

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 25, 2019

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dennis Bonnen, Speaker of the House, House of Representatives

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

IN RE: SB1742 by Menéndez (Relating to physician and health care provider directories, preauthorization, utilization review, independent review, and peer review for certain health benefit plans and workers' compensation coverage.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code and Labor Code relating to physician and health care provider directories, preauthorization, utilization review, independent review, and peer review for certain health benefit plans and workers' compensation coverage.

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

The Health and Human Services Commission (HHSC) indicates federal rule addresses preauthorization requirements for managed care organizations that contract to provide for Medicaid and Children's Health Insurance Program (CHIP) services; therefore, it is assumed these provisions would not apply to Medicaid or CHIP and there would be no fiscal impact to HHSC. If the provisions were applied to those programs, HHSC may need to increase managed care premiums to account for the additional administrative burden, which would result in a cost that could be significant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System, 454 Department of Insurance, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices

LBB Staff: WP, CMa, SGr, CP, KFB