

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 21, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1649** by Muñoz, Jr. (Relating to the use of extrapolation by a health maintenance organization or an insurer to audit claims.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would prohibit health maintenance organizations and insurers operating preferred provider benefit plans from using extrapolation to complete audits of participating providers. The bill would exempt Medicaid and the Children's Health Insurance Program. Based on information provided by the Texas Department of Insurance and Texas Medical Board, 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 significant fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 503 Texas Medical Board, 529 Health and Human Services Commission

LBB Staff: UP, AG, EH, LR, CP, KCA, TBo