

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 10, 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: HB1832 by Johnson, Julie (Relating to prohibited practices relating to health benefit plan coverage for emergency care.), **As Engrossed**

The fiscal implications of the bill cannot be determined at this time.

The bill would amend the Government Code and Insurance Code relating to prohibited practices relating to health benefit plan coverage for emergency care.

The bill would make it an unfair method of competition or an unfair or deceptive act or practice in the business of insurance, including in Medicaid managed care, to make health benefit plan coverage for an emergency care claim dependent on a utilization review determination that the patient's medical condition required emergency care.

According to the Health and Human Services Commission, there would likely be a cost associated with implementing the provisions of the bill but a specific estimate cannot be provided. Medicaid managed care organizations would be unable to deny payment, or reduce reimbursement, for certain emergency care claims, which would likely result in increased reimbursement and potentially increased utilization.

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

The bill applies only to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2020. The bill would take effect on September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 529 Health and Human Services
Commission

LBB Staff: WP, CLo, CMa, SGr, CP, LR