

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

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

**April 5, 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:** SB1742 by Menéndez (Relating to physician and health care provider directories for certain health benefit plans.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1742, As Introduced: an impact of \$0 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain from Insurance Maint Tax Fees 8042</b>	<b>Probable (Cost) from Insurance Maint Tax Fees 8042</b>	<b>Change in Number of State Employees from FY 2019</b>
2020	\$144,987	(\$144,987)	2.0
2021	\$141,987	(\$141,987)	2.0
2022	\$141,987	(\$141,987)	2.0
2023	\$141,987	(\$141,987)	2.0
2024	\$141,987	(\$141,987)	2.0

**Fiscal Analysis**

The bill would amend the Insurance Code relating to physician and health care provider directories for certain health benefit plans. The bill would require health benefit plan issuers to

display on the online physician and health care provider directories additional information relating to certain health care facilities and facility-based physicians.

The bill states the health benefit plan issuer is required to update the issuer's website to conform with the provisions of the bill no later than January 1, 2020. The bill would take effect on September 1, 2019.

### **Methodology**

Based on information provided by Texas Department of Insurance (TDI), the agency estimates that there are 343 networks with a provider directory operating in Texas. TDI currently reviews each directory quarterly and estimates it will take an additional 3 hours to review each directory for compliance of the provisions of the bill. It is estimated that implementing the provisions of the bill would result in the need for 2.0 additional Full-Time-Equivalent (FTE) positions assuming 2,000 hours of work per FTE each year.

The agency estimates that the 2.0 FTEs would require recurring costs to General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees of \$103,970 in salaries, \$1,560 in payroll contribution costs, and \$34,757 in related support and benefit costs each fiscal year. Additional program costs include a one-time cost of \$3,000 for computers, and recurring costs of \$1,200 for consumable supplies and \$500 for other related operating expenses.

Due to the self-leveling nature of the TDI operating fund, this analysis assumes that TDI would adjust the assessment of the maintenance tax to account for any additional costs resulting from the implementation of the bill.

Based on information provided by Employees Retirement System, The University of Texas System Administration, and Texas A&M University System Administration, 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 \$3,000 in fiscal year 2020 for computers required to implement the provisions of the bill.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

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