

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

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

**May 7, 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: HB3911** by Vo (Relating to the examination by the commissioner of insurance of certain insurers' network quality and adequacy.), **As Engrossed**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Insurance Code relating to the examination by the Commissioner of Insurance of certain insurers' network quality and adequacy. The bill would require the Texas Department of Insurance (TDI) to examine an insurer's network used by a preferred and exclusive provider benefit plan for quality and adequacy at least once every three years.

TDI is required to collect an assessment to cover all expenses for the examination of network adequacy. Under the provisions of the bill, TDI is required to deposit an assessment to the TDI local operating account used by the self-directed, semi-independent (SDSI) division of TDI. This analysis assumes that implementation of the bill would be through the Actuarial Office and Financial Examinations SDSI division.

As a self-funding, self-leveling division, the Actuarial Office and Financial Examinations division is required to collect revenues sufficient to cover its costs, so that any additional costs incurred in implementing the provisions of the bill would be offset by an equal amount of revenue.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

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