

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 387** HLS 21RS 573

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 26, 2021	8:17 PM	<b>Author:</b> GREEN
<b>Dept./Agy.:</b> Insurance		<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> Network Leasing Act for dental insurers		

INSURERS EN SEE FISC NOTE SG RV See Note  
Provides relative to network leasing by dental insurers

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Proposed law creates the Network Leasing Act to enhance contractual transparency between dental carriers, dentists, and third parties. Proposed law authorizes the commissioner of insurance to regulate and enforce the Network Leasing Act, including imposing remedies or penalties authorized by the act. Proposed law does not apply if the provider network contract for dental services is provided to beneficiaries of state-sponsored Medicaid and LaCHIP programs. Proposed law effective for contracts issued or renewed after 8/01/2021.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed law authorizes the Commissioner of Insurance to regulate and enforce the newly enacted Network Leasing Act, including imposing remedies or penalties. The Department of Insurance reports that it is capable of handling any workload impact arising from the proposed law with existing budgetary and personnel resources.

The Office of Group Benefits does not provide dental insurance or dental benefits as part of its self-funded health plans; thereby the proposed law does not impact the agency.

**REVENUE EXPLANATION**

Proposed law will have an indeterminable impact on SGR revenues for the Department of Insurance. The proposed law authorizes the Commissioner of Insurance to impose penalties on parties in violation of the Network Leasing Act. Penalties are used to mitigate the expenses of the state. The Legislative Fiscal Office cannot determine the number and cost of penalties that would be imposed under this measure or anticipate the amount of revenue collected by the Department of Insurance from penalties in future fiscal years.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*  
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**Staff Director**