

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: HB712 by Eissler (Relating to coverage for certain mental disorders in children under a health coverage plan established by the Teacher Retirement System of Texas under the Texas School Employees Uniform Group Health Coverage Act.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Insurance Code to change coverage provisions of the Texas School Employees Uniform Group Health Coverage Act, which is administered by the Teacher Retirement System as TRS-ActiveCare. The bill would require that certain coverage provisions include mental disorders in children under the same terms and conditions as for physical illnesses. The bill would affect coverage for participants in the TRS-ActiveCare plan for active school employees and their dependents.

The bill would have no direct fiscal impact on the Teacher Retirement System which administers TRS-ActiveCare because this insurance plan is self-funded. However, the cost of claims would increase the total claims by an estimated 0.2% as a result of the bill. Increases would equal an estimated \$1.34 million in FY 2006 and \$1.53 million in FY 2007 with similar increases in future years. Assuming that school district and State contributions remain at the same level as in the current biennium, the additional cost to the average school employee as a result of this bill is estimated to be \$9-\$10 per year. This analysis is exclusive of any other potential legislative changes which may have an actuarial impact.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 323 Teacher Retirement System, 454 Department of Insurance

LBB Staff: JOB, JRO, UP, JSc