

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 16, 2025

TO: Honorable Jay Dean, Chair, House Committee on Insurance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4012 by Paul (Relating to health care and insurance fraud; creating a criminal offense; authorizing a civil penalty.), **As Introduced**

No significant fiscal implication to the State is anticipated.

This analysis assumes that any additional coordination with the Texas Department of Insurance (TDI) that is required of the Texas Health and Human Services Commission's (HHSC) Office of Inspector General (OIG) could be absorbed within existing resources at HHSC, TDI, and OIG. This analysis also assumes that recoveries of Medicaid payments would continue to be deposited back to the Medicaid program pursuant to state and federal law, including the return of federal shares to the federal government. However, if TDI retains a portion of Medicaid recoveries as part of the 50% retainer of funds described in Section 4 of the bill, then there may be an impact to the Medicaid program. This estimate assumes that while the amount of the recoveries is unknown, any recoveries retained by TDI would be to the credit of the Insurance Operating Account Fund 36. This account is a self-leveling account and any expenditures or revenue would be reflected in the annual adjustment of the maintenance tax rates for insurance carriers. Therefore, the overall revenue into the account will equal expenses, resulting in no fiscal impact to the state.

The bill would establish a civil penalty for certain violations of the bill's provisions. It is assumed any revenues collected by the Office of the Attorney General from civil penalties as a result of the bill would have no significant fiscal impact to the state.

It is assumed that any fiscal impact and any impact on state correctional populations or on the demand for state correctional resources associated with the criminal offense would not be significant.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

It is assumed that any fiscal impact to units of local government due to the criminal offense and associated with enforcement, prosecution, supervision, or confinement would not be significant.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 454 Department of Insurance, 529 Health and Human Services Commission

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