

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 25, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1818 by Vo (Relating to examinations of health maintenance organizations and insurers by the commissioner of insurance regarding compliance with certain utilization review and preauthorization requirements; authorizing a fee.), **As Introduced**

The fiscal implications of the bill cannot be determined as the potential fee assessment and the effect on capitation rates for Medicaid and Children's Health Insurance Plan managed care organizations cannot be estimated.

This bill would amend the Insurance Code to require annual examinations of health maintenance organizations and insurers by the Commissioner of Insurance regarding compliance with certain utilization review and preauthorization requirements. This bill authorizes a fee.

According to the Health and Human Services Commission, the bill could increase administrative costs for Medicaid and Children's Health Insurance Plan managed care organizations, however the fiscal implications cannot be determined because the potential fee and its effect on capitation rates cannot be estimated.

Based on the analysis of the Teacher Retirement System of Texas, Employees Retirement System, Department of Insurance, 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: 304 Comptroller of Public Accounts, 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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