

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

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to the examination by the Commissioner of Insurance of certain insurers. 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 two 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, CMa, SGr, CP