

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 24, 2017

TO: Honorable Larry Phillips, Chair, House Committee on Insurance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB336 by Collier (Relating to the duties and powers of the office of public insurance counsel concerning the adequacy of networks offered in this state by managed care plans.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB 336, As Introduced: a negative impact of (\$331,268) through the biennium ending August 31, 2019.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$165,634)
2019	(\$165,634)
2020	(\$165,634)
2021	(\$165,634)
2022	(\$165,634)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2017
2018	(\$165,634)	1.0
2019	(\$165,634)	1.0
2020	(\$165,634)	1.0
2021	(\$165,634)	1.0
2022	(\$165,634)	1.0

Fiscal Analysis

The bill would amend the Insurance Code relating to the duties and powers of the Office of Public Insurance Counsel (OPIC) concerning the adequacy of networks offered in this state by managed care plans.

The bill would require OPIC to monitor the adequacy of networks offered by managed care plans in this state and advocate for consumers related to network adequacy by filing complaints with the Texas Department of Insurance (TDI) and appearing in proceedings or hearings. OPIC would be required to compare insurance plans for network adequacy and release an annual consumer report card. The bill would require TDI to maintain complaints from OPIC and notify involved parties about the status of investigations.

The bill would take effect on September 1, 2017. The bill allows OPIC the flexibility to establish a timeline for the implementation, development, and initial issuance of annual consumer report cards in a manner that best uses current agency resources.

Methodology

Based on information provided by OPIC, the agency estimates that implementing the provisions of the bill would result in the need for 1.0 additional Full-Time-Equivalent (FTE) position to handle the increased workload. It is estimated the FTE would require recurring costs to the General Revenue Fund of \$70,000 in salaries, \$1,050 in payroll contribution costs, and \$24,584 in related support and benefit costs. Additional program costs include recurring costs of \$50,000 in professional services for actuaries who provide expert testimony and \$20,000 in other related operating expenses each fiscal year.

Based on information provided by TDI, this analysis assumes the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 359 Office of Public Insurance Counsel, 454 Department of Insurance

LBB Staff: UP, AG, EH, CP