

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 1, 2019

TO: Honorable Eddie Lucio III, Chair, House Committee on Insurance

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

IN RE: HB2631 by Johnson, Julie (Relating to physician and health care practitioner credentialing by managed care plan issuers.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2631, As Introduced: a negative impact of (\$163,994) through the biennium ending August 31, 2021.

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
2020	(\$83,247)
2021	(\$80,747)
2022	(\$80,747)
2023	(\$80,747)
2024	(\$80,747)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2019
2020	(\$83,247)	1.0
2021	(\$80,747)	1.0
2022	(\$80,747)	1.0
2023	(\$80,747)	1.0
2024	(\$80,747)	1.0

Fiscal Analysis

The bill would amend the Insurance Code relating to physician and health care practitioner credentialing by managed care plan issuers. The bill would require managed care plan issuers to promptly determine credentialing for physicians or health care practitioners.

The bill would require the Office of Public Insurance Counsel (OPIC) to create and publish an annual report relating to the largest managed care plan issuers in the State and information on each issuer's network adequacy, enrollee payment of out-of-network charges, and the impact of credentialing policies.

The bill would take effect on September 1, 2019.

Methodology

Based on information provided by OPIC, the agency anticipates that implementing the provisions of the bill would result in the need for 1.0 additional Full-Time-Equivalent (FTE) position to evaluate the adequacy of managed care plan networks and produce the annual report.

The agency estimates that the FTE position would require recurring costs to the General Revenue Fund of \$59,473 in salaries, \$892 in payroll contribution costs, and \$19,882 in related support and benefit costs each fiscal year. Additional program costs include a one-time cost of \$2,500 for a computer and related equipment, and a recurring cost of \$500 for other related operating expenses.

Based on information provided by the Texas Department of Insurance, Employees Retirement System, Teacher Retirement System, The University of Texas System Administration, Texas A&M University System Administration, and Health and Human Services Commission, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Technology

This analysis estimates a total one-time technology cost of \$2,500 in fiscal year 2020 for a computer and related equipment to implement the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 359 Office of Public Insurance Counsel, 454 Department of Insurance, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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