

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 27, 2023

TO: Honorable Sam Harless, Chair, House Committee on Health Care Reform, Select

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB633 by Frank (relating to the method of payment for certain health care provided by a hospital.),
Committee Report 1st House, Substituted

There would be an indeterminate fiscal impact to the state. The number of individuals and physicians or health care providers that may participate and engage in direct payment exchanges, and the number of physicians or health care providers that would voluntarily discontinue contracting with health insurance companies in the state, is unknown.

The bill would amend the Insurance Code to require that a physician or health care provider may not be prohibited from accepting directly from an enrollee full payment for a health care service in lieu of submitting a claim to the enrollee's health benefit plan.

According to the Employees Retirement System and Teacher Retirement System of Texas, the bill may necessitate the agencies to modify network agreements, which could disrupt in-network contracting and cost containment activities. The financial impact of such modifications cannot be determined.

Based on the analysis of the Department of Insurance, Health and Human Services Commission, Texas A&M University System Administrative & General Offices, and the University of Texas System Administration, any duties and responsibilities associated with implementing the provisions of the bill could be accomplished by the agencies utilizing 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 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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