

**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: HB3459** by Bonnen (Relating to preauthorization and utilization review for certain health benefit plans.), **As Introduced**

**The fiscal implications of implementing the provisions of the bill cannot be determined at this time because the Health and Human Services Commission does not have the information necessary to estimate the cost of tracking prior authorization approval rates. Additionally, the impact of removing certain prior authorizations on service utilization is unknown.**

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.

According to the Health and Human Services Commission, the agency would have to configure and maintain a new system to track provider prior authorization approvals in order to identify providers and services exempt from prior authorization. Additionally, the removal of prior authorizations may increase service utilization. HHSC does not have the information necessary to estimate the cost of the new system. The cost to client services cannot be determined at this time because it is unknown what impact there will be on service utilization.

The Employees Retirement System, Department of Insurance, Texas A&M University System Administration, and University of Texas System Administration indicate that any costs associated with the bill could be absorbed within existing resources.

**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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