

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

February 20, 2005

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB368 by Farabee (Relating to health benefit plan coverage for certain mental disorders in children.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to require health benefit plans to provide coverage for certain mental disorders in children. The Health and Human Services Commission (HHSC) assumes that Medicaid Care and Managed Care and CHIP HMOs will be exempt from additional requirements to provide mental health benefits. HHSC indicates that if Medicaid and CHIP health plans are required to increase mental health benefits then there could be significant costs to the state.

The Department of Insurance indicates that the Life/Health area will have to amend mandated benefit reporting rules to add a requirement that insurers' Health Maintenance Organizations report data on mental health benefits required under the proposed legislation.

This bill would take effect September 1, 2005.

Local Government Impact

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

Source Agencies: 454 Department of Insurance, 529 Health and Human Services Commission

LBB Staff: JOB, JRO, MW, NV