

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: HB2035 by Johnson, Julie (Relating to utilization review of emergency care claims under health benefit plans.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time.
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The bill would amend the Government Code relating to utilization review of emergency care claims under health benefit plans. The bill requires that the Health and Human Services Commission (HHSC) contracts with Medicaid managed care organizations (MCOs) include a provision that the MCOs must comply with Section 541.062 of the Insurance Code. Further, the bill requires utilization review of emergency care claims to be performed by a board-certified emergency room physician licensed to practice in the state, and places certain new requirements on utilization review.

Based on information provided by HHSC, there could be an added cost to MCOs to have a board-certified emergency physician review the claims, and there could be a client services impact as new utilization review rules are applied to these claims. Depending on the level of costs incurred to the MCOs, the managed care capitation rate may need to be adjusted.

HHSC cannot estimate the volume of claims that would be impacted by the required change to the utilization review process for emergency services, and therefore is unable to determine a fiscal impact to the State.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 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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