

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 3, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2700 by Bonnen, Greg (Relating to the requirement that certain medical facilities and physicians give patients a good faith estimate of the expected payment for facility-based health care services before the services are provided; providing an administrative penalty.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill are dependant on unknown implementation details and cannot be determined at this time.

The bill would add Chapter 326 to the Occupations Code, related to the requirement that certain medical facilities and physicians give patients a good faith estimate of the expected payment for facility-based health care services before the services are provided in certain situations. The bill would also provide administrative penalties. The bill outlines certain guidelines for providing the good-faith estimates, including providing an estimate for recipients of government-sponsored programs such as Medicaid, Medicare or CHIP. For these clients, the providers would be required to estimate the amount the program would pay and any amount the person would be expected to pay for fees, procedures, and services.

According to the Health and Human Services Commission (HHSC), the implementation of the bill would result in a significant fiscal impact because it could impact Medicaid and CHIP provider payments and contractor fees. HHSC indicates they do not have information to determine a cost.

The fiscal impact to health-related boards may vary depending on how many complaints the bill's requirements generate and how many of the complaints result in investigations. The Texas Medical Board (TMB) assumes it would offset additional costs with a license fee increase. The bill may result in a cost to smaller boards without the option to raise their fees.

The bill would direct the Department of Insurance (TDI), under Chapter 84 of the Insurance Code, to impose a penalty on a facility or physician that violates provisions of the bill, up to \$1,000 for each violation. The agency indicates that any cost associated with enforcing penalties would not be significant. The provider penalties are expected to result in increased revenue but the overall fiscal impact is not known at this time.

The changes in law made by this bill would apply only to an admission, procedure, or service ordered or provided after the effective date of the bill. The bill would take effect on January 1, 2014.

Local Government Impact

Local units of government operating public hospitals and clinics may see new administrative costs for complying with this bill.

Source Agencies: 304 Comptroller of Public Accounts, 454 Department of Insurance, 479 State Office of Risk Management, 503 Texas Medical Board, 529 Health and Human Services Commission, 537 State Health Services, Department of, 507 Texas Board of Nursing, 508 Board of Chiropractic Examiners, 512 Board of Podiatric Medical Examiners, 514 Optometry Board, 515 Board of Pharmacy, 533 Executive Council of Physical Therapy & Occupational Therapy Examiners

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