

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 15, 2019**

**TO:** Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB1742** by Smithee (Relating to the mediation of the settlement of certain health benefit claims involving balance billing by out-of-network laboratories.), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to the mediation of the settlement of certain health benefit claims involving balance billing by out-of-network laboratories. Based on information provided by the Texas Department of Insurance, State Office of Administrative Hearings, Teacher Retirement System, and Texas Medical Board, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

While additional costs to a health plan may result in the need for higher contribution rates from the state or members, this analysis assumes that costs could be absorbed using existing resources at the Employees Retirement System.

The bill would take effect only if certain bills are not enacted and become law. The bill would take effect on September 1, 2019.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:**     323 Teacher Retirement System, 327 Employees Retirement System, 360 State Office of Administrative Hearings, 454 Department of Insurance, 503 Texas Medical Board, 507 Texas Board of Nursing, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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