

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 15, 2013

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2782 by Smithee (Relating to the authority of the commissioner of insurance to disapprove rate changes for certain health benefit plans.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Insurance Code relating to the authority of the Commissioner of Insurance (Commissioner) to disapprove rate changes for certain health benefit plans. The bill would allow the Commissioner to disapprove rate changes for certain health benefit plans if the rates are determined to be excessive, inadequate, or unfairly discriminatory. The bill would require the Commissioner to establish a method for a health benefit plan issuer to dispute the disapproval of a rate change.

Based on information provided by TDI, the bill could result in an increase in rate revision filings and the potential need for an additional actuary; however, this analysis assumes that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing 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 rate revision filings and an increase in annual revenues of \$16,250 in General Revenue-Dedicated Texas Department of Insurance Fund 36. 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 Teacher Retirement System, Texas A&M University System Administration, and the University of Texas System Administration, the bill would have no fiscal impact to the agencies.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 454 Department of Insurance, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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