-network payments by the issuers of preferred provider benefit plans and by health maintenance organizations.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
--

The bill would amend the Insurance Code relating to the disclosure of the calculation of out-of-network payments by the issuers of preferred provider benefit plans and by health maintenance organizations. 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 (\$19,100 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.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, AG, ER, LXH