

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 12, 2021

TO: Honorable Tom Oliverson, Chair, House Committee on Insurance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB621 by Johnson, Julie (Relating to payment of health benefit claims in coordination with third-party liability insurance.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time.
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The bill would amend the Insurance Code relating to payment of health benefit claims in coordination with third-party liability insurance. The bill would prohibit a health benefit plan issuer, including Medicaid and CHIP managed care organizations (MCOs), from delaying payment or the provision of a covered benefit on the basis that the enrollee may be eligible to recover under a third-party insurer. This requirement applies to health benefit plans delivered, issued for delivery or renewed on or after January 1, 2022.

Based on information provided by the Texas Health and Human Services Commission, this analysis assumes the provisions in the bill apply only to Medicaid managed care and CHIP, because the Insurance Code does not apply to Medicaid fee-for-service (FFS) programs. The bill could result in managed care organizations paying more up front for services that should be covered by a third-party insurer. This can also impact federal financial participation, as it is not available to the extent that another liable third party is obligated to pay for a service.

HHSC is unable to determine costs at this time.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 529 Hlth & Human Svcs Comm, 710 Texas A&M Univ System Admin, 720 UT Sys Admin

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