

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 25, 2021**

**TO:** Honorable Dade Phelan, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3459** by Bonnen (Relating to preauthorization requirements for certain medical and health care services and utilization review for certain health benefit plans.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code to prohibit a health maintenance organization or insurer that uses a preauthorization process to require certain physicians and providers to obtain preauthorization for certain health care services.

This analysis assumes the provisions of the bill do not apply to the Employees Retirement System (ERS) and the Teachers Retirement System (TRS). According to ERS, if the provisions of the bill applied to the Group Benefits Program (GBP), the estimated cost to the state would be \$7.5 million in All Funds in fiscal year 2022 and \$8.0 million in All Funds in fiscal year 2023. The total estimated cost to GBP, including to the state, members, and other employers, would be \$8.9 million in fiscal year 2022 and \$9.4 million in fiscal year 2023. According to TRS, if the provisions of the bill applied to TRS plans, the estimated cost would be \$8.4 million in fiscal year 2022 and \$8.6 million in fiscal year 2023.

The Texas Department of Insurance indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

**Local Government Impact**

No significant 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, 720 UT Sys Admin

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