

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: **HB3755** by Anderson, Rodney (Relating to payment standards for preferred provider benefit plans to reduce balance billing of insureds for out-of-network health care services.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to require an insurer to pay an out-of-network provider an amount that is equal to or greater than the average amount billed for the service by preferred providers in the same or closest area with zip codes with identical first three digits, minus any portion of the charge that is the insured's responsibility under the preferred provider plan.

Based on information provided by the Department of Insurance, any costs associated with the provisions of the bill could be covered utilizing existing resources.

The bill would take effect on September 1, 2017.

Local Government Impact

It is assumed that any costs to institutions of higher education not covered by state appropriations would be covered with existing institutional resources. Based on information provided by the UT System, even though the plan's share of total reimbursement is likely to increase, the amount of subscriber cost sharing would increase as well due to the increase in allowed charges required by the provisions of the bill.

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

LBB Staff: UP, AG, DEH, ESC