

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 15, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1806** by Smithee (Relating to coverage of telephone consultations and telehealth services or telemedicine medical services under health benefit plans.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to the coverage of telemedicine medical services under health benefit plans. The bill would update the definition of telemedicine to include a health care service that is provided through the use of advanced telecommunications technology, and would add the definition of a telemedicine provider which would include a physician, physician assistant with the supervision of a physician licensed in this state, or advanced practice nurse also with supervision. The bill would also prohibit health benefit plans from covering telemedicine medical services that do not meet the additional requirements outlined in the bill, and discrimination against physicians providing telephone consultations. The bill would take effect September 1, 2013, apply to health benefit plans 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 (\$62,000 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