

**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: HB1460** by Oliverson (Relating to regulation of air ambulance subscription providers by the Texas Department of Insurance.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1460, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

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:**

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

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

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from Dept Ins Operating Acct 36</i>	<i>Probable Revenue Gain/(Loss) from Dept Ins Operating Acct 36</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$43,904)	\$43,904	0.5
2023	(\$130,960)	\$130,960	1.5
2024	(\$129,460)	\$129,460	1.5
2025	(\$129,460)	\$129,460	1.5
2026	(\$129,460)	\$129,460	1.5

**Fiscal Analysis**

The bill would amend the Insurance Code relating to regulation of air ambulance subscription providers by the Texas Department of Insurance (TDI). The bill provides that an air ambulance subscription provider engages in the business of insurance, and that for an entity to engage in the business of insurance compliantly, a person must hold an authorization from TDI and be subject to all the requirements of the authorization, including initial licensure, financial analysis reviews and financial examinations.

**Methodology**

The Department of Insurance estimates there are approximately 24 air ambulance subscription providers that would be considered insurance companies under the bill. In determining the time necessary to handle tasks associated with regulating these companies, the agency estimates requirements will be approximately the same as life and health companies offering indemnity coverage.

Based on information provided by TDI, the bill will result in a cost in fiscal year 2022 of \$44,000 to General Revenue-Dedicated Fund 36 and 0.5 FTEs, and a cost of \$130,000 to General Revenue-Dedicated Fund 36 and 1.5 FTEs in each subsequent fiscal year.

Due to self-leveling of TDI GR-D Fund 36, any additional appropriations made from the account would be considered in the annual adjustment of maintenance tax rates. Therefore, the overall revenue into the TDI operating account will be equal to the expenses and no net change in fund balance would occur because of the bill.

### **Technology**

There is a negligible technology impact as a result of implementing this bill related to hardware for new FTEs.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance, 537 State Health Services

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