

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 15, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1221** by Paxton (Relating to use of a Medicaid-based fee schedule for reimbursement of services under a contract between a health care provider and certain 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 use of a Medicaid-based fee schedule for reimbursement of services under a contract between a health care provider and certain health benefit plans. The bill would prohibit an insurance company, health maintenance organization, or preferred provider organization that provides certain services from providing access to or transferring the provider's name and contracted discount fee for use with health benefit plans issued to individuals or groups unless the provider is notified of and consents in writing to the specific access to be provided or transfer to be made.

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 form filings 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 Health and Human Services Commission, the Teacher Retirement System, the University of Texas System Administration, and the Texas A&M University System Administration, the bill would have no fiscal impact.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 454 Department of Insurance, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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